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Women's empowerment and microfinance: an explanatory study of self-help groups in East Development Block, Padumoni under Golaghat District, Assam

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Abstract

This study explores the relationship between microfinance and women's empowerment through Self Help Groups (SHGs) in Golaghat district, Assam. It investigates how microfinance initiatives contribute to the socio-economic development and empowerment of women, particularly in rural areas. The study employs a mixed-method approach, combining quantitative and qualitative data collection and analysis methods. Primary data were collected from 10 SHGs in East Development Block, Padumoni, under Golaghat, Assam. For this purpose well prepared and pre tested interview schedule was used. After collection of data they were analysed and interpreted by applying proper statistical techniques. The findings suggest that SHGs have a positive impact on women's empowerment, enabling them to gain financial independence, improve their decision-making capacity, and enhance their social status. The study highlights the importance of microfinance as a tool for women's empowerment and poverty alleviation, and provide insights into the challenges and opportunities faced by SHGs in the district. The research contributes to the existing literature on microfinance and women's empowerment, and offers recommendations for policy makers, practioners, and stakeholders to strengthen SHG initiatives and promote women's empowerment in the region.

Keywords: Golaghat district, women's empowerment, microfinance, self-help groups, socio-economic development

Introduction

In order to eliminate poverty and improve the standard of living for the impoverished, microfinance is a key and successful tool for financial inclusion. It gives economic chances to the weaker segments of society by guaranteeing access to essential financial services. However, according to the 2011 Census, women make up about half of India's population and are mostly marginalised due to their limited access to healthcare, work, and education. The immediate challenges to integrating women into the mainstream of economic development are raising income and employment and empowering women economically. In order to improve women's economic standing, the Self Employed Women's Association (SEWA) took the initiative in 1972.

Microfinance plays a crucial role in helping the impoverished, particularly women, meet their financial needs and lessen their reliance on unofficial sources of funding. Without it, these individuals would not be able to obtain bank loans because they lack adequate collateral, forcing them to turn to moneylenders for high interest rates. Furthermore, microfinance via Self Help Groups (SHGs) is a more successful approach to reducing poverty and promoting women's employment. Therefore, the Self Help Group-Bank Linkage Program was launched in 1992 as a pilot project by the National Bank for Agricultural and Rural Development (NABARD), the apex development bank. Once the SHGs mobilise savings and qualify for credit, the program connects them with banks to provide basic financial services. Women's empowerment, income, savings, and consumer expenditures have all increased as a result of the initiative. In fact, when women participate in Self-Help Groups (SHGs), the entire household benefits.

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Women are also motivated to actively participate in economic activities by their desire for financial independence, decision-making authority, and parental responsibilities.

Self-help groups (SHGs) are small, unofficial organisations or voluntary associations of individuals, usually women, who band together to accomplish a shared objective, usually one that has to do with social and financial advancement. Poor people in rural or underprivileged locations, ideally from similar socioeconomic backgrounds, create these associations. They gather together in order to use mutual and self-help to solve their shared challenges. In addition to encouraging small savings among its members, the SHG creates a common fund or corpus that can be used to provide loans to members for both productive and emergency credit requirements.

The idea of SHG is no longer restricted to women or merely a small-credit medium. These groups cross this line and engage in a variety of other activities, such as various forms of community service, self-employment, and revenue-generating ventures, in addition to opposing various anti-social practices within the community. Therefore, the effects of their labour extend beyond the members and affect the community as a whole. This indicates that SHGs are essential to community development.

Concept of Women Empowerment

The process of enhancing women's self-esteem, decision-making skills, and access to resources and opportunities is known as women's empowerment. It entails establishing a setting in which women may fully engage in society, exercise their rights, and make decisions.

It is becoming more widely accepted that the most significant aspect in achieving gender equality is women's socioeconomic empowerment, or their ability to influence economic change for themselves. Women make about half of the workforce worldwide, thus empowering them economically is important for both promoting women's human rights and accelerating economic growth. Women's empowerment affects not just their personal economic standing but also that of their communities and nations. However, women's economic contributions are frequently disregarded, their labour is underappreciated, and their potential is seldom fostered. It will make it more difficult for women to escape poverty and get more opportunities to better their life. According to research, there are still disparities in the distribution of paid and unpaid labour between men and women, the fact that women continue to be the only carers at home, and their limited access to resources. Furthermore, economic growth is slowed by these inequalities.

A holistic strategy that takes into account the social, economic, and political facets of women's life is necessary for women's empowerment, which is crucial for building a more just and equitable society. In order to improve the status of women in India, numerous governmental and non-governmental organisations are working to empower them through various initiatives. One such project is the establishment of Self-Help Groups (SHGs) and the assistance they receive in growing by connecting them with various financial institutions that provide loans.

What is Microfinance?

For the impoverished that lack access to banks or other official financial institutions, microfinance guarantees small loans without collateral. The term "microfinance" describes small-denomination financial products aimed at low-income customers, such as transfers, insurance, savings accounts, and loans. But microfinance is more effective in reducing poverty and raising the standard of living for the weaker segments of society by offering financial services along with non-financial services like training, marketing expertise, and awareness. Since social development goals are believed to be the primary cause of women's ongoing "under-development," the Microcredit plus program, which combines credit and non-credit components, is seen as a means of achieving both sustainable development and economic growth. Therefore, a crucial component of rural finance is microfinance. It primarily serves low-income households and is one of the most legitimate and successful methods for reducing poverty. It encourages people to take advantage of the chances for self-employment.

Micro finance and Women Empowerment:

Microfinance for women's empowerment encompasses education, skill and training development, social empowerment, and economic empowerment. Microfinance's contributions to economic emancipation included increases the amount that women contribute to the household's income since credit access contributes to the creation of jobs and helps women understand bank activities. Microfinance's involvement in social empowerment includes boosting women's self-esteem, gaining them respect when it comes to making decisions in the home, and enhancing their capacity to freely engage with others both inside and beyond the group. Microfinance's role in education, skill, and training empowerment includes raising family members' literacy levels, raising awareness of children's education, and assisting in the acquisition of information about keeping track of financial transactions. It has been demonstrated that microfinance is a crucial instrument in the process of providing rural impoverished women with educational, socioeconomic, and political empowerment. Microfinance has a significant impact on rural poor women's empowerment, skill development, courage, and confidence.

Objectives of the study

- To know the concept of micro finance.
- To examine how micro finance and SHGs enhance the women's empowerment in the study area.
- To offer recommendations to strengthen SHG initiatives and promote women's empowerment

Research Methodology

This study has been carried out by using both primary and secondary data. Due to time constraints 10 SHGs and 50 households in East Development Block, Padumoni, under Golaghat district, Assam are selected randomly and primary data are collected with the help of a well-structured questionnaire. Secondary data collected from different books, articles published in journals, periodicals, conference paper, website etc.

Socio-Economic Condition of the Respondents in Women SHGs**Table 1:** Personal Profile of the Respondents, N=50

SL. No	Variable	Classification	Frequency	Percentage
1	Age Distribution	Old (46-60 years)	9	18.00
		Middle (26-45 years)	31	62.00
		Young (Below 25 years)	10	20.00
2	Education	HSLC & Below	12	24.00
		HSSLC	14	28.00
		Under Graduate	11	22.00
		Graduate	13	26.00
3	Family Type	Nuclear Family	36	72.00
		Joint Family	14	28.00
		Family with 0-4 members	38	76.00
		Family with 5-6 members	8	16.00
		Family members 7 >	4	8.00
4	Religion	Hindu	46	92.00
		Muslim	4	8.00
5	Caste	General	33	66.00
		OBC	10	20.00
		SC	7	14.00
6	Marital Status	Married	43	86.00
		Unmarried	2	4.00
		Widow	4	8.00
		Divorcee	1	2.00
7	Earnings	Rs. 15000-20000 per month	35	70.00
		Below Rs. 15000 per month	10	20.00
		Above Rs. 20000 per month	5	10.00

Source: Field Survey

Among the 50 women in the 10 selected women SHGs, most of them generally fall within the age group of 26-45 years. The above table reveals that above 62% of women fall within this middle age group in the study area. Remaining 18% of women are old and they fall within the age group 46-60 years. Similarly, 20% women are young and they are below 25 years old. Education is an important aspect, it can help to develop basic skills and abilities of and promote their application of new knowledge and innovative ideas in production and marketing of products. In the present study the educational qualification of such women are clearly depicted in the above table (Table 1). It reveals that the percentage distribution of educational distribution of women is more or less the same. It is a good sign that 26% of women in the said SHGs are Graduate yet, they prefer to undertake business activities rather than running after public job or pursue higher education mainly because of their poor economic condition in rural areas.

Most of the women are belong to the nuclear family. Only 14 (28%) women lived in joint family. Similarly, majority of them had 0-4 members in their family. 8 women had family members 5-6 with 3 or 4 children. Only 4 women had very large family with 5 or 6 children.

It has been found in the field survey that more than 92% women belong to the Hindu religion and remaining are Muslims. These Hindu women are more free and literate in comparison to Muslim women in starting business in study area. It has also been observed that 66% women belong to General Caste, 20% OBC and remaining 14% belongs to Schedule Caste. The general caste women enjoy high value in the society and they are reluctant to take up business enterprises. So far as the marital status is concerned it was found that almost all the women are married and only 2

women were found to be unmarried in the study area.

The types of business enterprises and income generation per month

The kinds of businesses that women's self-help groups in a given area launch are a reflection of their market potential, interest, and demand. Women entrepreneurs favoured weaving, cutting, knitting, tailoring, embroidery, tea and sachi (Agar) plantations, bamboo and cane labour, animal husbandry, duck farming, goat rearing, dairy farming, vegetable production, beauty salons, receptionists, etc. among the several production lines. Out of all of these, animal husbandry and tea plantations held a significant position among the women's self-help groups. After a long time, they get a very good profit from the cultivation of tea and sachi. The majority of women in the study region also make money from dairy farming, whose products are in high demand in the market nowadays. Rural women can generate a substantial monthly income from these industrial lines. According to the results of the field survey, seven women's self-help groups (a randomly chosen group of thirty-five women) made between Rs. 15,000 and Rs. 20,000 a month. Only five women in a single SHG were able to make more than Rs 20,000 per month from their lines of production, whereas two women's SHGs or a randomly selected group of ten women made less than Rs 15,000 per month.

Constraints of Women SHGs in starting and running a business: The constraints and challenges faced by the women SHGs are quite identical in nature. They face with these challenges both in starting and running a business enterprise in rural areas under study. They are discussed in terms of the following table.

Table 2: Constraints in Starting and Running Business, N=50

SL. No	Factors	No of Women/Women SHGs	Percentage
1	Lack of skills and efficiency	26 (6 SHGs)	52.00
2	Dearth of working capital	22 (5 SHGs)	44.00
3	Lack of awareness and adequate knowledge	22 (5 SHGs)	44.00
4	Insecurity and lack of self confidence	15 (3 SHGS)	30.00
5	Lack of family support	18 (4 SHGs)	36.00
6	Lack of proper training and guidance	35 (8 SHGs)	75.00
7	Gender biasness and non-acceptance	11 (3 SHGs)	22.00
8	Stiff competition from the machine made products	27 (6 SHGs)	54.00
9	Lengthy process of releasing funds by banks	33 (6 SHGs)	66.00
10	Lack of constant supervision	30 (7 SHGs)	60.00
11	No obstacles	2 (1 SHG)	4.00

Source: Field Survey

One of the important challenges faced by the women SHG is lack of productive skills. More than 51% women face with this problem due to the inadequate knowledge of administration, marketing, accounts, and public relation etc. Raising capital is another important problem in the study area. This problem was more prominent among 44% rural women SHGs as they lacked information relating to the banks and financial organizations. Insecurity and lack of self-confidence is also a vital problem faced by 30% rural women. This problem is further aggregated by lack of family support. 36% of the rural women entrepreneurs face with this problem in smooth functioning of their activities. A substantial number of female (75%) face an obstacle of lack of proper training and guidance. Besides these women entrepreneurs face with so many other problems like Stiff competition from the machine made products, lengthy process of releasing funds by banks, lack of constant supervision, etc. As per the study reveals.

Recommendations

Considering the findings of the study, the following measures can be suggested for effective implementation micro finance and empowering women through formation of SHGs.

- Literacy and numeric training is needed for the poor women.
- The members of the women SHGs should be made more active, enthusiastic, and dynamic to mobilize their savings by group action.
- The office bearers managing the group should be given nominal financial benefits which will enable them to be more involved in the activities of the group.
- The bank should advance adequate credit to the SHGs according to their needs. Uniformity should be maintained in extension of financial benefits to them.
- The procedure of the banks in sanctioning credits to SHGs should be simple and quick.
- Periodical exhibition at block level may be organized where the procedures of SHG can be displayed.
- Meeting and seminars may be organized among the groups in the district where the members will get a chance.
- Active intervention by district administration, professional bodies, and voluntary organizations is needed in terms of skill training, designing products, providing new technology, and access to market.

Conclusion

The weaker segments of society, like women, who would otherwise have to rely on unofficial sources of funding, can benefit greatly from microfinance through SHGs. Assuring access to small-denomination financial services along with non-financial services through microfinance is a crucial tactic for successfully empowering women. Following an analysis of the body of research in the economic field, women who get microfinance interventions report increases in their personal income, savings, and assets as well as the ability to manage these financial resources. Within the social domain, microfinance participation enhances women's decision-making authority in the home, mobility, and education while also helping to further the education of children. The psychological domain is associated with an increase in women's self-confidence, self-worth, and satisfaction. In the political sphere, women who had previously participated in microfinance began to vote on their own, run for office, and take part in a variety of community welfare initiatives. Since microfinance is seen as a fundamental pathway to the total empowerment of underprivileged women, it has been increasingly linked to and emphasised the economic empowerment of women. Nevertheless, it is established that microfinance has empowered women holistically.

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