

Beyond Microfinance: A Sociological Study of Women's Economic Empowerment and Social Transformation through Self-Help Groups in Rural Varanasi

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Introduction

Women's empowerment has emerged as one of the central concerns in social sciences, particularly within the broader discourse of gender equality, social justice, and inclusive development. In sociological understanding, empowerment is not limited to the improvement of economic conditions; rather, it represents a multidimensional process through which individuals gain the ability to access resources, exercise choices, participate in decision-making, and challenge existing structures of inequality. In societies characterized by patriarchal norms and gender-based divisions of labour, women's economic independence becomes a significant pathway towards achieving broader social empowerment.

In rural India, women have historically remained engaged in various productive activities; however, their contributions have often been undervalued and excluded from formal economic recognition. Limited access to financial resources, restricted mobility, unequal control over household assets, and gender-based social expectations have constrained women's autonomy and participation in decision-making processes. Therefore, economic empowerment of rural women is not only an issue of income generation but also a process of transforming social relations and enhancing women's agency.

In this context, Self-Help Groups (SHGs) have emerged as important grassroots institutions promoting women's participation in economic activities, savings, credit accessibility, and collective decision-making. Initially developed as mechanisms for poverty alleviation and financial inclusion, SHGs have gradually evolved into platforms where women come together, share experiences, develop social networks, and negotiate their position within family and community structures. From a sociological perspective, SHGs can be understood as spaces of collective empowerment where economic activities intersect with processes of identity formation, social mobility, and transformation of gender relations.

The significance of SHGs lies beyond their financial functions. Participation in SHGs often enables women to move from individual isolation towards collective solidarity. Through

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regular meetings, discussions, training programmes, and economic activities, women acquire new forms of knowledge, confidence, and social visibility. These processes contribute to the development of social capital, where networks of trust, cooperation, and mutual support strengthen women's capacity to address social and economic challenges.

The rural context of Varanasi provides an important sociological setting to examine women's empowerment through SHGs. Despite its cultural and historical significance, rural areas surrounding Varanasi continue to experience challenges related to poverty, gender inequality, limited employment opportunities, and traditional social structures. Women's participation in SHGs in this region reflects the interaction between economic opportunities and existing social realities shaped by caste, class, education, family structure, and community norms.

However, the relationship between SHGs and women's empowerment requires critical sociological examination. Economic participation does not automatically guarantee complete empowerment. A woman may earn income but may still have limited control over financial decisions or continue to experience patriarchal restrictions within household and community spaces. Therefore, it becomes essential to examine whether SHGs create meaningful changes in women's autonomy, decision-making power, social status, and everyday experiences.

This study aims to examine the role of Self-Help Groups (SHGs) in promoting women's economic empowerment and social transformation among rural women in Varanasi. It seeks to analyse how SHG participation influences women's financial independence, livelihood opportunities, decision-making power, social participation, and agency. The study also aims to explore the impact of socio-cultural factors such as caste, class, education, and family background on women's empowerment experiences, while identifying the challenges and limitations that affect the effectiveness of SHGs as instruments of sustainable empowerment. Through a sociological perspective, the study examines SHGs as spaces of collective identity, social interaction, and transformation of gender relations beyond their economic functions.

Understanding Women's Empowerment: A Sociological Perspective

The concept of women's empowerment has gained significant importance in sociological and development discourse because it reflects the process through which women acquire greater control over resources, opportunities, decisions, and social recognition. Empowerment is not merely about providing economic benefits or increasing women's participation in income-generating activities; rather, it involves transforming the social structures that create and sustain gender inequalities.

From a sociological perspective, empowerment is understood as a process of developing agency, where women gain the ability to make meaningful choices and influence decisions affecting their lives. It involves a shift from dependency towards autonomy and from social exclusion towards active participation in social, economic, and political institutions. Thus, women's empowerment represents both an individual and collective process of negotiating power relations within society.

Economic empowerment constitutes a crucial dimension of this process. Access to income, financial resources, employment opportunities, and control over economic assets enhances

women's bargaining power within households and communities. However, economic empowerment must be examined beyond income generation because earning money does not always ensure control over resources or freedom from patriarchal constraints. Therefore, this study approaches women's economic empowerment as a broader sociological phenomenon involving economic independence, decision-making capacity, self-confidence, social recognition, and participation in collective life.

Self-Help Groups provide an important institutional framework for examining this process. Unlike individual economic activities, SHGs encourage collective participation, mutual cooperation, and shared responsibility. Through these groups, women develop networks of support, gain access to financial resources, and engage in collective problem-solving. Hence, SHGs can be viewed as spaces where economic activities become connected with social transformation.

Self-Help Groups and Economic Transformation

Self-Help Groups (SHGs) have emerged as important institutions promoting women's economic empowerment by providing access to savings, credit, skill development, and livelihood opportunities. Participation in SHGs enables rural women to engage in income-generating activities, improve financial awareness, and develop greater confidence in managing economic resources. Through activities such as small enterprises, agriculture-related work, handicrafts, and other livelihood initiatives, SHGs contribute to reducing economic dependency and enhancing women's role as contributors to household income. However, economic empowerment does not always ensure complete autonomy, as patriarchal norms may continue to influence control over financial decisions. The collective nature of SHGs also strengthens social networks, cooperation, and solidarity among women. Despite challenges such as limited market access, inadequate training, and balancing economic activities with domestic responsibilities, SHGs provide important opportunities for women's economic participation and broader social transformation in rural Varanasi.

Self-Help Groups and Social Empowerment

Self-Help Groups (SHGs) contribute to women's social empowerment by creating spaces for collective interaction, confidence-building, awareness, and participation beyond the household. Through regular meetings, training, and group activities, women develop social networks, leadership skills, and greater awareness of rights and opportunities. SHGs enhance women's mobility, self-identity, and participation in family and community decision-making. However, the extent of empowerment varies according to caste, class, education, and family support, as existing social inequalities and patriarchal norms continue to influence women's experiences. In rural Varanasi, SHGs function not only as economic platforms but also as spaces of social transformation where women develop agency and collective identity.

Self-Help Groups and Transformation of Gender Relations

SHGs play an important role in reshaping gender relations by enabling women to participate in economic activities, access resources, and gain greater recognition within households and communities. Economic participation through SHGs can improve women's bargaining power

and involvement in decision-making regarding family matters. However, economic empowerment alone does not completely eliminate patriarchal structures, as many women continue to face restrictions and the burden of balancing domestic and economic responsibilities. From a sociological perspective, SHGs provide spaces where women negotiate traditional gender roles, develop autonomy, and gradually transform their social position. In rural Varanasi, SHGs represent an ongoing process of gender transformation rather than complete liberation from existing inequalities.

Challenges and Limitations of Self-Help Groups

Despite their contribution to women's empowerment, SHGs face several challenges that limit their transformative potential. Limited market access, inadequate training, financial constraints, lack of digital literacy, and weak institutional support often restrict women's economic progress. Additionally, patriarchal norms, caste and class inequalities, and the double burden of household and economic responsibilities continue to affect women's autonomy. Therefore, SHGs should be supported through better skill development, market opportunities, and gender-sensitive policies to ensure sustainable economic and social empowerment of rural women.

Theoretical Perspectives

Amartya Sen's Capability Approach

The Capability Approach developed by economist and philosopher Amartya Sen provides an important framework for understanding empowerment. According to Sen, development should not be measured only through economic growth or income levels; rather, it should be assessed through the expansion of people's capabilities and freedoms to lead lives they value.

Applied to women's empowerment, this approach suggests that empowerment occurs when women gain the capability to make choices, access opportunities, and participate meaningfully in social life. In the context of Self-Help Groups, economic activities such as savings, credit access, and entrepreneurship may enhance women's capabilities by expanding their choices and reducing economic dependency.

For rural women, participation in SHGs can create opportunities for:

- improved access to financial resources,
- greater control over livelihood decisions,
- enhanced confidence and self-esteem,
- increased participation in household decisions,
- improved awareness regarding rights and government schemes.

Thus, SHGs can be understood as mechanisms that expand women's capabilities by creating conditions for greater autonomy and social participation.

Pierre Bourdieu's Theory of Capital

French sociologist Pierre Bourdieu's theory of capital provides a significant sociological lens for analysing the transformative role of SHGs. Bourdieu argued that social inequality is maintained not only through economic resources but also through different forms of capital, including economic, social, and cultural capital.

Economic Capital

Economic capital refers to financial resources, income, savings, and material assets. Through SHGs, rural women gain access to savings mechanisms, credit facilities, and income-generating activities, which can strengthen their economic position.

Social Capital

Social capital refers to networks, relationships, trust, and collective support. SHGs create spaces where women interact regularly, share experiences, and build solidarity. These networks can increase women's ability to collectively address social and economic challenges.

Cultural Capital

Cultural capital includes knowledge, skills, education, and competencies that improve social mobility. SHG participation often provides women with training, financial literacy, entrepreneurial skills, and awareness of institutional opportunities.

From Bourdieu's perspective, SHGs contribute to empowerment by enabling women to accumulate different forms of capital, thereby improving their social position and capacity to negotiate existing power structures.

Feminist Sociological Perspective

A feminist sociological approach highlights that women's empowerment must be understood within the context of patriarchal social structures. Feminist scholars argue that women's economic participation alone cannot eliminate gender inequalities because social norms, cultural practices, and institutional arrangements often continue to restrict women's autonomy.

This perspective helps examine important questions:

- Does participation in SHGs challenge traditional gender roles?
- Do women gain actual control over their earnings?
- Does economic contribution enhance women's status within family and society?
- How do caste, class, and social location influence empowerment experiences?

From this perspective, SHGs can be interpreted as potential spaces of resistance and negotiation where women collectively challenge traditional limitations and create new identities beyond their conventional domestic roles.

However, feminist analysis also draws attention to the limitations of empowerment programmes. Women may experience increased responsibilities by combining income-

generating work with existing household duties, creating a situation of “double burden.” Therefore, empowerment requires not only economic opportunities but also transformation in gender relations and social expectations.

Analytical Framework of the Study

Based on these theoretical perspectives, this study understands women’s empowerment through SHGs as a multidimensional process involving:

- **Economic empowerment:** income generation, savings, financial independence, access to credit.
- **Social empowerment:** confidence, social networks, community participation.
- **Household empowerment:** decision-making power and bargaining position within family.
- **Gender transformation:** negotiation with patriarchal norms and changing gender roles.

Thus, the study examines Self-Help Groups as institutions that operate at the intersection of economy, society, and gender relations, contributing to the broader process of women’s social transformation in rural Varanasi.

Research Methodology

The present study adopts a mixed-method research approach to examine the role of Self-Help Groups (SHGs) in women’s economic empowerment and social transformation among rural women in Varanasi. The study uses both quantitative and qualitative methods to understand measurable socio-economic changes as well as women’s lived experiences, agency, and changing social relations. A descriptive and exploratory research design is adopted to analyse women’s socio-economic conditions, financial participation, decision-making capacity, social mobility, and experiences of empowerment.

The study is conducted in selected rural areas of Varanasi district, Uttar Pradesh, where SHGs operate within diverse social contexts shaped by caste, class, education, family structures, and gender relations. The universe of the study consists of women members of SHGs, selected through purposive and stratified sampling techniques to ensure representation of different socio-economic backgrounds. Primary data will be collected through structured questionnaires, semi-structured interviews, and focus group discussions, while secondary data will be gathered from research studies, government reports, NRLM documents, NABARD reports, and other relevant sources.

Quantitative data will be analysed using statistical techniques such as frequency and percentage analysis, whereas qualitative data will be examined through thematic analysis to identify major themes related to economic independence, social recognition, agency, gender relations, and challenges faced by women. The study follows ethical principles including informed consent, confidentiality, voluntary participation, and respectful representation of participants’

experiences. However, the study acknowledges limitations such as the localized nature of findings and the complexity of measuring empowerment as a multidimensional social process.

Findings and Discussion

The findings of the study reveal that Self-Help Groups (SHGs) have emerged as significant institutions of economic participation, social interaction, and empowerment among rural women in Varanasi. The analysis demonstrates that the role of SHGs extends beyond their financial functions and represents a broader process of social transformation. SHGs provide women with opportunities to access resources, develop skills, build social networks, and participate in collective activities. However, the nature and extent of empowerment are not uniform and are influenced by socio-economic factors such as caste, class, education, family background, and the duration of participation in SHG activities.

One of the major findings of the study is that SHGs have contributed significantly to enhancing women's **economic empowerment**. Through collective savings, access to credit facilities, and participation in livelihood-generating activities, women have developed greater financial awareness and economic confidence. Many women who were previously dependent on family members or informal sources for financial needs have gradually gained the ability to manage savings, access loans, and engage in small-scale enterprises. SHGs have enabled women to participate in activities such as dairy work, handicrafts, agriculture-related activities, food processing, and other income-generating ventures. This economic participation has strengthened women's contribution to household income and increased their visibility as productive members of society.

The study further indicates that participation in SHGs has positively influenced women's decision-making capacity within households. Economic involvement and regular participation in group activities have provided women with greater confidence and bargaining power. Many women have reported increased involvement in decisions related to children's education, healthcare, household expenditure, and financial planning. The ability to contribute economically has enhanced their position within the family and provided greater recognition of their opinions. However, the findings also suggest that economic participation does not always lead to complete autonomy, as traditional patriarchal norms continue to influence decision-making processes in many households.

Another significant finding of the study relates to the development of self-confidence, awareness, and social participation among SHG members. Regular interaction with other women, participation in meetings, exposure to training programmes, and engagement with government institutions have helped women overcome social isolation and develop communication and leadership skills. Many women who previously had limited opportunities for public interaction have gradually become more confident in expressing their views, managing group activities, and participating in community affairs. This transformation reflects the role of SHGs as social spaces where women develop a sense of identity beyond traditional domestic roles.

The study also highlights the contribution of SHGs in building social capital among rural women. The collective nature of SHGs creates networks of trust, cooperation, and mutual

support. Women share experiences, discuss common challenges, and collectively seek solutions to economic and social problems. These networks provide emotional and social support while strengthening women's ability to negotiate difficult circumstances. From a sociological perspective, SHGs function as platforms where individual experiences of disadvantage are transformed into collective awareness and action.

The findings further reveal that SHGs contribute to changing women's understanding of themselves and their social position. Participation in SHGs encourages women to view themselves not only as household members but also as economic actors, decision-makers, and community participants. This transformation in self-identity is an important dimension of empowerment because it reflects changes in women's perceptions of their own capabilities and social worth.

However, the study also shows that empowerment through SHGs is a complex and uneven process. Women's experiences differ according to caste, class, education, and family conditions. Women belonging to socially and economically disadvantaged groups may face additional challenges in accessing resources, opportunities, and institutional support. Existing social inequalities continue to influence the extent to which women can benefit from SHG participation. Therefore, women's empowerment needs to be understood through an intersectional perspective that considers the interaction between gender and other social structures.

The persistence of patriarchal norms also remains a significant factor affecting the outcomes of SHG participation. Although many women have become economically active, traditional expectations regarding household responsibilities continue to remain strong. Women often experience the challenge of balancing economic activities with domestic work, resulting in a double burden of productive and reproductive labour. This suggests that economic empowerment alone cannot fully transform gender relations unless accompanied by changes in social attitudes, family structures, and gender roles.

The findings support Amartya Sen's Capability Approach, which argues that empowerment involves expanding individuals' capabilities and freedoms. SHGs contribute to this process by increasing women's access to resources, knowledge, and opportunities. Similarly, Bourdieu's theory of capital helps explain how SHGs enable women to accumulate different forms of capital: economic capital through income and savings, social capital through collective networks, and cultural capital through skills and awareness. The feminist sociological perspective further highlights that empowerment involves not only economic inclusion but also transformation of power relations and the ability to challenge existing gender inequalities.

Overall, the study demonstrates that SHGs function as important institutions of women's empowerment by connecting economic opportunities with social transformation. They provide rural women with platforms to develop autonomy, confidence, leadership abilities, and collective identity. However, their transformative potential depends on supportive institutional mechanisms, sustainable livelihood opportunities, skill development, and efforts to address deeper social inequalities.

In the context of rural Varanasi, SHGs represent an evolving social space where women negotiate between traditional structures and emerging opportunities. They do not completely eliminate existing inequalities but create possibilities for women to challenge limitations, redefine their roles, and participate more actively in economic and social life. Thus, SHGs should be understood not merely as instruments of poverty reduction but as important institutions contributing to the gradual transformation of gender relations and rural social change.

Conclusion

The present study highlights that Self-Help Groups (SHGs) function as important grassroots institutions contributing not only to women's economic empowerment but also to broader processes of social transformation. SHGs provide rural women with opportunities for savings, credit access, livelihood generation, skill development, and participation in economic activities, thereby enhancing their financial awareness, confidence, and role within households and communities.

The study demonstrates that empowerment is a multidimensional process that extends beyond economic improvement. SHGs create spaces for social interaction, collective identity, awareness, leadership development, and greater participation in decision-making. However, the outcomes of empowerment are influenced by socio-cultural factors such as caste, class, education, family structure, and patriarchal norms. While SHGs enable women to negotiate existing inequalities and redefine their roles, they do not completely eliminate structural barriers such as restricted mobility, unequal domestic responsibilities, and limited control over resources.

From a sociological perspective, SHGs should be understood as spaces of agency, collective consciousness, and gender negotiation rather than merely financial institutions. They strengthen women's capabilities, social networks, and participation in wider social and economic spheres. The study suggests that strengthening SHGs through better institutional support, skill development, market access, digital literacy, and gender-sensitive policies can enhance their transformative potential. In rural Varanasi, SHGs represent an important pathway through which women actively participate in changing social relations, making empowerment a process of economic advancement, social transformation, and the emergence of women as empowered social actors.

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