

Transformative Impact of Self-Help Groups on Women's Empowerment in India

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Abstract-The participation of women in Self Help Groups (SHGs) has significantly transformed their lives, empowering them at individual, familial, and societal levels. SHGs serve as platforms for women to collectively address common challenges through self-help and mutual support. Particularly in India, SHGs represent an attractive scheme for poverty alleviation, fostering women's entrepreneurship, and providing financial assistance. This paper examines the transformative impact of SHGs on women's empowerment in India, a nation characterized by pervasive gender disparities and socioeconomic challenges. Through a comprehensive literature review and statistical analysis, the study elucidates the multifaceted dimensions of women's empowerment within the context of SHGs.

Keywords- Empowerment, Self-Help-Groups, Bank-Linked programme, Microfinance

1. Women's Empowerment- An Overview

Empowerment, especially of women, is the process of enabling individuals to assert control over their lives, make choices, and achieve their full potential. Women's empowerment is crucial for achieving gender equality and fostering inclusive development. It involves enhancing women's access to education, healthcare, economic opportunities, and decision-making roles in society.

Women's empowerment is important for several reasons. First, it promotes social justice by challenging discriminatory practices and structures that perpetuate gender inequalities. Second, empowered women contribute to economic growth and poverty reduction by participating in the workforce, starting businesses, and investing in their families' well-being. Third, women's empowerment leads to improved health outcomes for themselves and their communities, as educated and empowered women are more likely to seek healthcare services and make informed decisions about their families' health.

Overall, women's empowerment is not just a matter of rights; it is essential for building resilient and equitable societies where everyone can thrive.

2. Women's Empowerment in India-

The concept of women's empowerment in India has evolved across distinct historical phases, reflecting shifting social, economic, and political landscapes.

- **Pre-Independence Era:** Women in India encountered formidable societal constraints during the pre-independence period. Limited access to education and entrenched social norms restricted their engagement in public spheres.
- **Post-Independence Reforms:** Following independence, the Indian government-initiated reforms to address gender disparities. Constitutional provisions and policies aimed to advance women's rights, education, and employment opportunities. The establishment of the National Commission for Women in 1992 represented a significant milestone.
- **Economic Empowerment Initiatives:** The late 20th century witnessed a concerted focus on economic empowerment. Initiatives such as the formation of Self-Help Groups (SHGs) aimed to foster financial independence and entrepreneurial skills among women.
- **Legal Reforms:** Legal reforms have played a pivotal role in advancing women's empowerment. Landmark legislation such as the Dowry Prohibition Act, Protection of Women from Domestic Violence Act, and amendments to inheritance laws aimed to safeguard women's rights.
- **Women in Political Leadership:** The 21st century has witnessed a rise in women's political participation. Reserving seats for women in local bodies (Panchayati Raj) aimed to ensure their representation and active involvement in decision-making processes.
- **Education and Health Initiatives:** Ongoing initiatives focus on enhancing women's access to education and healthcare. Government schemes like '**Beti Bachao, Beti Padhao**' (Save the Daughter, Educate the Daughter) underscore the significance of girls' education.

- **Awareness and Advocacy:** Civil society and women's organizations have been instrumental in raising awareness and advocating for gender equality. Movements like the "Me Too" campaign have shed light on issues such as workplace harassment.
- **Challenges and Opportunities:** Despite strides, challenges persist, including gender-based violence, unequal pay, and limited representation in certain sectors. Continued efforts emphasize addressing these challenges and harnessing opportunities for comprehensive empowerment.
- **Technology and Digital Inclusion:** The digital age has opened new avenues for women's empowerment. Initiatives promoting digital literacy and online entrepreneurship have contributed to economic and social empowerment.
- **Intersectionality and Inclusivity:** Contemporary discourse on women's empowerment underscores intersectionality, recognizing diverse experiences shaped by factors such as caste, class, and region. Inclusivity remains paramount to ensure the empowerment of all women.

Women's empowerment in India is a dynamic process characterized by achievements and ongoing challenges. Collaborative efforts involving government, civil society, and individuals continue to shape the trajectory of women's empowerment, fostering a more inclusive and equitable society.

3. Research Methodology-

- a. **Study Objective-** This paper aims to analyze the impact of Self-Help Groups on women's empowerment in India.
- b. **Period of the study-** The current paper covers a period of ten years from 2012-13 to 2021-22.
- c. **Review of Literature-**

Jha (2001)¹ noted that women's SHGs aid in the instillation of the spirit of self-effort and self-reliance among women in his work on "SHGs heralding the emergence of the genuine cooperative movement in India." SHG aids in creating a venue for female discussion and gives them access to chances for useful employment. Additionally, he claimed that SHG develops a spirit of opportunity for talent development and instills confidence. A small, economically

¹Jha, D. (2001). SHG Heralding Emergence of Genuine Cooperative Movement in India, Paper presented at the 19th Annual Convention of the Indian Society for Studies in Cooperation, held at Pune during February, 2-4, 2001.

homogenous, and affinity group of impoverished people from rural or urban areas that was voluntarily formed to save and contribute to a pooled fund that would be lent to its members by the group's choice and to work together for the social and economic uplift of their families and community was the SHG.

Kondal's (2014)² study, "Women Empowerment Through Self-Help Groups in Andhra Pradesh, India," published in the *International Research Journal of Social Sciences*, delves into the dynamics of women's empowerment facilitated by self-help groups (SHGs). The literature review underscores SHGs' pivotal role in Andhra Pradesh, empowering women economically, socially, and politically. Through collective action and skill development, SHGs enable women to challenge traditional gender roles, access financial resources, and participate in decision-making processes. The research highlights the transformative impact of SHGs on women's self-esteem, autonomy, and community engagement. However, the study also identifies challenges such as limited access to credit, insufficient institutional support, and cultural barriers hindering the full realization of women's empowerment through SHGs. Overall, Kondal's work contributes valuable insights into the complexities and potentials of SHGs in fostering women's empowerment in Andhra Pradesh, India.

Mohapatra and Sahoo's (2016)³ study investigates the determinants of participation in self-help groups (SHGs) and their impact on women's empowerment. Published in the *Indian Growth and Development Review*, the research explores factors influencing women's engagement in SHGs and how participation affects empowerment outcomes. The study sheds light on the intricate relationship between SHG involvement and women's socio-economic empowerment, offering valuable insights into the dynamics of grassroots development initiatives.

In his study entitled, "Women Self-Help Groups in Orissa: A Crusade for Women Empowerment," Pandit, R. C. (2006)⁴ noted the importance of adequate monitoring and supervision of credit utilization as well as income-generating activities. Additionally, it has been found that SHGs with more educated female members perform better than SHGs with

²Kondal, K. (2014). Women empowerment through self-help groups in Andhra Pradesh, India. *International Research Journal of Social Sciences*, 3(1), 13-16.

³Mohapatra, S., & Sahoo, B. K. (2016). Determinants of participation in self-help groups (SHG) and its impact on women empowerment. *Indian Growth and Development Review*, 9(1), 53-78.

⁴ Pandit Charan Ramesh (2006), *Women Self-Help Groups in Orissa: A Crusade for Women Empowerment*, in Tripathy S.N. and Sahoo R.K. (eds.), 'Self-Help Groups and Women Empowerment', Anmol Publications Private Limited, New Delhi, pp. 40-47.

less educated and illiterate female members. Therefore, suitable action should be taken to advance women's education. Microcredit would become an effective tool and open the door for the socioeconomic development of women in a comprehensive and integrated way with careful and judicious lending, other linkage activities, and an emphasis on development and empowerment strategies and processes.

In their study "SHG-Bank Linkage Programme for Rural Poor - An Impact Assessment" (Puhazhendi, V., & Badatya, Nov. 2002⁵), findings indicate significant positive changes post-SHG participation. Confidence levels rose from 21% to 78%, while improved family treatment increased from 40% to 89%. Decision-making involvement in household economics increased from 39% to 74%. Communication improved from 23% to 65%. Resistance against harmful behaviors like drinking and gambling rose from 37% to 81%. Moreover, mobility increased, with 75% reporting enhanced freedom of movement post-SHG. The study underscores SHGs' transformative impact on social dynamics and empowerment among rural communities.

In his study titled "Can Microfinance Empower Women? Self Help Groups in India," Ranjula (2007)⁶ highlights progress in women's resource control, behavior, and decision-making, yet identifies crucial issues through household data and FGDs. He emphasizes the need for significant change for true empowerment, questioning the long-term impact of modest microfinance programs. Ranjula suggests that SHGs, often supported by NGOs, hold promise for women's emancipation, stressing the importance of education and awareness to achieve lasting empowerment in microfinance initiatives.

Reddy and Manak's (2005)⁷ report titled "Self-help Groups: A Keystone of Microfinance in India - Women Empowerment and Social Security" from the Andhra Pradesh Mahila Abhivruddhi Society (APMAS) underscores the pivotal role of self-help groups (SHGs) in India's microfinance landscape. The report elucidates how SHGs empower women economically and socially while providing a crucial layer of social security. It offers insights into the mechanisms through which SHGs enhance women's financial inclusion,

⁵Puhazhendi V. & Badatya K. C (2002), SHG-Bank Linkage Programme for Rural Poor- An Impact Assessment, National Bank for Agriculture and Rural Development, Paper presented at the Seminar on SHG-bank Linkage Programme at New Delhi 25th and 26th November 2002.

⁶Swain, Bali. Ranjula (2007), Can Microfinance Empower Women? Self Help Groups in India, ADA Dialogue, N.37, Pp 61-82, May 2007.

⁷Reddy, C. S., & Manak, S. (2005). Self-help groups: A keystone of microfinance in India-women empowerment and social security. Andhra Pradesh Mahila Abhivruddhi Society (APMAS). India: Hyderabad.

decision-making autonomy, and community support structures in India's socio-economic fabric.

Shetty and Hans (2018)⁸ investigate women's empowerment and financial inclusion barriers in India. Through their analysis in the *International Journal of Management Sociology and Humanities*, they identify socio-economic and cultural hurdles that obstruct women's access to financial services, stressing the need for targeted interventions to promote gender equality and economic participation.

Uma, N.'s (2012)⁹ "Self-help Group: An Effective Approach to Women Empowerment in India" explores how self-help groups (SHGs) bolster women's empowerment. SHGs provide platforms for economic, social, and psychological growth, enhancing women's agency and status. The literature underscores SHGs' role in fostering collective action, skill development, and community mobilization, empowering women to challenge traditional gender roles. Despite their impact, SHGs face challenges like financial constraints and socio-cultural barriers. The study advocates for policy reforms to support SHGs in sustaining their transformative work. Uma's article offers valuable insights into SHGs' contribution to women's empowerment, advocating for a more inclusive and supportive environment in India.

Vinayamoorthy and Pithoda (2007)¹⁰ conducted a study titled "Women Empowerment through SHG: A Case Study in North Tamil Nadu," examining three villages in Tamil Nadu. The study focused on how SHGs empower women, surveying 398 members from 20 SHGs across Vellore, Thiruvannamalai, and Dharmapuri districts. They analyzed members' income, spending, savings post-SHG participation, and SHGs' credit extension functions. The study concluded that SHGs effectively facilitated economic activities, showcasing their significant role in women's empowerment in the region.

d. Sources of Data-The study employs a mixed-methods approach, gathering both primary and secondary data to examine the impact of microfinance on women's empowerment in India. Recognizing the qualitative nature of the study, data collection from various sources

⁸ Shetty, S., & Hans, V. (2018). Women empowerment in India and financial inclusion barriers. *International Journal of Management Sociology and Humanities*, 9(3).

⁹Uma, N. (2012). Self-help group: an effective approach to women empowerment in India. *International Journal of Social Science and Interdisciplinary Research*, 1(8), 8-16.

¹⁰Vinayamoorthy, A. and Pithoda, Vijay. (2007), "Women Empowerment through SHG: A Case Study in North Tamil Nadu", *Indian Journal of Marketing*, Vol. 37, No.11.pp 32-35

becomes imperative. Secondary data, sourced from publications, annual reports of institutions like NABARD, SHGs, SA-DANAN, RBI, and government reports such as "The Bharat Microfinance Report" and "Status of Microfinance in India," forms a substantial part of the study's foundation. The researcher supplements secondary data with primary information obtained through questionnaires and interviews to mitigate biases and deepen insights into current human resources practices. The study thus integrates diverse sources to provide a comprehensive understanding of microfinance's impact on women's empowerment in India.

6. Need of SHGs-

The rural poor face multifaceted challenges stemming from social backwardness, illiteracy, low motivation, and economic deprivation, leaving them marginalized and lacking access to vital knowledge and information crucial for development. However, when organized into Self Help Groups (SHGs), they gain empowerment to surmount these obstacles. SHGs play a pivotal role by mobilizing resources for collective economic development, fostering savings habits, and leveraging local skills for group prosperity. Moreover, SHGs raise awareness about financial rights, facilitate problem-solving through group dynamics, and serve as agents of socio-economic development within villages. They establish vital linkages with NGOs, assist in loan recovery, nurture mutual trust and self-confidence, and cultivate teamwork and leadership qualities. SHGs emerge as efficient conduits for rural credit delivery, empowering the rural poor to transcend individual limitations and collectively strive for enhanced socio-economic well-being and development.

7. Women's Participation in India, World-

Higher participation of females in the labour force has been cited in the literature as an important factor for higher output and economic growth. Most often it is the nature of gender relations in society and gender discrimination that constrain women's participation in the labour force. Women account for 40 percent of the world's labour force¹¹. As per a report from The World Bank, in India, the labour force participation rate among females was 24 percent, and among males was 73.61 percent for 2022.¹²

According to ILO report 2023, the global jobs gap stood at 473 million people in 2022, corresponding to a jobs gap rate of 12.3 percent. The global jobs gap is a new measure of the

¹¹ https://www.ilo.org/wcmsp5/groups/public/asia/robangkok/sro/newdelhi/documents/publication/wcms_250113.pdf

¹² <https://genderdata.worldbank.org/countries/india>

unmet need for employment in the world. It consists of the 205 million unemployed – corresponding to an unemployment rate of 5.8 percent – and 268 million people who have an unmet need for employment but are outside the labour force because they do not satisfy the criteria to be considered unemployed. This job gap is particularly large for women and in developing countries. Although men and women currently face similar global unemployment rates, the job gap for women is 15.0 percent, compared with 10.5 percent for men. This gender gap has remained almost unchanged for two decades (2005-2022).

Personal and family responsibilities (including unpaid care work), discouragement by the lack of decent employment opportunities, and scarcity of possibilities for (re)training can prevent many people from seeking employment or limit their availability to work at short notice. Low-income and lower-middle-income countries present high job gap rates, between 13 and 20 percent, whereas upper-middle-income countries show a gap of around 11 percent, and high-income countries register a gap of only 8 percent¹³. Globally, the labour force participation rate of women stood at 47.4 percent in 2022, compared with 72.3 percent for men. The gap of 24.9 percentage points means that for every economically inactive man, there are two such women.

Table 1 depicts the share of labour force participation rate in the World as well as in India:

Table 1: Labour Force Participation Rate (Percentage of Population) in World and India

Year	World			India		
	Female	Male	Total	Female	Male	Total
2021	52.53	77.80	65.34	24.61	76.23	51.34
2020	51.29	76.81	64.22	24.24	75.71	50.90
2019	52.93	78.49	65.88	25.33	77.00	52.08
2018	52.19	78.43	65.48	21.95	76.49	50.19
2017	52.35	78.58	65.63	22.96	77.25	51.06
2016	52.47	78.79	65.79	24.01	77.97	51.94
2015	52.59	78.98	65.94	25.08	78.68	52.82
2014	52.69	79.15	66.07	26.19	79.35	53.70
2013	52.91	79.39	66.29	27.33	80.01	54.60
2012	53.26	79.68	66.61	28.51	80.66	55.50
2011	53.45	79.88	66.80	29.36	81.16	56.17
2010	53.62	80.02	66.95	30.24	81.65	56.85
2009	53.95	80.15	67.19	30.53	81.32	56.82

(The World Bank Report, 2022)

¹³ World Employment and Social Outlook Trend 2023, International Labour Organisation, Geneva, p. 14.

8. Role of Self-Help Groups in Women's Empowerment-

Self-help groups (SHGs) play a central role in advancing women's empowerment through fostering financial independence, social cohesion, and community development. Key aspects of their contribution include:

- **Economic Empowerment:** SHGs enable women to pool resources, save collectively, and access credit, promoting entrepreneurship and economic self-sufficiency.
- **Financial Inclusion:** Through promoting financial literacy and access to microcredit, SHGs empower women to start businesses and break free from dependency on informal moneylenders.
- **Skill Development:** SHGs offer skill enhancement programs, enhancing employability and personal development, enabling women to explore diverse economic opportunities.
- **Social Empowerment:** Participation in SHGs fosters solidarity and confidence among women, empowering them socially within families and communities.
- **Decision-Making Power:** SHGs encourage active participation in decision-making, empowering women to assert themselves in broader community and family matters.
- **Health and Education:** SHGs promote awareness and access to health and education services, positively impacting family well-being.
- **Women's Rights Advocacy:** Empowered women within SHGs advocate for gender equality, challenging traditional gender norms and addressing issues like domestic violence.
- **Entrepreneurship and Livelihood Opportunities:** SHGs facilitate microenterprise creation, enhancing individual livelihoods and local economic development.
- **Poverty Alleviation:** SHGs provide sustainable livelihood options, lifting women and families out of poverty and promoting community well-being.

- Government Schemes and Support: SHGs act as channels for implementing government schemes, ensuring effective delivery of financial and developmental support.

In short, SHGs serve as catalysts for women's empowerment, addressing economic, social, and cultural dimensions, and contributing to a more equitable and empowered society.

9. What is Self Help Groups (SHGs) and its growth in India-

Self-help groups (SHGs) are defined as organizations typically comprising 10 to 20 members, which may or may not be formally registered, aimed at financial intermediation while also fostering self-management and development. They serve as platforms for affordable financial services and collective savings, often supported by NGOs or government entities. Despite the substantial growth in the branch network of formal banking institutions, a significant portion of India's population remains excluded from the formal banking system.

According to Indian law, groups exceeding 20 members must be registered, although informal groups are encouraged to avoid bureaucracy, corruption, and unnecessary administrative costs. Homogeneity within SHGs fosters trust and mutual support among members, facilitating cohesive group dynamics.

SHGs have emerged as a potent tool for providing credit to underprivileged communities, particularly in rural areas, contributing to poverty eradication and women's empowerment. The SHG movement in India, endorsed by the National Bank for Agriculture and Rural Development (NABARD), represents a significant shift in rural credit distribution, inspired by Nobel Laureate Muhammad Yunus's pioneering efforts in Bangladesh.

NABARD initiated the "SHG-Bank Linkage Programme" in 1992 to provide credit to families previously dependent on informal sources due to the lack of access to formal financial institutions. This pilot project, which initially aimed to link 500 SHGs with banks, surpassed expectations, linking 4,757 SHGs with various financial institutions by 1996.

Subsequently, the Micro Credit Innovations Department (MCID) was established in NABARD in 1998 to exclusively oversee the programme's implementation. Additionally, the Swarnjayanti Gramme Swarozgar Yojana (SGSY) was launched in 1999 to further extend the SHG-driven poverty alleviation efforts, primarily targeting women.

As of March 2022, the SHG-BLP programme boasts approximately 119 lakh SHGs, covering 14.2 crore households across India. Notably, during the fiscal year 2021-22, the number of SHGs increased by 6.70 lakh, with a 26 percent year-on-year increase in savings and a significant 72 percent increase in bank loans disbursed to the sector compared to the previous financial year. These statistics underscore the remarkable progress and impact of SHGs in promoting financial inclusion and empowering marginalized communities across India.

As per Table 2, from 2013 to 2022, there has been a steady increase in the total number of Self-Help Groups (SHGs) linked, rising from 73.17 lakhs to 118.93 lakhs. Similarly, the total savings of SHGs have progressively grown from 8217 crores to 47,240 crores during this period. The average loan distributed per SHG has also seen a consistent upward trend, starting at 168,732 and reaching 293,471 by 2022. These figures indicate a significant expansion and financial strength of SHGs over the years, reflecting their growing impact and sustainability.

Table 2: Total No. of SHGs, Savings and Loan Distributed

Year	Total no. of SHGs linked (in lakhs)	Total savings of SHGs (in crores)	Avg. loan distributed per SHG
2013	73.17	8217	168732
2014	74.29	9897	175769
2015	77.12	11307	186556
2016	79.02	13691	203526
2017	85.77	16114	204314
2018	87.44	19592	208683
2019	100.14	23324	216151
2020	102.43	26152	246849
2021	112.23	37,478	201118
2022	118.93	47,240	293471

(Source: Various issues of The Bharat Microfinance Report 2013-2022, Sa-dhan, NABARD)

10. Bank-linked Self-Help Groups-

Bank-linked Self-Help Groups (SHGs) revolutionize financial inclusion, empowering grassroots communities economically. SHGs, typically small and informal, unite individuals to tackle socio-economic challenges, foster savings, and initiate income-generating ventures. Members contribute to a common fund, promoting financial discipline and trust. The SHG model's breakthrough lies in its formal linkage with banking institutions, granting access to

credit for larger economic endeavors. Financial literacy programs enhance members' decision-making abilities. SHG-bank collaborations expand economic opportunities, alleviate poverty, and enhance livelihoods. Predominantly comprising women, SHGs promote gender equality and challenge traditional roles. Government support further amplifies SHGs' impact, ensuring inclusive development for marginalized communities.

Bank-linked SHGs exemplify a synergistic partnership between grassroots communities and formal financial institutions. By combining the strengths of collective action, financial inclusion, and credit access, this model has become a powerful tool for socio-economic transformation, particularly in rural and underserved areas. Table 3 depicts the total number of SHGs savings linked with banks from 2012-13 to 2021-22, a period of ten years.

Table 3 presents the growth and financial figures for Self-Help Groups (SHGs) from 2012-13 to 2021-22. The data illustrates a consistent increase in the number of SHGs, both in physical and financial terms, over the years. The growth is indicative of the expanding reach and impact of the SHG movement, with a notable surge in financial figures, emphasizing the economic significance of these groups.

Table 3: Total no. of SHGs savings linked with Banks

(As on 31st March)

Year	Total no. of SHGs		Women SHGS	
	Total Physical SHGs (in lakhs)	Total financial SHGs (in crores)	Physical WSHGs (in lakhs)	financial WSHGs (in crores)
2012-13	73.18	8217.25	59.38	6514.86
2013-14	74.30	9897.42	62.52	8012.89
2014-15	76.97	11059.84	66.51	9264.33
2015-16	79.03	13691.39	67.63	12035.78
2016-17	85.77	16114.23	73.22	14283.42
2017-18	87.44	19592.12	73.90	17497.86
2018-19	100.14	23324.48	85.31	20473.55
2019-20	102.43	26152.05	88.32	23320.55
2020-21	112.23	37477.61	97.25	32686.08
2021-22	118.93	47240.48	104.00	42104.77

(Source: Various Annual reports on Status of Microfinance in India, from 2012-13 to 2021-22, NABARD)

11. Role of Commercial, RRBs, and Co-operative Banks in Developing SHGs-

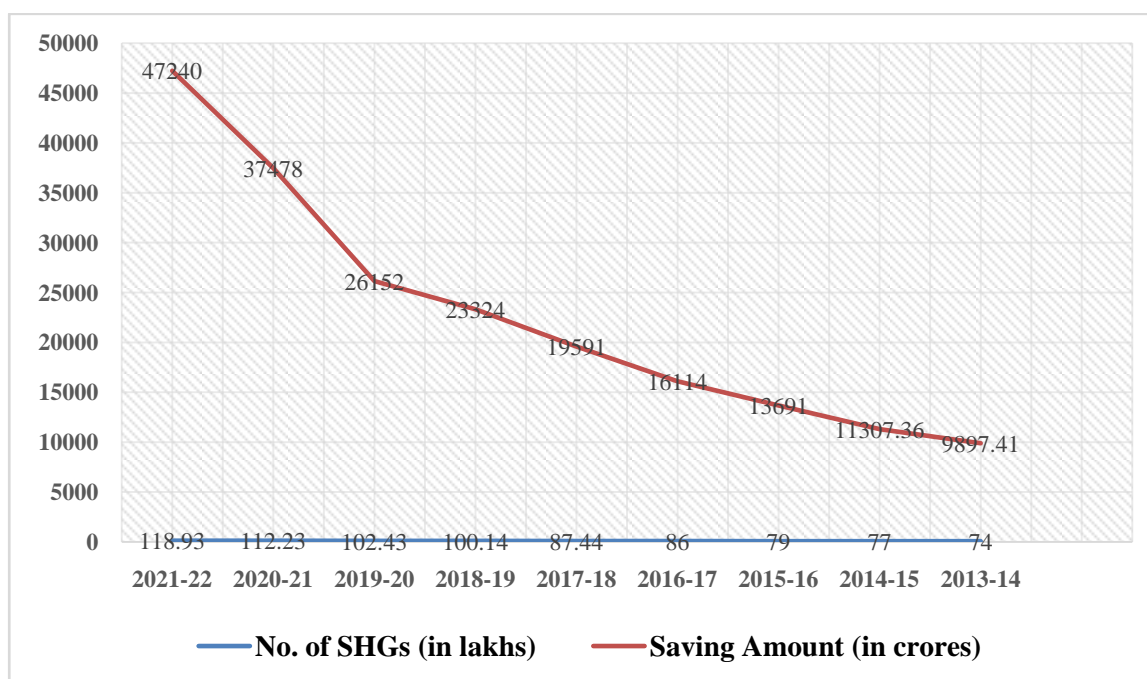
Commercial banks, Regional Rural Banks (RRBs), and Co-operative banks are pivotal in fostering the growth of Self-Help Groups (SHGs). Commercial banks extend formal credit facilities, including loans and savings accounts, tailored to SHGs' needs, facilitating their

expansion. RRBs, focused on rural development, provide specialized financial services to SHGs in remote areas, contributing to financial inclusion. Co-operative banks, guided by cooperative principles, offer community-centered financial solutions, supporting SHGs' initiatives for economic empowerment. Together, these banking institutions form a vital support system for SHGs, providing essential resources, expertise, and guidance. Their collaboration empowers SHGs, enhances their financial independence, and fosters sustainable development, ultimately contributing to poverty alleviation and inclusive growth in both rural and urban areas.

Chart 1 shows the total number of SHGs and savings amounts in different banks from 2013-14 to 2021-22.

Chart 1 depicts the total savings amount in different banks. The number of SHGs has increased from 74 lakhs in 2013-14 to 118.93 lakhs in 2021-22. However, the amount deposited in different banks has also been recording continuous growth from Rs. 9897.41 crores in 2013-14 to Rs. 47240 crores in 2021-22. Saving as per bank is given in Table 4:

Chart 1: Number of SHGs and Saving amounts in different banks



(Source:

Various Annual reports on Status of Microfinance in India, from 2012-13 to 2021-22, NABARD)

Table4: Total Savings of SHGs with Different Banks

(as of 31st March)

Year	Commercial Banks		RRBs		Cooperative Banks	
	No. of SHGs (in lakhs)	Saving Amount (in crores)	No. of SHGs (in lakhs)	Saving Amount (in crores)	No. of SHGs (in lakhs)	Saving Amount (in crores)
2021-22	68.88	30726	35.83	13791	14.22	2723
2020-21	61.28	22596	35.97	9512	14.98	5370
2019-20	54.73	15662	32.62	7811	15.08	2679
2018-19	54.77	13240	30.78	7692	14.59	2392
2017-18	46.32	11664	28.08	5807	13.02	2120
2016-17	44	10170	26	3632	16	2312
2015-16	41	9034	23	2484	15	2173
2014-15	42	6878.17	22	2346.57	14	2082.62
2013-14	40	6631.45	21	1959.85	13	1306.10
Average	50.33	14066.85	28.36	6115.05	14.43	2573.08
S.D.	10.14	7958.90	5.77	3980.18	0.99	1127.42

(Source: Various Annual reports on Status of Microfinance in India, from 2012-13 to 2021-22, NABARD)

Banks have been active in accepting SHGs savings and lending to SHGs since the early nineties.

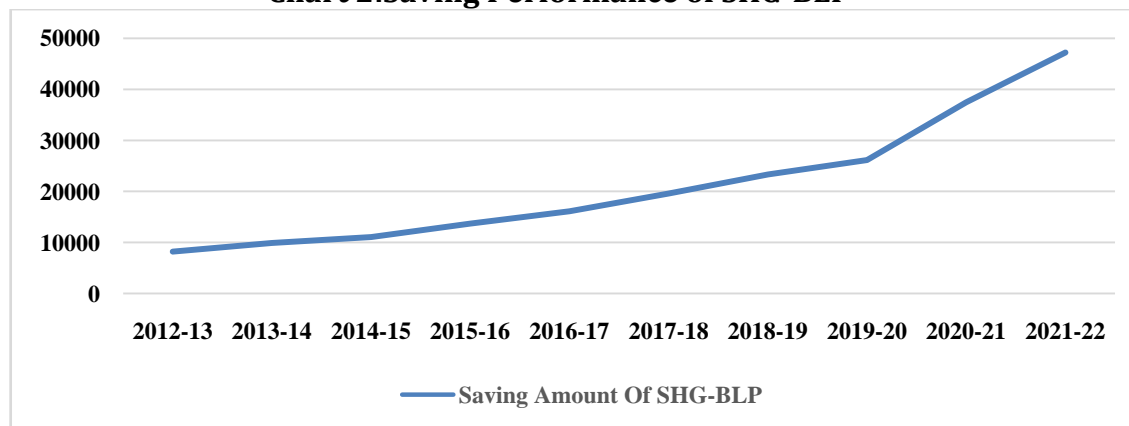
The table depicts the savings of SHGs as of 31st March 2014 to 31st March 2022 with Banks viz. Commercial Banks, Regional Rural Banks, and Cooperative Banks. During the year 2013-14, Commercial banks continued to play a leading role, serving as savings institutions for 54 percent of total SHGs and accounting for 67 percent of the total savings by SHGs in the banking system. RRBs are a distant second, followed by Cooperative Banks with 20 percent and 13 percent of savings respectively. All the saving accounts in commercial banks, RRBs, and Cooperative Banks followed continuous growth with few fluctuations during the study period. During the year 2021-22, approximately 2/3rd of the loan disbursed during the year was by the Commercial Banks with Rs. 61,226 crores disbursement to 20.79 lakh SHGs, followed by RRBs with the disbursement of Rs. 32,591 crores. Commercial Banks accounted for around 61.39 percent and RRBs 32.68 percent. The Cooperative Banks had a share of 5.93 percent.

12. Significance of Savings with BLP-

The bond between Self-Help Groups (SHGs) and banks underscores the pivotal role of savings in fostering economic empowerment. Savings within SHGs-Bank-linked programs serve as a financial cornerstone, enabling members to pool funds collectively. This communal savings pool acts as both a safety net during emergencies and a revolving fund for internal lending.

Through disciplined saving practices, SHGs cultivate financial discipline, fostering a culture of thrift and self-reliance. Moreover, the linkage with banks grants access to formal financial institutions, allowing SHGs to secure credit for income-generating activities, thereby catalyzing sustainable economic development at the grassroots level.

Chart 2: Saving Performance of SHG-BLP



(Source: Various Annual reports on Status of Microfinance in India, from 2012-13 to 2021-22, NABARD)

The data presented in Chart 2 illustrates the savings performance of SHGs-BLP from 2012-13 to 2021-22, indicating a consistent growth trend and a significant increase in savings, reflecting the program's success in accumulating financial resources over the specified period.

13. Bank loans and SHGs-

Bank loans are integral to Self-Help Groups (SHGs), enabling economic empowerment and diverse income-generating ventures. These loans support activities ranging from agriculture to community projects, fostering sustainable livelihoods and breaking the poverty cycle. Access to financial resources expands SHG operations, and investment in assets, and enhances financial inclusion. Bank loans promote economic growth, uplift communities, and instill financial responsibility among SHG members, crucial for their empowerment and self-sufficiency.

Table 5 depicts the Bank loans distributed during the study period. The table presents the Bank Loan amounts for a specified entity over ten years, with 2012-13 as the base year. The data indicates fluctuating trends in bank loan amounts, with substantial variations in percentage changes. A negative percentage change in 2020-21 suggests a decrease, while a significant positive change in 2021-22 reflects a considerable increase. The index number provides a relative measure compared to the base year, showcasing the overall growth or decline in bank loan amounts over the specified period.

Table 5: Bank Loan amount

Year	Loan amount (in crores)	Percentage change over the previous year	Index number (2012-13 as the base year)
2012-13	20585	➤	100
2013-14	24017	16.67	117
2014-15	27582	14.84	134
2015-16	37286	35.18	181
2016-17	38781	4.01	188
2017-18	47186	21.67	229
2018-19	58318	23.59	283
2019-20	77659	33.16	377
2020-21	58071	-25.22	282
2021-22	99729	71.74	484
Average	48921.40	-	-
S.D.	25164.01	-	-

(Source: Various Annual reports on Status of Microfinance in India, from 2012-13 to 2021-22, NABARD)

The synergy between banks and Self-Help Groups (SHGs) has witnessed impressive expansion over the past ten years. In 2021-22, 118.93 lakh SHGs demonstrated robust financial engagement, accumulating savings amounting to ₹47,240 crores. Additionally, 33.98 lakh SHGs accessed credit facilities, receiving disbursements totaling ₹99,729 crores. This consistent upward trajectory highlights the substantial growth of SHGs in both savings and credit linkage, affirming the success of their financial inclusion initiatives. The data underscores the instrumental role of banks in fostering economic resilience and empowerment within SHG communities, contributing to sustainable development at the grassroots level.

14. Enduring challenges that hinder the realization of Women's Empowerment through SHGs-

A. Constrained Resource Access:

- **Financial Barriers:** Many women, especially those from marginalized communities, face challenges in accessing formal financial services such as credit and savings facilities. Financial institutions may impose stringent eligibility criteria or demand collateral that women often lack, making it difficult for them to secure loans or invest in productive assets.
- **Technological Constraints:** Limited access to technology and information technology infrastructure hinders women's ability to engage in

entrepreneurship, access markets, and leverage digital financial services. Inadequate digital literacy and connectivity exacerbate disparities, restricting women's participation in the digital economy.

- **Market Opportunities:** Women entrepreneurs often encounter barriers in accessing markets due to limited market information, inadequate transportation infrastructure, and unequal power dynamics. Discriminatory practices in marketplaces may undermine women's bargaining power and hinder their ability to negotiate fair prices for their products or services.

B. Patriarchal Mindsets:

- **Gender Norms and Roles:** Prevailing gender norms dictate traditional roles and responsibilities for women, confining them to domestic spheres and limiting their mobility and agency. Societal expectations may discourage women from pursuing leadership positions within SHGs or asserting their voices in decision-making processes.
- **Unequal Power Dynamics:** Patriarchal power structures perpetuate inequalities by prioritizing male authority and control over resources. Women's economic contributions are often undervalued, and their decision-making autonomy curtailed, reinforcing dependency and subordination within familial and social contexts.
- **Cultural Beliefs:** Deep-seated cultural beliefs about women's inferiority and submissiveness perpetuate discriminatory practices such as early marriage, dowry demands, and gender-based violence. These cultural barriers impede women's participation in SHGs and undermine their efforts to challenge entrenched inequalities.

C. Institutional Barriers:

- **Policy and Legal Constraints:** Inadequate legal frameworks, ambiguous property rights, and discriminatory laws undermine women's access to land, inheritance, and other productive resources. Policy gaps and implementation

challenges may limit the effectiveness of government programs aimed at promoting women's empowerment through SHGs.

- **Bureaucratic Hurdles:** Complex administrative procedures, bureaucratic red tape, and corruption within government agencies create barriers to women's access to SHG programs and services. Lack of transparency and accountability may exacerbate inequalities and impede the equitable distribution of resources.
- **Capacity and Infrastructure:** Insufficient investment in capacity-building initiatives, training programs, and supportive infrastructure constrains the scalability and sustainability of SHG interventions. Inadequate monitoring and evaluation mechanisms may hinder efforts to assess the impact of SHGs on women's empowerment and inform evidence-based policy decisions.

Addressing these multifaceted challenges requires a holistic approach that combines legislative reforms, policy interventions, community mobilization strategies, and targeted investments in women's education, health, and economic empowerment. Empowering women to challenge patriarchal norms, access resources, and participate actively in decision-making processes is essential for fostering inclusive development and realizing the full potential of SHGs as catalysts for women's empowerment.

15. Suggestions to improve Women's participation and achieve empowerment through SHGs-

Women's empowerment through Self-Help Groups (SHGs) in India has shown promising results in fostering financial independence, social cohesion, and leadership skills among women. However, several strategies could be implemented to enhance and sustain these efforts further:

- ❖ **Access to Education:** Promote literacy and education among women, as education is fundamental for empowerment. SHGs can organize literacy drives, workshops, and skill-building programs to improve women's knowledge and capabilities.
- ❖ **Financial Inclusion:** Facilitate access to formal financial services such as savings accounts, credit facilities, and insurance schemes. Collaborate with banks and financial institutions to streamline processes and reduce barriers for women to access financial resources.

- ❖ **Skill Development and Training:** Offer comprehensive training programs on various vocational skills, entrepreneurship, and financial management. These initiatives equip women with the necessary skills to start and sustain their businesses, thereby enhancing their economic status.
- ❖ **Market Linkages and Value Addition:** Foster linkages between SHGs and markets to facilitate the sale of products. Encourage value addition and diversification of products through training and support, enabling women to fetch better prices for their goods.
- ❖ **Technology Integration:** Integrate technology into SHG operations to improve efficiency and outreach. Training women in digital literacy and promoting the use of mobile banking and online platforms can enhance financial inclusion and access to markets.
- ❖ **Capacity Building and Leadership Development:** Empower women within SHGs by providing leadership training, decision-making opportunities, and platforms for voicing their concerns. Encouraging active participation in group activities fosters self-confidence and leadership skills among women.
- ❖ **Legal Awareness and Advocacy:** Raise awareness about women's legal rights, including property rights, inheritance laws, and protection against gender-based violence. Empower women to assert their rights and advocate for gender equality within their communities.
- ❖ **Health and Well-being:** Promote health and well-being initiatives within SHGs, including access to healthcare services, nutrition education, and reproductive health awareness. Addressing women's health issues enhances their overall quality of life and productivity.
- ❖ **Social Mobilization and Networking:** Facilitate networking among SHGs at local, regional, and national levels to exchange experiences, share best practices, and advocate for policy changes that support women's empowerment.
- ❖ **Monitoring and Evaluation:** Establish mechanisms for monitoring and evaluating the impact of SHG programs on women's empowerment. Regular assessments help identify strengths, weaknesses, and areas for improvement, ensuring the sustainability and effectiveness of interventions.

By implementing these strategies, SHGs can serve as powerful platforms for promoting women's empowerment in India, fostering economic independence, social inclusion, and gender equality.

Conclusion-

In conclusion, Self-Help Groups (SHGs) have emerged as transformative vehicles for women's empowerment in India, catalyzing economic, social, and political change at the grassroots level. Through SHGs, women have gained access to financial resources, acquired valuable skills, and cultivated leadership abilities, fostering a sense of agency and self-reliance. These groups have not only improved the economic status of women but have also facilitated their social integration and enhanced their decision-making power within households and communities. Despite the progress made, continued efforts are essential to address persistent challenges and ensure the sustainability of women's empowerment initiatives through SHGs. By leveraging collective action, inclusive policies, and partnerships, India can further advance the empowerment agenda, paving the way for a more equitable and prosperous society.

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