International Journal of Education, Modern Management, Applied Science & Social Science (IJEMMASSS)
An International Quarterly bi-lingual Multidisciplinary Double Blind Open Access Peer Reviewed Refereed Journal
ISSN:2581-9925, Impact Factor (Cosmos: 7.555 & I2OR: 5.105), Volume 08, No. 03(IV)(Special Issue), July-September, 2026, pp. 105-110

Role and Performance of Self-Help Groups in Promoting Women Empowerment

Mrs. Moitreyee*

Assistant Professor, Department of Education (B.Ed.), The Graduate School College for Women, Jamshedpur.

*Corresponding Author: moitreyee78@gmail.com

DOI Citation: Moitreyee, M. (2026). Role and Performance of Self-Help Groups in Promoting Women Empowerment. International Journal of Education, Modern Management, Applied Science &Amp; Social Science, 08(03(IV)), 105–110. https://doi.org/10.62823/ijemmasss/8.3(iv).9592

ABSTRACT

In the words of Mahatma Gandhi "the development of every village is nothing but the development of the nation". Again, our first Prime Minister had rightly said that "the women of India should play a vital role in building a strong nation". Women in India constitute nearly 48.46% of total population as per the last census 2011. When we think of development in terms of economy how come half of the population remains unproductive. Women in India are no less than men in any field. So, the call of the hour is women should involve themselves in productive activities to build a strong nation. Empowerment is the process of gaining the confidence, strength and freedom to take control of one's life and make informed decisions. Empowerment is a term which broadly means freedom in decision making. Decision making is directly related to productivity that is economic productivity. Empowerment leads to greater access to knowledge and resources. Empowerment of women leads to changing attitude towards gender inequalities which is in prevalence from a very distant past. Empowerment of women through economic activities in rural areas was quite impossible until and unless the inception of the idea of self-help-group. Self-help-group is an aggregate of 10-20 women. Self-help-group of rural poor women made the women more economically independent and strong. Members of SHG agree to save regularly and contribute to a common fund which can be used to start up a small economic activity (business) that can generate money.

***Keywords**: Self-Help Groups, Women Empowerment, Economic Productivity, Decision Making, Gender Inequalities.*

Introduction

SHGs promote saving habits, credit access, entrepreneurship & social empowerment. In India, SHGs are important tools for poverty alleviation, rural development & women empowerment. SHGs are supported by programs such as NABARDSHG-BANK Linkage and National Rural Livelihood Mission (NRLM). In Odisha SHGs are strongly supported under Mission Shakti.

Need of Self-Help Groups

Since rural women are mostly incapacitate due to illiteracy, low motivation, poor economic conditions. Self Help Groups provide the necessary support to overcome these challenges.

Numerous studies have been conducted by many researchers where they found that that SHGs have helped to raise the economy of the poor rural women.

* *Copyright © 2026 by Author's and Licensed by Inspira. This is an open access article distributed under the Creative Commons Attribution License which permits unrestricted use, distribution, and reproduction in any medium, provided the original work properly cited.*

* ***A Special Issue for the papers accepted for publication in the Two-Days Multidisciplinary National Seminar on Role of Entrepreneurship in Socio-Economic Upliftment of Women in India(22-23May 2026) Organized by Faculty of Commerce, The Graduate School College for Women, Jamshedpur, Jharkhand(A Constituent Unit of Kolhan University, Chaibasa, Jharkhand)in Collaboration with Jharkhand State Higher Education Council, Department of Higher and Technical Education, Govt. of Jharkhand & Punjab and Sind Bank, Sakchi, Jamshedpur.***

SHGs came into its existence with a dream to empower rural women who were basically dependent upon their father, husband and sons. With the initiative of the Government, banks provided loans to these SHGs at a minimal rate of interest to support the economic activities of the poor women with some incentives.

Self-help group originates from Grameen Bank of Bangladesh which was founded by Md. Yunus in the year 1975.In India it was initiated by NABARD in the year 1986-87. Since its inception it has crept into almost all the villages in India. In Odisha it has also spread its wings with economic activities like fisheries, Badi making, coconut broom making, handicrafts, coir products, kitchen garden etc.

Self Help Groups are grassroot networks of individuals – often marginalized women – who pool their savings to provide collateral-free loans to one another. Traditional banks require collateral, which marginalized individuals often lack. Self Help Groups bypass this barrier by pooling of member savings to provide small, low-interest loans for income generating activities like dairy, handicrafts, handlooms, fisheries etc.

Objectives

- Promote saving habits
- Provide Micro-credit
- Encourage self-employment
- Improve the living standards of Rural Women
- Enhance women's participation in Community Activities
- Reduce poverty & Dependence on Money lenders

Literature Review

Hashemi, Schuler, and Riley (1996): Their study in Bangladesh found that participation in microfinance programs increased women's mobility, ownership of assets, and participation in household decisions. Women involved in SHGs gained greater control over income and expenditures.

Swain and Wallentin (2009): Swain and Wallentin observed that SHGs contributed significantly to poverty reduction and women's empowerment in rural India. Their study showed that SHG members developed entrepreneurial skills and increased household income through small businesses.

Puhazhendhi and Badatya (2002): The researchers concluded that SHGs improved income levels, savings habits, and repayment capacity of women members. Members experienced increased confidence and economic security after joining SHGs.

Kabeer (2001): Naila Kabeer emphasized that access to financial resources alone is insufficient unless accompanied by social and institutional support. She argued that SHGs create "agency" among women by enabling collective action and awareness.

Sinha (2005): Sinha found that SHG participation increased women's confidence, communication skills, and social interaction. Women became more active in community development activities and family decision-making.

Manimekalai and Rajeswari (2001): Their study revealed that SHGs improved literacy levels, healthcare awareness, and sanitation practices among rural women. SHGs encouraged collective participation and mutual support among members.

Datta and Gailey (2012): The researchers found that SHGs helped women develop leadership qualities and participate in village-level governance institutions. Women SHG members increasingly contested local elections and voiced community concerns.

Cheston and Kuhn (2002): Their study emphasized that microfinance institutions and SHGs provide opportunities for women to build social capital and leadership abilities. Participation in group meetings enhanced women's public speaking and negotiation skills.

Sharma and Varma (2008): The authors noted that SHG participation improved women's self-confidence and reduced feelings of inferiority. Women became more assertive in household and community affairs.

Brody et al. (2015): A systematic review found that women participating in SHGs experienced positive psychological outcomes such as self-esteem, collective identity, and confidence in decision-making.

Role of Self-Help Groups in Economic Empowerment

Self-Help Groups empower marginalized communities economically by mobilizing local savings, facilitating collateral-free microcredit and promoting entrepreneurship. Members pool regular, small savings into a collective fund. They can borrow from this fund at reasonable, group-determined interest rates for emergencies or income-generating ventures without needing traditional bank collateral. Organizations (like NABARD in India) connect mature SHGs to formal banks, allowing the groups to access larger lines of credit for scaling micro-enterprises. SHGs provide a platform for members to receive training in functional skills like tailoring, handicrafts, and basic bookkeeping, increasing their employability and business acumen. By facilitating the launch and sustenance of micro-enterprises, SHGs transform dependent or underemployed individuals into income earners, directly improving household wealth and food security. As a group, members wield greater bargaining power when buying raw materials in bulk or negotiating prices for their products in local markets.

Role of Self-Help Groups in Social Empowerment

SHGs provide a platform for members to express their views and participate in decision-making. Women develop leadership, communication, and organizational skills through group activities. Members gain confidence to interact with government officials, banks, and community leaders. SHGs help women challenge traditional gender roles and discrimination. They encourage women's participation in family and community decisions. Increased awareness of women's rights leads to greater social recognition and respect. SHGs spread awareness about education, health, sanitation, nutrition, and legal rights. Members often encourage children's education, especially that of girls. Literacy and skill-development programs are frequently conducted through SHGs. SHGs create a sense of unity, cooperation, and mutual support among members. They help address social problems such as domestic violence, child marriage, and substance abuse. Collective action increases the group's influence in the community. SHG members actively participate in local governance and development programs. Many women contest and hold positions in local bodies such as Panchayats. SHGs serve as a bridge between communities and government welfare schemes. SHGs provide opportunities for marginalized groups, including poor women, scheduled castes, and tribal communities. They promote inclusion and equal access to resources and opportunities.

Political Empowerment of Women Through Self-Helf Groups

SHGs provide opportunities for women to hold positions such as president, secretary, or treasurer. These roles help women develop leadership, communication, and management skills. Through meetings and training programs, women learn about their legal, political, and constitutional rights. Awareness encourages them to demand accountability from local authorities. SHG members are more likely to attend village meetings and participate in local decision-making bodies. Many women from SHGs contest elections for local government institutions such as Panchayati Raj Institutions. SHGs enable women to raise issues related to health, education, sanitation, domestic violence, and welfare schemes collectively. A united group has greater bargaining power than individual women. Regular interaction and successful management of group activities increase self-confidence. Communities begin to recognize women as capable leaders and decision-makers. SHGs motivate women to vote, understand electoral processes, and support capable candidates. They help reduce political exclusion and increase democratic participation.

Performance of Self- Help Groups in India

- **Large Scale Financial Inclusion**

Self-Help Groups have brought millions of poor households into the formal banking system. The SHG-Bank Linkage Programme (SBLP), promoted by National Bank for Agriculture and Rural Development, has enabled access to credit for rural women who previously lacked banking services. Members develop saving habits and gain access to affordable loans.

- **Growth of Women Entrepreneurship**

SHGs have emerged as an important platform for promoting women entrepreneurship in rural and semi-urban areas. Access to microcredit, savings, and training enables women to start and expand

small businesses such as food processing, tailoring, handicrafts, dairy farming, poultry, and retail shops. SHGs help women develop entrepreneurial skills, including financial management, marketing, production planning, and leadership. Collective action through SHGs reduces business risks and improves access to markets, raw materials, and government support schemes. Successful SHG enterprises contribute to employment generation, higher household incomes, and local economic development. The growth of women-led enterprises through SHGs has strengthened women's economic independence and enhanced their social status within families and communities.

- **Poverty Reduction and Livelihood Promotion**

SHGs support microenterprises such as dairy farming, handicrafts, tailoring, poultry, and small retail businesses. Increased household income helps improve living standards, education, and healthcare access.

- **Improved Social Awareness**

SHGs have played a significant role in increasing social awareness among members, especially women in rural areas. Regular meetings provide a platform to discuss issues related to health, sanitation, nutrition, education, gender equality, and legal rights. Members become more aware of government welfare schemes and learn how to access various social and economic benefits. SHGs have contributed to greater awareness about the importance of children's education, maternal healthcare, family welfare, and environmental conservation. Many SHGs actively participate in campaigns against social evils such as child marriage, dowry, domestic violence, and alcoholism. Increased awareness has encouraged greater community participation and strengthened local governance through involvement in village development activities.

Case Study: Pramila Bisoi

Background: Born on September 15, 1948, Pramila Bisoi hails from the rural Chermaria village in the Aska block of Ganjam district which is considered as one of the most backward districts of Odisha. She comes from a peasant family and received minimal formal education, studying only up to the third standard. In accordance with prevailing customs at the time, she was married at the early age of five. Throughout her early adult life, she and her peasant family lived in a simple, tin-roofed house with very limited financial resources. Despite these early financial hardships, she became an active community organizer. By her mid-40s, she began mobilizing village women, ultimately dedication over two decades to grassroots women's empowerment through the Mission Shakti movement and local forest conservation. She was associated with the Sata Sankha SHG.

Key points about her:

- She worked for nearly two decades in women's SHGs, focusing on sanitation, literacy, vaccination, institutional delivery, environment protection, and rural livelihoods.
- Her SHG provided mid-day meals to school children in local schools.
- In 2019, Naveen Patnaik selected her as the BJD candidate from the Aska Lok Sabha constituency as a tribute to Odisha's Mission Shakti women's movement.
- She later became a Member of Parliament (Lok Sabha) from Aska after winning the 2019 election.
- Despite having limited formal education and a modest farming background, she became an example of grassroots leadership and rural women's empowerment in Odisha.
- Her journey from an SHG worker to an MP is often cited as a success story of Odisha's Mission Shakti programme and women-led rural development.

Apart from her role in Odisha's SHG movement, Pramila Bisoi made several grassroots contributions to rural development & women's welfare.

Some of her notable contributions include:

- Promoting women's participation in village governance & decision making.
- Encouraging rural women to become financially independent through SHGs.
- Leading awareness campaigns.
- Working on environmental protection activities.
- Encouraging girls& women's literacy in rural areas.

Recognitions and Awards

Because of her environmental & social work, she received recognitions and her contributions have been acknowledged through several prestigious awards:

- Prakruti Bandhu Award from the Odisha Government for environmental conservation
- Prakruti Mitra Award from the Government of Odisha for her environmental and social contributions.
- RBS Earth Heroes Award (Lifetime Achievement) conferred by the Royal Bank of Scotland Group in 2019 for her dedicated work in peacock conservation and environmental protection.
- Best Woman Parliamentarian Award at the Lokmat Parliamentary Awards for her contributions as a legislator.

Lessons From the Case Study

- SHG builds leadership among ordinary women.
- Economic independence increases confidence.
- Collective effort creates social transformation.
- Rural women can become national leaders.
- ***"Empowered women empower society."***

Suggestions for Strengthening SHG

- **Provide Skill Development Programs**

Organize regular skill development and vocational training programs based on local market demand. Equip SHG members with technical skills in areas such as tailoring, food processing, handicrafts, dairy farming, poultry farming, digital services, and other income-generating activities. Collaborate with government agencies, NGOs, and training institutions to deliver quality training. Offer refresher courses to help members adapt to changing technologies and market trends. Link skill development programs with employment and entrepreneurship opportunities to ensure sustainable livelihoods.

- **Improve Access to Bank Loans**

Ensure timely and adequate credit support for SHGs through simplified loan application and approval procedures. Strengthen the SHG–Bank Linkage Programme to increase financial inclusion and credit availability .Encourage banks to provide collateral-free loans and flexible repayment options for SHG members. Increase awareness among SHG members about available loan schemes, subsidies, and financial assistance programs. Promote the use of digital banking services to facilitate faster loan processing and transactions.

- **Promote Digital & Financial Literacy**

Conduct regular training programs to improve digital skills such as mobile banking, UPI payments, and online transactions. Enhance financial literacy among SHG members to help them understand savings, credit, interest rates, insurance, and budgeting. Encourage safe and responsible use of digital financial services to prevent fraud and cyber risks. Link SHG members with government-led digital literacy initiatives and banking awareness campaigns. Promote the use of digital tools for maintaining accounts, accessing government schemes, and expanding business opportunities.

Conclusion

The study on the role and performance of Self-Help Groups (SHGs) in promoting women's empowerment highlights that SHGs have emerged as a powerful grassroots institution for improving the socio-economic status of women, particularly in rural and semi-urban areas. Through collective savings, access to microcredit, and participation in income-generating activities, SHGs have enabled women to move from financial dependency toward greater economic self-reliance. Theyhave been successful in combining economic upliftment with social transformation. With continued institutional support and targeted interventions, SHGs can play an even greater role in building an inclusive and equitable society.

References

1. Brody C. et al. (2015). Economic Self-Help Group Programs for Improving Women's Empowerment.
2. Cheston S. & Kuhn L. (2002). Empowering Women through Microfinance.
3. Datta P. & Gailey R. (2012). "Empowering Women through Social Entrepreneurship."
4. Hashemi S. Schuler. & Riley, A. (1996). "Rural Credit Programs and Women's Empowerment."
5. Kabeer, N. (2001). Resources, Agency and Achievements.
6. Manimekalai K.& Rajeswari G. (2001). "Nature and Performance of Informal Self Help Groups."
7. NABARD Reports on SHG-Bank Linkage Programme.
8. Puhazhendhi V. &Badatya K. (2002). SHG-Bank Linkage Programme for Rural Poor.
9. Sharma P. & Varma S. (2008). "Women Empowerment through Entrepreneurial Activities."
10. Sinha F. (2005). Access, Use and Contribution of Microfinance in India.
11. Swain R. & Wallentin F. (2009). "Does Microfinance Empower Women?".

❑❑❑