

From Savings to Social Agency: Examining the Role of Self-Help Groups in Enhancing Rural Women's Empowerment

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Abstract

Self-Help Groups (SHGs) have become a key instrument in India's rural development and women's empowerment initiatives, particularly under the National Rural Livelihoods Mission (NRLM). While existing research largely emphasizes their role in financial inclusion, less attention has been paid to the extent to which economic participation translates into broader social agency, especially in traditionally patriarchal rural contexts. This study examines the role of SHGs in enhancing rural women's empowerment in Varanasi district, Uttar Pradesh, a region marked by strong caste hierarchies, gender norms, and informal livelihoods. Grounded in feminist empowerment theory and the concept of social capital, the study conceptualizes empowerment as a multidimensional process encompassing economic resources, agency, and social outcomes. Using a qualitative-dominant mixed-methods approach, data were collected through semi-structured interviews, focus group discussions, and case studies of SHG members from selected rural blocks of Varanasi. The analysis focuses on changes in women's financial practices, intra-household decision-making, mobility, self-confidence, and participation in community life. The findings indicate that SHGs have improved access to savings, credit, and collective support networks, contributing to enhanced confidence and limited increases in decision-making power. However, the transformation of economic participation into substantive social agency remains uneven and is mediated by caste, education, family support, and local power relations. The study argues that SHGs function as ambivalent spaces of empowerment, enabling agency while simultaneously reproducing structural constraints, highlighting the need for context-sensitive and gender-transformative rural development policies.

Keywords: Self-Help Group, Rural Development, Women's Empowerment, Financial Inclusion, Social Agency.

Introduction

Women's empowerment has emerged as a central concern in global development discourse, particularly since the latter half of the twentieth century, when questions of gender inequality, social justice, and inclusive growth began to occupy a prominent place in policy and academic debates. International frameworks such as the United Nations' Sustainable Development Goals

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(SDGs), especially Goal 5 on gender equality, emphasize empowerment as both a means and an end of development. However, empowerment is not a singular or linear process; rather, it is a complex, multidimensional phenomenon shaped by social structures, cultural norms, economic relations, and power dynamics. In sociological terms, women's empowerment extends beyond access to material resources to include agency, voice, autonomy, and the ability to negotiate and transform existing social relations. In the Indian context, women's empowerment has historically been constrained by deeply entrenched patriarchal structures, caste hierarchies, and gendered divisions of labour. Despite constitutional guarantees of equality and a range of progressive legal provisions, women—particularly in rural areas—continue to experience systemic disadvantages in education, employment, property ownership, and decision-making. Rural women's lives are often characterized by unpaid domestic and agricultural labour, limited mobility, restricted access to public spaces, and dependence on male family members for economic security. These structural constraints make empowerment not merely a question of individual effort but a collective and relational process embedded within households, communities, and institutions. Against this backdrop, the Indian state has increasingly turned to community-based development models to address women's marginalization. Among these, Self-Help Groups (SHGs) have gained prominence as a key strategy for promoting women's empowerment through financial inclusion, collective participation, and grassroots mobilization. SHGs are typically small, informal groups of women who come together to save regularly, access credit, and engage in income-generating activities. Institutionalized under large-scale programs such as the National Rural Livelihoods Mission (NRLM), SHGs are envisioned not only as economic collectives but also as platforms for social transformation, enabling women to build confidence, solidarity, and leadership capacities. Existing literature on SHGs in India has largely highlighted their positive contributions to poverty alleviation, microfinance access, and livelihood enhancement. Numerous studies document improvements in women's savings behavior, access to institutional credit, and participation in micro-enterprises. From a development perspective, SHGs are often celebrated as success stories that combine efficiency with inclusivity. However, sociological scholarship has increasingly questioned the assumption that economic participation automatically leads to empowerment. Critics argue that a narrow focus on income and credit risks reducing empowerment to a technocratic indicator, overlooking the deeper social relations that shape women's lives. Empowerment, as conceptualized by feminist scholars such as Naila Kabeer, involves the expansion of people's ability to make strategic life choices in contexts where such ability was previously denied. This framework emphasizes three interrelated dimensions: resources, agency, and achievements. While SHGs may enhance access to financial resources, the extent to which these resources translate into agency—manifested in decision-making power, mobility, self-expression, and resistance to patriarchal control—remains an open question. In many cases, women's earnings continue to be controlled by male family members, and participation in SHGs adds to women's already heavy burden of unpaid labour. Thus, SHGs can simultaneously function as spaces of empowerment and sites of new forms of discipline and responsibility. The translation of economic participation into social agency is particularly complex in rural contexts characterized by strong cultural traditions and social stratification. Caste, class, education, and marital status significantly shape women's experiences within SHGs and their ability to leverage collective participation for

personal and social change. Studies have shown that upper-caste or relatively educated women often benefit more from SHG participation, while Dalit and marginalized women face subtle exclusions even within collective spaces. These findings underscore the importance of adopting an intersectional lens to understand empowerment processes.

Despite the proliferation of SHGs in Varanasi, there is limited empirical research that critically examines their role in transforming women's social positions beyond financial inclusion. Most policy evaluations focus on quantitative indicators such as the number of SHGs formed, loan disbursements, and repayment rates. Such metrics, while important, provide little insight into how women experience SHG participation in their everyday lives, how it reshapes intra-household relations, or how it affects their sense of self, confidence, and collective identity. This study seeks to address this gap by examining the role of SHGs in enhancing rural women's empowerment in Varanasi district, with a particular focus on the transition from economic participation to social agency. Rather than treating empowerment as a uniform outcome, the study approaches it as a negotiated and uneven process shaped by structural constraints and everyday practices. It asks whether participation in SHGs enables women to challenge patriarchal norms, exercise greater control over resources, and participate more actively in household and community decision-making, or whether it remains confined to instrumental economic goals. By situating SHGs within the broader social context of rural Varanasi, this research contributes to sociological debates on gender, development, and collective action. It foregrounds women's lived experiences and highlights the tensions between empowerment rhetoric and social reality. In doing so, the study moves beyond celebratory narratives of SHGs to offer a critical understanding of how empowerment is constructed, contested, and limited in specific local contexts. Such an approach is crucial for rethinking rural development policies in ways that are not only economically effective but also socially transformative and gender-just.

Methodology

The study adopts a qualitative-dominant mixed-methods research design to examine the role of Self-Help Groups (SHGs) in enhancing rural women's empowerment in Varanasi district, Uttar Pradesh. The research was conducted in selected rural blocks where SHGs have been actively functioning under the National Rural Livelihoods Mission (NRLM). Purposive sampling was used to select SHG members with varying durations of participation to capture diverse experiences. Primary data were collected through semi-structured interviews, focus group discussions, and case studies, focusing on women's financial practices, intra-household decision-making, mobility, and social participation. Participant observation of SHG meetings supplemented interview data to understand group dynamics and collective interactions. Secondary data were drawn from government reports, policy documents, and existing literature. The data were analyzed thematically using empowerment indicators related to economic resources, agency, and social outcomes, allowing for a nuanced understanding of the processes and limitations of women's empowerment in the local context.

Results and Discussion

This section presents and discusses the key findings of the study by examining how

participation in Self-Help Groups (SHGs) shapes rural women's empowerment in Varanasi district. Moving beyond narrow economic indicators, the analysis focuses on the transition from savings and credit activities to broader forms of social agency, including decision-making power, mobility, confidence, collective action, and negotiation of patriarchal norms. The findings reveal that while SHGs have created important opportunities for economic participation and social interaction, the empowerment outcomes remain uneven, contested, and deeply mediated by caste, family structures, and local power relations.

1. SHGs and Economic Participation: From Dependence to Limited Financial Autonomy

One of the most visible outcomes of SHG participation among rural women in Varanasi is improved access to savings and credit. Most respondents reported that joining an SHG marked their first sustained engagement with formal or semi-formal financial practices. Regular savings, even in small amounts, were described as empowering because they reduced women's dependence on moneylenders and male family members for minor household expenses. Women emphasized that having personal savings—however modest—gave them a sense of security and dignity. However, the study found that financial inclusion did not automatically translate into full financial autonomy. While women were often responsible for managing SHG savings and loan repayments, decisions regarding the use of larger loans were frequently taken by husbands or senior male relatives. In several cases, loans taken in women's names were invested in male-controlled activities such as agriculture, small shops, or repayment of family debts. This reflects what feminist scholars describe as the “instrumentalization” of women within development programs, where women act as conduits for credit without gaining corresponding control over resources. From a theoretical perspective, this finding aligns with Naila Kabeer's argument that access to resources is a necessary but insufficient condition for empowerment. Although SHGs expanded women's financial resources, their ability to convert these resources into agency remained constrained by patriarchal norms governing household authority and gender roles. Thus, economic participation functioned as an entry point rather than a guarantee of empowerment.

2. Intra-Household Decision-Making: Negotiated Gains and Persistent Hierarchies

A key dimension of empowerment examined in the study was women's role in household decision-making. Many respondents reported modest but meaningful changes in their participation in decisions related to daily expenditures, children's education, healthcare, and food consumption. Women noted that their regular income contributions and familiarity with financial matters through SHGs enhanced their credibility within the household. In some cases, husbands consulted them before making financial decisions, which women perceived as a significant shift from earlier patterns of exclusion. Nevertheless, the study also reveals clear limits to these changes. Decisions involving major assets such as land, housing, or large investments continued to be dominated by male family members. Older women and daughters-in-law living in joint families faced additional constraints, as authority was often concentrated in senior male or female figures. These findings suggest that empowerment within households is not a linear process but a negotiated one, shaped by age, marital status, and family structure. This uneven pattern supports sociological critiques of empowerment narratives that overlook the relational nature of power. Empowerment does not necessarily dismantle patriarchal

hierarchies; instead, it often produces incremental adjustments that coexist with entrenched structures. The findings underscore the importance of viewing empowerment as a continuum rather than a binary outcome.

3. Mobility and Access to Public Space: Expanding Boundaries with Social Sanction

Participation in SHGs significantly increased women's physical mobility and engagement with public spaces. Regular SHG meetings, bank visits, training programs, and exposure visits required women to travel outside their homes and villages, often without male accompaniment. For many respondents, this marked their first sustained interaction with institutions such as banks, block offices, and non-governmental organizations. Women frequently described increased mobility as one of the most transformative aspects of SHG participation. They reported feeling more confident navigating public spaces, interacting with officials, and speaking in group settings. However, this expansion of mobility was often socially sanctioned and purpose-specific. Women's movement was considered legitimate when linked to SHG activities but remained restricted in other contexts. Independent mobility for leisure or personal reasons continued to be viewed with suspicion. This finding highlights the conditional nature of women's empowerment in rural Varanasi. While SHGs created socially acceptable avenues for public participation, they did not fundamentally challenge gendered norms regulating women's visibility and respectability. From a feminist standpoint, this reflects how empowerment initiatives can expand women's roles without destabilizing the moral boundaries imposed by patriarchy.

4. Confidence, Voice, and Self-Perception: The Emergence of Social Agency

One of the most significant yet intangible outcomes of SHG participation was the transformation in women's self-perception and confidence. Many respondents emphasized that speaking in meetings, managing group accounts, and collectively addressing problems helped them overcome fear, hesitation, and feelings of inferiority. Women who initially remained silent during meetings gradually began to express opinions, ask questions, and even challenge group decisions. This enhanced confidence extended beyond SHGs into other domains of life. Some women reported greater assertiveness in family discussions, improved communication with teachers and healthcare providers, and increased willingness to engage with local institutions. These changes point to the development of what can be described as "everyday agency"—small but meaningful acts of self-assertion that accumulate over time. The findings resonate with Bourdieu's concept of symbolic capital, as SHGs provide women with recognition, legitimacy, and collective identity. Participation in SHGs reshapes women's habitus by exposing them to new social practices and expectations. However, this symbolic empowerment remained uneven, with more educated and outspoken women benefiting disproportionately.

5. Collective Solidarity and Social Capital: SHGs as Support Networks

Beyond individual empowerment, SHGs functioned as important spaces of collective solidarity and mutual support. Women described SHGs as platforms where they could share personal problems, seek advice, and mobilize collective responses to crises such as illness, domestic disputes, or financial emergencies. In some instances, SHG members intervened collectively in cases of domestic violence or alcohol abuse, demonstrating the potential of SHGs to foster

community-level agency. However, the study also identified tensions and exclusions within SHGs. Differences based on caste, economic status, and leadership positions sometimes generated hierarchies within groups. Dalit women, in particular, reported subtle forms of marginalization, such as limited access to leadership roles or reluctance among upper-caste members to socialize beyond formal meetings. These dynamics challenge the assumption that collective participation automatically produces equality. From a sociological perspective, SHGs generate social capital, but this capital is unevenly distributed and shaped by pre-existing social structures. While SHGs can strengthen bonding capital within groups, they may struggle to build bridging capital across caste and class divides. This finding underscores the need for an intersectional approach to understanding empowerment.

6. Leadership and Power within SHGs: Reproduction and Contestation

Leadership within SHGs emerged as a crucial factor influencing empowerment outcomes. Women who held positions such as president or treasurer reported greater confidence, visibility, and access to institutional networks. Leadership roles enabled women to interact with officials, attend training programs, and influence group decisions. These women often emerged as local role models, challenging traditional gender norms. At the same time, leadership positions were not equally accessible to all members. More educated women or those from relatively privileged caste backgrounds were more likely to assume leadership roles. In some cases, leadership became concentrated in a few individuals, limiting democratic participation within groups. This concentration of power mirrors broader social hierarchies and raises questions about inclusivity within SHGs. These findings highlight the ambivalent nature of SHGs as sites of empowerment. While they create opportunities for leadership and agency, they also risk reproducing inequalities if not consciously designed to promote inclusivity.

7. State, SHGs, and Gendered Responsibility: A Critical Perspective

The study also critically examines the role of the state in shaping SHG-based empowerment. Under NRLM, SHGs are embedded within a bureaucratic framework that emphasizes targets, repayment rates, and performance indicators. While this institutional support has facilitated the expansion of SHGs, it has also introduced new forms of discipline and responsibility for women. Women often reported increased pressure to attend meetings, maintain records, and ensure timely repayments, sometimes at the cost of additional unpaid labour. Failure to meet institutional expectations could lead to stress and social stigma. This reflects feminist critiques of neoliberal development, which argue that empowerment programs often shift the burden of development onto women without addressing structural inequalities. Thus, SHGs operate within a paradox: they empower women by providing resources and recognition, yet they also govern women through norms of responsibility, discipline, and self-management. This dual role complicates simplistic narratives of empowerment.

8. Discussion: From Savings to Social Agency—An Uneven Journey

Taken together, the findings demonstrate that SHGs in rural Varanasi have contributed to meaningful but limited forms of women's empowerment. The transition from savings to social agency is neither automatic nor uniform. While SHGs enhance financial literacy, confidence, and collective support, their ability to transform gender relations is constrained by caste

hierarchies, patriarchal family structures, and institutional logics. Empowerment emerges as a negotiated process rather than a definitive outcome. Women experience incremental gains in agency while continuing to navigate structural constraints. These findings challenge linear models of empowerment and highlight the importance of context-sensitive, intersectional, and gender-transformative approaches. In the context of Varanasi, where tradition and modern development coexist, SHGs function as ambivalent spaces that simultaneously enable agency and reproduce inequality. Recognizing this complexity is essential for rethinking policies and practices aimed at women's empowerment.

Conclusion

This study explored the role of Self-Help Groups (SHGs) in promoting rural women's empowerment in Varanasi district by examining the transition from economic participation to social agency. The findings show that SHGs have enhanced women's access to savings, credit, and collective support, contributing to increased confidence, mobility within socially sanctioned spaces, and participation in everyday household decisions. For many women, SHGs have provided a first platform for public interaction and collective identity. However, the study also reveals that economic inclusion does not automatically translate into substantive empowerment. Women's agency remains constrained by patriarchal family structures, caste hierarchies, and unequal power relations within both households and SHGs. Control over major resources and strategic decision-making largely continues to rest with male family members, while internal group hierarchies limit equal participation. The study concludes that SHGs operate as ambivalent spaces of empowerment, enabling incremental change while reproducing existing social inequalities. Empowerment thus emerges as a negotiated and uneven process rather than a uniform outcome. To realize the transformative potential of SHGs, gender-sensitive and context-specific policy interventions are required that address structural constraints and promote inclusive forms of collective agency in rural India.

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