

## **THE PROMINENCE OF SHG BUSINESS MODEL ON WOMEN EMPOWERMENT AND SOCIAL WELFARE: A BRIEF STUDY IN SONITPUR DISTRICT OF ASSAM.**

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### **ABSTRACT**

The ongoing global recognition of the pivotal role that women's empowerment plays in driving the socio-economic advancement of communities have garnered significant attention. Particularly, Self Help Groups (SHGs) have emerged as crucial vehicles for fostering women's empowerment, facilitating their engagement in sustainable micro-enterprises through various means, including but not limited to guidance, ongoing support, and active involvement. Expanding upon this topic, the primary objective of this academic inquiry is to comprehensively evaluate a spectrum of research initiatives centered on women's empowerment, with a specific focus on the unique dynamics present in the Sonitpur District of Assam. Through a detailed examination of past interventions and results linked to women's empowerment programs supported by SHGs, both in the broader Indian setting and more specifically in Assam, our aim is to extract valuable insights regarding the most successful strategies and effective practices implemented through these programs. It is important to highlight the unwavering commitment demonstrated by the government of Assam in elevating the status of women, notably by giving priority to aiding women's self-help groups, particularly those hailing from disadvantaged socioeconomic backgrounds, irrespective of their caste or religious affiliation. This dedication underscores a concerted effort to ensure that all women, regardless of their starting point, are equipped with the necessary resources and opportunities to thrive and contribute meaningfully to society, fostering a more inclusive and equitable environment for all.

**Keywords:** women's empowerment, self help groups (shgs), socio-economic welfare.

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### **INTRODUCTION**

Socio-economic development, particularly for women, has emerged as a crucial solution to social issues such as population growth, environmental degradation, and women's low status.

Empowerment encompasses decision-making power, access to information and resources, assertiveness in collective decision-making, positive thinking, learning skills, democratic change, economic participation, political empowerment, educational attainment, and health and well-being. Empowerment encompasses cognitive, psychological, and economic elements. Cognitive elements involve women's awareness of their subordinate status and understanding the root causes of gender inequality due to patriarchy. Psychological aspects involve recognizing commonalities with other women, particularly those from their own background, and instilling confidence in their ability to change their environment. Economic resources provide opportunities for women to earn economic independence, granting them greater control over life and authority in private and public spheres.

### **ORIGIN OF THE SELF HELP GROUPS IN INDIA**

The National Bank for Agricultural and Rural Development (NABARD) has been implementing the Self Help Group (SHG) scheme in India since 1989, based on the Grameen Bank of Bangladesh model. SHGs are small, informal, and homogenous groups of no more than 20 members each, with a mandatory size of 20. They differ from large, heterogeneous and formal co-operatives, which are founded on cooperation. Microcredit helps financial institutions by minimizing transaction costs, reducing individual member transaction costs, and reducing mismatch between demand and supply. The SHGs provide microcredit to rural women without requiring collateral security, encouraging them to enter entrepreneurial activities and become enterprising women. NABARD has launched several programs to improve the socio-economic status of women in all sectors, focusing on providing credit support through SHGs. The first initiative of providing microcredit to SHGs began in 1992, with policy backing from the Reserve Bank of India.

### **SHGs AND WOMEN DEVELOPMENT**

The Self-Help Groups (SHGs) approach is not new in rural development, but it has the potential to reduce dependence and improve rural development. SHGs are voluntary organizations that assume that any neighborhood can improve itself by exhausting its resources. They are seen as a viable and participatory mechanism to increase women's visibility, strengthen their voice, and develop economic activities collectively. However, existing human services are inadequate in meeting the needs of the people they help. SHGs are re-emerging in both developed and developing countries due to a deficit in established human services. Banks can improve the quality of lending by organizing the poor in SHGs, ensuring proper utilization of credit and prompt repayment of loans. SHGs also have better knowledge about their members compared to bank staff. Women in India have traditionally been suppressed, especially those from economically and socially weaker sections. Discrimination in job opportunities, lower wages, and poverty contribute to the lower status of rural women.

### **LITERATURE REVIEW**

Swain's 2007 survey found that while self-help groups (SHGs) increase confidence and decision-making abilities among households, they also increase domestic violence due to women's

economic independence. SHGs aim to assist socio-economically excluded communities in achieving self-employment and income security.

Sanyal's 2009 study in West Bengal found that microfinance programs significantly benefit families, transforming their lives and enabling women to mobilize and connect beyond their immediate neighbors.

Naganagoud (2011) & Dhanya and Sivkumar (2010) studies involve progress monitoring and management of particular microfinance programs.

Dhanya & Sivkumar (2010) in the study of Kudumbashree microfinance programme found that this programme is significantly contributing towards the income of the respondents.

Mehta et al. (2011) found that microfinance programs significantly benefit rural people, transforming economic conditions, social status, decision-making, and women's mobility. They also contribute to social change by changing people's ideas, values, and attitudes.

Chitagubbi et al. (2011) found that self-help group formation (SHGs) empowers the poor, leading to economic independence and leadership quality in 93% of respondents.

Ghosh et al (2006) highlight that women in India, particularly those from economically and socially weaker sections, have been traditionally suppressed, and the current constitutional and legislative provisions have not adequately addressed this issue.

Rajagopalan (2005) highlighted the emergence of Self-Help Groups (SHGs) due to inadequate human services in rural and urban areas, resulting in their re-emergence in both developed and developing countries.

Dasgupta (2001) and Jain (2003) both highlight the importance of the Self-Help Groups (SHGs) approach in rural development. SHGs aim to reduce dependence and improve self-improvement in neighborhoods, regardless of poverty. However, they may struggle to convince poor people that the government should meet their needs freely due to their situation.

Pattanaik (2003) emphasized the importance of launching self-employment and social welfare programs to promote economic self-sufficiency and women's empowerment, citing Gujarat's experiences.

Manimekalai and Rajeshwari (2001) suggest that grass root organizations of rural women, once seen as service delivery and household training, are now seen as participatory mechanisms for women's visibility and empowerment.

Chowdhry (1998) highlights the socio-economic status of the educated and organized female workforce, while rural and unorganized sectors face dependency, bondage, and unclear coverage. Discrimination in job opportunities, lower wages, and poverty contribute to their lower status.

### **PROBLEM OF THE STUDY**

Women face a disproportionate burden of poverty due to systematic discrimination in education, healthcare, employment, and asset control. They often lack basic rights like clean water, sanitation, medical care, and decent employment. Women are often paid less than men and face persistent discrimination when applying for credit. SHGs are necessary to overcome exploitation and create confidence for economic self-reliance, especially among women. Credit is a major factor in boosting socio-economic development, and microcredit is making progress in India.

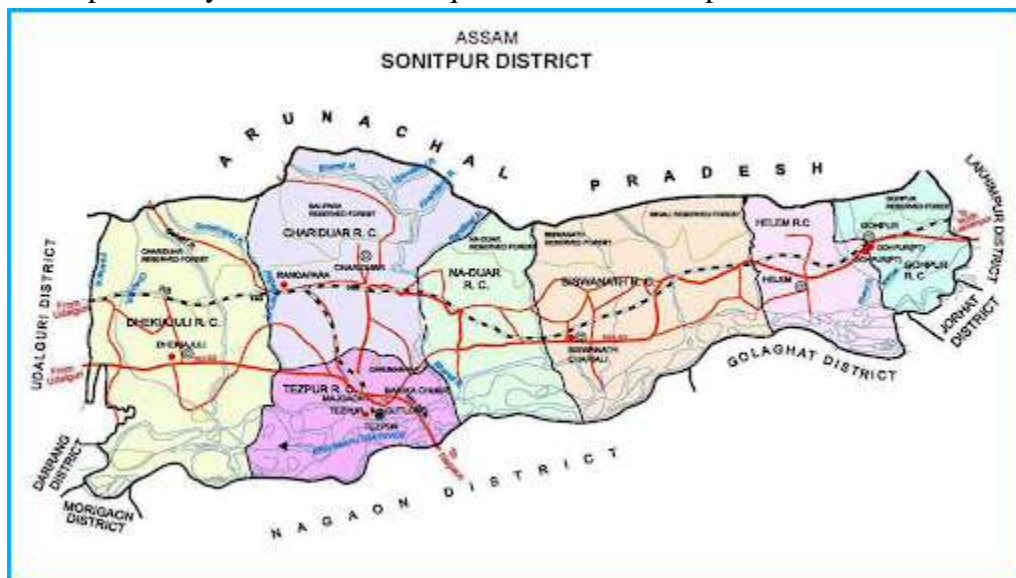
This study assesses the role of SHGs in the socio-economic empowerment of women in Sonitpur district of Assam.

### **SIGNIFICANCE OF THE STUDY**

The Indian economy has been focusing on inclusive growth since the 11th Five Year Plan, leading to interventionist programs in rural and urban areas. Microcredit movement through Social Housing Groups (SHGs) has shown potential in socio-economic empowerment of women. This study examines the role of SHGs in women's socio-economic empowerment by comparing their members' socio-economic status with non-members.

### **AREA OF THE STUDY**

The area for this study is taken from the Mazgaon Panchayat under Gabhoru Block in Sonitpur district of Assam. Mazgaon Gram Panchayat is a Rural Local Body in Gabhoru Panchayat Samiti part of Sonitpur Zila Parishad. There are total 5 Villages under Mazgaon Gram Panchayat jurisdiction. Gram Panchayat Gabhoru is further divided into 10 Wards. In Mazgaon panchayat, there are 159 SHGs actively working with 10-15 members in each groups totaling to 1590 to 2385 members approximately. These SHGs are having food processing units like pickle making, papad making, weaving, tailoring, bamboo craft, Muga, eri, paat silkworm culture, sericulture, animal husbandry such as fishery, piggery, poultry, dairy farming, etc. As a pilot study, 250 members were personally interviewed and questionnaires were put in front of them.





### **OBJECTIVES OF THE STUDY**

The following are the objectives of the present study:

1. To examine the origin and growth of SHG movement in India;
2. To study the availability of institutional and non-institutional credit among the sample respondents in the study area;
3. To examine the role of SHG movement on the societal development of sample respondents in the study area;
4. To analyse the extent of economic development of sample respondents in the study areas; and
5. To suggest policy measures for the more inclusive socio-economic upliftment of women and efficient functioning of SHG's.

### **HYPOTHESES OF THE STUDY**

The following hypotheses are framed to be tested in this study:

1. In institutional credit delivery to the sample respondents, SHGs are playing a vital role in the study area;
2. There is noteworthy improvement in the societal condition of the sample respondents in the study area;
3. The level of economic development among the sample respondents differ significantly in the study area; and
4. In the study area, there is greater reach for the promotion of SHG's in ensuring participatory development among women.

### **METHODOLOGY OF THE STUDY**

The present study examines the role of SHGs in the socio-economic development of women in the study area chiefly with the help of primary data. Secondary data collected from the books of records of different SHGs of Mazgaon panchayat under Gabhoru block. To analyse the role of SHGs in the socio-economic development of women in the study area, a standard questionnaire was prepared and a pilot study was conducted in order to test the applicability of the same. After making the necessary modifications in the questionnaire, the field survey was conducted. The questionnaire included information pertaining to the identification particulars of the respondents, household information, the levels of education of the respondents and that of their household members, income, expenditure, asset possession among the members of the SHGs, their socio-

economic conditions, problems faced by them, etc. Moreover, in order to trace the role of the SHGs in the study area, the present socio- economic conditions of the sample respondents are compared with that of their past conditions with the help of appropriate statistical tools.

### **SAMPLING DESIGN**

The sampling in this study is based on multi-stage random sampling method. In the first stage, in Sonitpur district in Assam is purposively chosen as it is one of the districts with the socio-economic status which is average to high with the State average. The level of education, district income and all other indices of this district are average compared to that of many other districts. These 250 SHG members among 159 SHGs of Mazgaon Panchayat under the Gabhoru Block have become of the sample respondents of the present study.

### **TOOLS OF ANALYSIS**

The information collected for this study through the field survey has been examined with the application of ratio analysis, diagrammatic representation, descriptive statistics, t-test, chi-square test, ANOVA and Wilcoxon test.

### **CONCLUSION**

This study is comprehensively founded on the data gathered from a diverse pool of sample respondents who graciously shared insights into their past and present socio-economic status, as well as the level of development within their households. It is important to highlight that throughout the data collection process, some respondents hesitated to fully disclose the necessary information, requiring gentle persuasion to ensure transparency. Consequently, the integrity of this analysis heavily relies on the information voluntarily provided by the individuals participating in this research endeavor. Their contributions serve as the cornerstone for examining and understanding the intricate dynamics of socio-economic conditions and household development, offering a nuanced perspective that underpins the significance of their involvement in painting a comprehensive picture of the researched phenomena. Through their valuable input, this study aims to shed light on the multifaceted aspects of socio-economic disparities and household progress, contributing to a rich tapestry of knowledge that offers meaningful insights for future endeavors aimed at enhancing societal well-being and development.

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