



Prabandhan Darpan - Journal of Management Studies

Contents available at: <https://www.swamivivekanandauniversity.ac.in/jms/>

Impact of Self-Help Group Model on Women Empowerment: A Survey Based Study on Nadia District

Soumik Choudhury¹, Dilip Barman² & Arijit Saha³

Abstract

SHGs, by acting as financial intermediaries, offer affordable group loans, which not only provide crucial financial access but also foster strong group cohesion. This research delves into how Self-Help Groups (SHGs) are empowering women in West Bengal's Nadia district, drawing insights directly from 379 SHG members. Recognizing that women's empowerment is a complex and multi-faceted concept, the study aimed to understand the members' own perceptions of their empowerment journey. Using the Garrett Ranking Method, the study compared various components of empowerment to identify which aspects have been most significantly impacted since women joined SHGs. The findings reveal a clear preference: respondents ranked economic empowerment indicators higher than social and personal growth indicators. They strongly believe that access to cheap credit and its efficient utilization have been more instrumental in empowering them economically than socially. Essentially, the study concludes that, from the perspective of these women, economic factors are more effective than non-economic factors in driving their empowerment. This highlights the foundational role of financial independence in their overall journey toward empowerment.

Keywords: Self-Help Groups, Women's Empowerment, Economic Empowerment, Finance, Inclusion

1. Introduction

Women's empowerment has emerged as a critical development objective in contemporary socio-economic discourse, particularly within developing countries where gender disparities in access to resources, opportunities, and decision-making persist. Empowerment, in its broadest sense, refers to enhancing women's agency, autonomy, and capabilities to make strategic life choices that were previously denied to them (Kabeer, 1999). In rural India, where patriarchal norms and structural inequalities have historically constrained women's socio-economic mobility, microfinance has gained prominence as a transformative tool for promoting financial inclusion and gender empowerment. Microfinance provides access to small, collateral-free credit, savings mechanisms, and capacity-building opportunities to individuals who are typically excluded from formal financial institutions (Ledgerwood, 1999).

The concept of Self-Help Groups (SHGs) represents a distinctive model of microfinance that has been globally recognised for its potential to empower women both economically and socially. Introduced formally in India through

¹ Assistant Professor, Post Graduate and Research Department of Commerce, St. Xavier's College (Autonomous), Kolkata, W.B. 700016.
soumik.choudhury@sxccal.edu

² Assistant Professor, Department of Commerce, Aghorekamini Prakashchandra Mahavidyalaya, Arambagh, Hooghly, W. B. 712602.
barmandilip58@gmail.com

³ Research Scholar, Department of Business Administration, The University of Burdwan, East Bardhaman, W. B. 713104.
ahaarijitsaha700@gmail.com

the Self-Help Group–Bank Linkage Programme (SHG–BLP) initiated by the National Bank for Agriculture and Rural Development (NABARD) in 1994, this model aimed to reach the most vulnerable and marginalised women in rural areas. The SHG–BLP was conceived to enable poor women to organise themselves into small, homogenous groups—typically consisting of 10 to 15 members—who would meet regularly, pool their savings, and extend small loans to each other. Over time, these groups would become eligible for bank linkage, thereby gaining access to affordable formal credit.

The scale of the SHG movement in India has expanded dramatically over the past three decades. According to the NABARD Status of Microfinance in India Report (2023–24), approximately 1.44 crore SHGs are currently linked with banks, benefitting nearly 17.8 crore households across the country. This expansion underscores the growing recognition of SHGs as effective financial intermediaries that integrate marginalised women into the formal banking system. Through collective savings and lending, SHGs offer dual advantages: access to low-cost financial resources and opportunities for social interaction and solidarity, which strengthen group cohesion and mutual trust. Consequently, SHGs have played a pivotal role in promoting women’s participation in income-generating activities, enhancing their decision-making power within households, and facilitating their engagement in community affairs.

The state of West Bengal, particularly Nadia district, presents a compelling context for examining the impact of the SHG model on women’s empowerment. Nadia has been at the forefront of SHG-based microfinance initiatives since the late 1990s, with extensive promotion by government agencies, non-governmental organisations (NGOs), and banks. The district is characterised by a predominantly rural population, moderate levels of literacy, and a strong presence of marginal and small farmers. Economic opportunities for women outside agriculture have traditionally been limited, making the SHG model a vital intervention for fostering alternative livelihoods and financial independence. SHGs in Nadia district have been involved not only in savings and credit activities but also in micro-enterprises, handicrafts, dairy farming, and small-scale trading, which provide women with sustainable sources of income.

Importantly, the SHG model’s significance extends beyond economic empowerment. Participation in SHGs fosters social empowerment, manifested through improved self-confidence, leadership abilities, collective bargaining power, and enhanced mobility. Women who previously had little exposure to public spaces now participate actively in group meetings, bank interactions, and community initiatives. SHGs have also emerged as informal support systems that encourage solidarity, problem-solving, and social learning. Moreover, involvement in SHGs often translates into greater participation in household decision-making processes—ranging from financial management to children’s education and healthcare—thereby challenging entrenched gender hierarchies.

Despite these achievements, the impact of SHGs on women’s empowerment is not uniform and depends on several factors, including the maturity of the group, the level of institutional support, the socio-economic background of members, and the nature of income-generating activities. While some women experience significant improvements in their economic status and self-esteem, others face persistent challenges related to group sustainability, access to markets, and entrenched patriarchal attitudes within households and communities. Hence, empirical assessments at the local level are essential to understand the differential impacts of the SHG model and to identify areas that require policy and programmatic strengthening.

The present study, titled “Impact of Self-Help Group Model on Women Empowerment: A Survey-Based Study on Nadia District”, seeks to explore these dynamics through primary data collected from 379 SHG members across different blocks of the district. The research is grounded in the understanding that women’s empowerment is a multidimensional phenomenon, encompassing economic, social, and personal dimensions. While economic empowerment often forms the entry point through access to credit and income generation, social and personal empowerment—manifested through increased mobility, decision-making power, and self-efficacy—represent deeper and more transformative outcomes.

Using the Garrett Ranking Method, the study evaluates the relative importance of different components of empowerment from the perspective of SHG members themselves. By ranking various indicators—such as income generation, access to credit, leadership roles, mobility, and social participation—the study aims to identify which aspects

of empowerment have been most significantly influenced by SHG participation. Preliminary findings indicate that respondents tend to prioritise economic empowerment indicators over social and personal growth indicators. They perceive access to affordable credit and its effective utilisation as more instrumental in improving their livelihoods than non-economic factors. This suggests that while SHGs have been effective in laying the economic foundation for empowerment, additional interventions may be necessary to translate these economic gains into broader social transformation.

The rationale for focusing on Nadia district lies in its rich experience with SHGs and its representative socio-economic characteristics, which mirror those of many rural districts in eastern India. Examining the district provides valuable insights into both the successes and challenges of SHG-based empowerment strategies in rural contexts. Moreover, the study contributes to the broader discourse on microfinance and gender empowerment by offering empirical evidence from the field, which can inform policymakers, development practitioners, and financial institutions in refining future strategies.

Finally, this research underscores the strategic role of the SHG model in promoting women's empowerment at the grassroots level. By combining access to finance with collective action, SHGs create pathways for women to enhance their economic standing, assert their social agency, and participate more actively in community life. However, for this potential to be fully realised, the model must be complemented by supportive institutional frameworks, capacity-building programmes, and gender-sensitive policies that address structural constraints. The present study, through a systematic survey-based analysis, aims to deepen the understanding of these processes in Nadia district and contribute to evidence-based policy formulation aimed at fostering inclusive and sustainable empowerment for rural women.

2. Method of the Study

The methodology of the present study has been carefully designed to assess the impact of Self-Help Groups (SHGs) on women's empowerment in Nadia district, West Bengal. This section outlines the research design, sampling strategy, data collection procedures, tools of analysis, and techniques employed to ensure the validity and reliability of the findings.

The study area—Nadia district—is one of the most prominent regions in West Bengal in terms of SHG activity and microfinance penetration. It is located in the southern part of the state and comprises a mix of agrarian and semi-urban settlements. The district has witnessed sustained efforts by government and non-governmental organisations to promote SHG-based microfinance since the late 1990s. The choice of Nadia district as the study site is deliberate, as it provides a representative context for understanding the effectiveness of the SHG model in empowering women in rural eastern India. The area is characterised by high SHG coverage, diverse socio-economic profiles, and the presence of both mature and newly formed groups, making it ideal for empirical investigation.

The research design adopted for this study is descriptive and analytical, combining elements of survey research with quantitative ranking methods. A descriptive design is appropriate for systematically documenting the demographic, economic, and social characteristics of SHG members, while the analytical component allows for the ranking and comparative evaluation of different empowerment dimensions. This dual approach enables the research to go beyond mere description and examine the relative importance of various empowerment outcomes as perceived by SHG members themselves.

The target population comprises women who are active members of SHGs in Nadia district. To ensure representativeness, a random sampling technique was employed to select respondents from different blocks within the district. A total of 379 SHG members were selected as the final sample size. This number was determined based on both statistical adequacy and logistical feasibility, ensuring that the sample is large enough to capture variation in responses while remaining manageable for in-depth data collection and analysis. The sample covers a broad cross-section of SHG members varying in terms of age, educational attainment, economic background, and group maturity.

Primary data were collected through personal interviews using a structured questionnaire. Data collection was conducted during January and February 2024. Personal interviews were chosen over self-administered questionnaires due to varying literacy levels among respondents and to ensure accurate and complete responses. Each interview was conducted in the local language by trained field investigators, ensuring cultural sensitivity and effective communication. The structured questionnaire included sections on socio-demographic characteristics, economic activities, participation in SHGs, access to credit, decision-making patterns, mobility, leadership roles, and perceptions regarding changes in different dimensions of empowerment.

The questionnaire was developed based on an extensive review of the literature on microfinance and women's empowerment (e.g., Kabeer, 1999; Garai et al., 2012; Ghosh & Paul, 2021; NABARD, 2023–24) and refined through a pilot survey conducted on a small group of SHG members in a non-sampled block. Feedback from the pilot helped to improve the clarity and sequencing of questions. The final version was standardised to ensure uniformity across interviews.

The Garrett Ranking Method was applied to analyse the data. This method is particularly suitable for identifying the relative significance of different empowerment components as perceived by respondents. In this approach, respondents rank various aspects of empowerment—such as income generation, access to credit, leadership development, decision-making power, mobility, social participation, and personal self-confidence—according to the degree of improvement they experienced after joining SHGs. These ranks are then converted into scores using the Garrett formula:

$$\text{Percent Position} = \frac{100(R_{ij} - 0.5)}{N_j}$$

where R_{ij} is the rank given for the i^{th} factor by the j^{th} individual, and N_j is the total number of factors ranked by the j^{th} individual. The percent positions are then converted into Garrett scores using a standard table. The mean scores for each factor are computed and ranked accordingly. This allows for a clear, systematic, and statistically grounded comparison of different empowerment dimensions.

Data analysis was conducted using both descriptive statistics (such as frequency distributions, percentages, and averages) and Garrett Ranking results. Descriptive analysis provided an overall profile of SHG members and their socio-economic characteristics, while the ranking results revealed which dimensions of empowerment were most impacted. This dual analysis offers a nuanced understanding of both the general patterns and the subjective perceptions of SHG members.

Ethical considerations were carefully addressed throughout the research process. Respondents were informed about the purpose of the study, the voluntary nature of their participation, and the confidentiality of their responses. Verbal informed consent was obtained before each interview. No identifying information was disclosed in the analysis or reporting, ensuring anonymity and privacy.

The methodology also incorporates measures to enhance validity and reliability. Content validity was ensured through expert review of the questionnaire and alignment with established literature on women's empowerment indicators. Reliability was addressed through consistent administration procedures, interviewer training, and internal checks during data entry and coding. Additionally, random back-checks were conducted on 10 per cent of the interviews to verify data accuracy.

The strength of this methodological approach lies in its combination of quantitative ranking and qualitative contextual understanding. While the Garrett Ranking Method provides a rigorous statistical basis for prioritising empowerment components, the structured interviews allow respondents to express their perceptions and experiences in their own terms. This alignment between numerical analysis and respondents' subjective voices enriches the findings and ensures that the study remains grounded in the lived realities of SHG members.

The chosen methodology is also aligned with the research gap identified in the literature. While numerous studies (e.g., Thangumani & Muthuselvi, 2013; Bariya et al., 2022; Kundu, 2019; Das et al., 2015) have documented the positive effects of SHGs on women's empowerment, fewer have systematically ranked empowerment components based on members' perceptions. By employing the Garrett Ranking Method on a representative sample, this study contributes novel insights into which dimensions of empowerment are most valued by SHG women themselves, thereby moving beyond aggregate observations to more nuanced understandings.

In conclusion, the method of the study provides a robust and context-sensitive framework for examining the impact of the SHG model on women's empowerment in Nadia district. Through careful sampling, structured interviews, rigorous analytical methods, and ethical research practices, the study aims to generate reliable and meaningful findings that can inform both academic discourse and policy formulation. The methodology ensures that the analysis is both statistically sound and socially grounded, enabling a comprehensive exploration of the complex and multifaceted process of women's empowerment through SHGs.

3. Results and Discussion

Women Empowerment being a multi-layered, multi-dimensional, and multi-faceted concept is quite difficult to comprehend from any one particular aspect. The earlier studies on empowerment have tried to apprehend women's empowerment from multiple aspects. From previous research works, the most common forms of empowerment are selected and considered in this study to grasp the overall impact of SHGs on women's empowerment. 7 components of empowerment which are considered in this study are as follows:

- Economic Conditions
- Social Status
- Financial Literacy
- Skills Development
- Awareness and Availing of Government schemes, subsidies, and policies.
- Self-Decision-Making Ability
- Protest Against Injustice

In the field survey, all the respondents were individually asked to rank the components from 1 to 7 as per the level of improvement after joining SHGs. Rank 1 was assigned to the most empowered component, whereas Rank 7 was given to the comparatively least empowered component. After accumulating all the responses, the Garrett Ranking Method was applied where the Garrett Mean score of each component is calculated followed by the ranking of these components as per the score in descending order. Each component of empowerment with its corresponding Garrett Score and Ranking are given in the following table:

Table 1: Garrett Mean Score and Ranking

Components of Empowerment	Garrett Mean Score	Ranking
Economic Conditions	53.49868	1
Social Status	47.88918	6
Financial Literacy	51.78892	2
Skills Development	46.3562	7
Self-Decision-Making Ability	51.27177	3
Awareness and Availing of Government schemes, subsidies, and policies	50.20844	4
Protest Against Injustice	47.98681	5

Source: Researchers' own calculation

From the results, it is evident that after joining SHGs, among all the empowerment components, the "Economic Conditions" of the households of the group members have shown substantial empowerment. This outcome is very much

expected because a majority of the SHG members have bettered their income by utilizing the group credit for any income-generating purposes. Increases in earnings, savings, and assets are grouped under the category “Economic Conditions” to understand the financial impact of SHGs on women members and their households. After joining SHGs, group members were given training on Book-keeping, Short Term Credit Management, and Financial Literacy and hence it is justified why respondents feel that they are more financially literate. Hence, after “Economic Condition”, respondents have ranked “Financial Literacy” as the second most form of empowerment. It is true that economic empowerment leads to other forms of empowerment as well. Strong group dynamics and regular interactions among the members and outsiders have boosted the self-confidence of the members, which helps them to make decisions on their own.

Hence, “Self-Decision-making Ability” is ranked 3rd among the different forms of empowerment. Furthermore, SHG women have more awareness about the availability of different Government schemes and the various benefits that can be availed from the Government through group lending schemes like Revolving Fund, MAS (*Mohila Apto Sohayok*), etc. Constant monitoring by intermediaries like Non-Governmental Organizations (NGOs), *Sanghas* also helps them to get updated with changes in norms and regulations of various social welfare schemes launched by the Government. Hence, “Awareness and Availing of Government schemes, subsidies, and policies” is ranked 4th in the list of empowerment components. However, respondents feel that after being a part of SHG, their ability to protest against any form of injustice have been improved like never before but not to the extent of other components of empowerment. Hence, “Protest against Injustice” occupies 5th position among the list of empowerment indicators. SHG women have felt that their importance in the family decision making and their roles in the society as facilitator of development have increased manifold. Due to collective bargaining and strong group cohesion, women have found their own voices and strongly advocate for their own rights as and when required.

Women members especially group leaders are indeed more knowledgeable about the maintenance of different books, loan disbursement, interest calculation, advantages of timely loan repayment. One of the basic elements of SHG model is to arrange training programs for the women to enhance their earning skills and livelihood creation. SHG women members are provided with adequate guidance and proper training so that they can use the micro-credit for self-employment or micro-entrepreneurship. With refined self-confidence and different skill development training from SHGs, women members have sharpened skills through which they can earn income and also promote self-employment wherever possible. Therefore, “Social Status” and “Skills Development” are ranked 6th and 7th respectively. Among the different aspects of empowerment, economic empowerment of women has been more evident which is believed to lead to other forms of empowerment through various levels. From the experiences shared by the respondents, it is apparent that joining SHGs has not only empowered them financially in terms of earnings, savings, literacy, subsidies, etc. but has also helped in personality development through improved self-confidence, skills upgradation and socially through better societal recognition and acceptance.

4. Conclusion

The findings of this study clearly highlight that Self-Help Groups (SHGs) have played a significant role in enhancing multiple dimensions of women’s empowerment in Nadia district. Among the seven components considered, economic empowerment emerged as the most transformative, with improvements in income, savings, asset accumulation, and financial inclusion. This economic strengthening has, in turn, catalysed progress in other areas such as financial literacy and decision-making ability, which were ranked second and third, respectively. Increased awareness of government schemes further underscores the role of SHGs as platforms for information dissemination and collective action. While respondents acknowledged gains in protesting injustice, social status, and skills development, these dimensions lagged slightly behind, indicating areas for further policy and programme focus. Overall, the results affirm that economic empowerment acts as the foundation for broader social and personal empowerment, validating the SHG model as an effective grassroots development strategy. To maximise its transformative potential, future interventions should

complement financial services with targeted initiatives in capacity building, social awareness, and skill enhancement, ensuring holistic and sustained empowerment of rural women.

5. Reference

- Bali Swain, R., & Wallentin, F. Y. (2012). Factors empowering women in Indian self-help group programs. *International Review of Applied Economics*, 26(4), 425–444. <https://doi.org/10.1080/02692171.2011.595398>
- Bariya, M. K., Chandravadia, K. U., Jadav, N. B., & Patel, H. (2022). Impact of Self-Help Groups on Empowerment of Women. *Indian Research Journal of Extension Education*, 22(4), 42–47. https://doi.org/10.54986/irjee/2022/oct_dec/42-47
- Das, S., Mitra, A., & Ali, Md. H. (2015). A study on the impact of women self-help groups (SHGs) on rural entrepreneurship development—A case study in selected areas of West Bengal. *International Journal of Scientific and Research Publications*, 5(3), 398–404.
- Garai, S., Mazumder, G., & Maiti, S. (2012). Empowerment of women through self-help group approach: Empirical evidence from West Bengal, India. *African Journal of Agricultural Research*, 7(48), 6395–6400. <https://doi.org/10.5897/AJAR12.1580>
- Garrett, H. E. (1924). An empirical study of the various methods of combining incomplete order of merit ratings. *Journal of Educational Psychology*, 15(3), 157–171. <https://doi.org/10.1037/h0070378>
- Ghosh, D., & Paul, S. (2021). The impact of self-help groups in women empowerment with special reference to Kumargram Block, Alipurduar District (West Bengal). *International Journal of Multidisciplinary Educational Research*, 2, 01–09.
- Kundu, D. (2019). Socio-economic empowerment of rural women through self-help groups in West Bengal. *International Journal of Advanced Research in Management and Social Sciences*, 8(6), 497–506.
- National Bank for Agriculture and Rural Development. (2024). *Status of Microfinance 2023–24*. NABARD.
- Thangamani, S., & Muthuselvi, S. (2013). A study on women empowerment through self-help groups with special reference to Mettupalayam Taluk in Coimbatore District. *IOSR Journal of Business and Management*, 8(6), 17–24. <https://doi.org/10.9790/487X-0861724>