



## **Empowering Women Through Self-Help Groups and Microcredit Interventions: An Analysis**

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### **Abstract**

Microcredit has emerged as a powerful tool to foster economic development by promoting entrepreneurship and facilitating women empowerment. The concept of empowerment is multifaceted, encompassing many aspects. The present study is an attempt to study the impact of microcredit and Self-Help Groups (SHGs) on the social, economic, and political profile of the women members. The study is based on both primary and secondary data sources. A questionnaire was administered to 780 respondents drawn from 185 SHGs in the State of Goa in India. For the purpose of the study, women's empowerment has been defined as a summation of three constructs: economic empowerment, social empowerment, and political empowerment. Changes in the perception of women to the different attributes of empowerment have been analysed adopting a pre and post SHG membership approach and the paired  $t$  test has been used for hypothesis testing. An Empowerment Index has been used to identify the level of empowerment. The Chi-Square test has been used to determine the interdependence of the level of empowerment and various socio-economic variables. The findings indicate that SHGs and microcredit interventions have positively impacted women. In terms of social empowerment, the maximum impact has been on the mobility and confidence levels of the members. The decision to vote, however, is predominantly determined by the spouse and other family members.

**Keywords:** Women, Empowerment, Self-Help Groups, Micro credit, Confre, Goa

**JEL:** G21, J16, M13.

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## 1. Introduction

The UNDP Sustainable Development Goals emphasize the need to promote gender equality. Empowering women and dismantling systems that hinder their growth are pathways to achieve gender parity. Microfinance, including microcredit and Self-Help Groups, have emerged as a potent means to achieve this objective. Microcredit involves the provision of '*small loans to small borrowers*.' The significance of this innovative financial approach extends beyond the mere provision of financial assistance. Microcredit acts as a powerful catalyst in unlocking opportunities, fostering self-reliance by enabling microcredit users to engage in income generating activities. It facilitates entrepreneurship and promotes gender equality by empowering women economically, socially, and politically. This journey of empowerment commences with joining a SHG itself. SHGs represent solidarity, team work, strength, and collective action, which form the bedrock of individual transformation. Active participation of women in the working of SHGs has emboldened the women, boosted their levels of confidence, and enhanced their mobility. Access to micro credit has facilitated financial independence with women now contributing to the household income bowl, thereby enhancing their sense of self-worth. They now have a voice in the household decision making process. SHGs have enabled the women members to explore and exploit their own potential and given them the courage to make choices and shape their own destinies. The concept of Empowerment, in its broadest sense, represents an expansion of freedom of choice and action.

Since the launch of the SHG-Bank Linkage Programme by NABARD (National Bank for Agriculture and Rural Development) in India in 1992, there has been a plethora of research published to understand the complexity of the concept of women empowerment in a socio-economic context. The present study delves into the grassroots level, unravelling the nuanced dynamics of SHGs and contributes to the extant literature relating microfinance with women empowerment in the state of Goa, India. The study overcomes the lag in available research on the impact of SHGs and the microcredit movement on women empowerment in Goa. It differs from the limited studies available as it is the first study based on an extensive database of 780 women respondents drawn from 185 SHGs located in all the eleven talukas in the two districts of the State of Goa. The data and data analysis are drawn from the researcher's thesis, '*Microcredit and Self Help Groups: An Impact Study with reference to Goa*.' The large number of participants enhances the reliability and statistical significance of the

findings, offering a comprehensive understanding of the impact of SHGs on women empowerment in Goa. More specifically, the study aims at shedding light on the intricate interplay between SHGs, microcredit and empowerment by attempting to:

1. Profile the women respondents to understand their unique demographics and social context.
2. Analyze the impact of microcredit and SHGs on the economic, social, and political empowerment of women.
3. Determine the interdependence of the relationship between the level of empowerment and key socio-economic variables, exploring how external factors influence and interact with the empowerment process.

## **2. Literature review**

Several research studies have evaluated the impact of micro credit on the empowerment of women.

Goetz & Gupta's (1994) study on women's control of credit in Bangladesh indicates that most women borrowers have only partial control over loans, or have relinquished all control to male members of the family. Depending on the individual study, it would appear that about 20 % – 50 % of Bangladeshi women hand over the entire loan to males in the family. And even when women do respond (in surveys) that they have at least partial control over income, this is often confined by their own definitions of what degree of control women or men can expect over different aspects of the family budget. Moreover, women with greater control over loans tend to be those engaged in traditional home-based activities. Dadhich (2001) conducted an in-depth study of the Oriental Bank Grameen Project (OBGP) in the Dehradun district of Uttar Pradesh, India. The study indicated that because of participation in the OPGP, many women SHG members had taken up subsidiary occupations. The project succeeded not just in increasing incomes but also in empowering women. Their involvement in family decisions had enhanced. Women now began to command more respect. Gamoorthy (2001) in a study commissioned by SEWA for the period 1998-99 to 2000-01 and based on a questionnaire administered to 600 of its micro credit clients as also on 12 case studies notes an improvement in levels of women empowerment with women becoming financially independent, more assertive and participants in household

decision making. Rajivan Anuradha (2001) in a study of the experience of SHARE Micro finance Limited, in Andhra Pradesh, India examines whether and to what extent micro finance interventions when used as tools of poverty alleviation, impact women empowerment. The study notes the positive impact that micro credit had on the lives of its women members. Women have benefited from the SHG programme in several ways. There has been a transformation in their attitude, an improvement in their communication skills, and an improvement in their mobility. Women visit banks on their own and interact with the bank officials confidently. They exhibited greater control over income, expenditure, assets, and their own bodies. Madheswaran, S., & Dharmadhikary, A. (2001) reported an improvement in the status of women both within and outside the household post SHG membership. Jaya S.A. (2002) attempts to evaluate the performance of SHGs and NHGs (Neighbourhood Groups), examine the role played by various promoting agencies and study the impact that SHGs and micro credit has had on women empowerment. It can be inferred from the study findings that women's active and effective involvement in local planning and decision making was yet to take place. However, there was some improvement in the livelihoods of the members due to increased confidence and ability to cope with difficulties. Manimekalai (2004) studied the impact of various forms of micro-financing on women taking the Tiruchirapalli district of Tamil Nadu, India as the study area.

The study reveals that the SHGs have had a favourable impact on women's empowerment. The Empowerment Index, which was developed by taking 260 economic and social variables, indicates that members belonging to older groups were more empowered. Murthy, Raju K. & Kamath's (2005) impact study of the South Asia Poverty Alleviation Programme (SAPAP), a programme supported by the UNDP and launched in three districts of Andhra Pradesh points out that membership of SHGs has resulted in an improvement in the ability of women to 'first survive and then to have control over their labour, mobility, resources, reproduction, body and decision-making process.' Loan related decisions are either joint decisions taken in consultation with the men folk or exclusively those of the women members (37 %). Kabeer (2005) studied the impact of microfinance on poverty and women empowerment and opined that while access to financial services does contribute to economic productivity and social wellbeing, it does not automatically lead to women empowerment. This view was earlier shared by Mayoux (2000), who postulated that women's empowerment must be an integral component of policies and cannot be viewed as an automatic outcome of microfinance programmes. Haridoss & Fredrick

(2006) in their study of 150 beneficiaries of micro credit selected from SHGs in Mahalirhittam district of Madurai, India, attempt to measure the level of empowerment of women, examine the relationship between socio-economic characteristics of the women and their empowerment and identify the factors influencing women empowerment. Their study reveals that the majority of the women (58.66 %) fell in the category of high level of empowerment; 24.66 % came under the category of medium level of empowerment while the remaining 16.68 % had low levels of empowerment. Furthermore, the study indicates that while factors such as age, education, family status, and income had conditioned women's empowerment, caste had no bearing on the empowerment level of women.

Among the various factors influencing women's empowerment, income had the greatest impact, followed by education and family status. The results of a study by Swain & Wallentin (2009), which is based on quasi-experimental household data collected from five different states across India during the period 2000 to 2003, demonstrate that there is a significant difference in the empowerment of the women in the SHGs. The group members evidenced significant and higher levels of empowerment. Flores R.M. (2011) studies the impact of microfinance programmes run by Share on women and their families in South India. The study aims to analyze women's empowerment and assess the impact of microcredit on the quality of life of women and their families. The study essentially finds that there has been an increase in spending on basic goods after availing microcredit; women have also gained autonomy with respect to their micro enterprises. However, they still needed to consult their spouses in household decision making. Gangadhar & Sujatha's (2015) study based on cross sectional research on 225 women in the State of Andhra Pradesh, India, finds that microfinance is a powerful tool in enhancing women empowerment with respect to variables such as economic decision making, legal awareness, mobility, economic security, and family decision making. A study by Herath, Guneratne, Sanderatne et al. (2015) uses four criteria namely access, creation, and control over private resources; freedom of decision making at home; self-confidence on socio-economic activities; and status in community and family to examine the impact of microfinance among other things on the vulnerability of women borrowers. The study found that "the household income level before taking microcredit, age of the household head and market availability for products have been significant in affecting women's empowerment and reducing vulnerability." The impact of microcredit on the political empowerment of women is debated. Bayulgen A. (2015) reported that while microloans have contributed to a modest improvement in the socio-economic status of the

women members, it had no impact whatsoever on the political empowerment of women. A study carried out by Rahman, Khanam & Nghiem's (2017) on the effect of microfinance interventions on women empowerment in Bangladesh reveals that microfinance has had a positive impact on women empowerment in Bangladesh with empowerment in the decision-making process increasing noticeably after availing microfinance services.

A mixed-methods systematic review paper by Brody, Hoop, Vojtkova et al., (2017) focused on the impact of women SHGs on women's economic, social, psychological, and political empowerment. The researchers found that women's SHGs have positive effects on economic and political empowerment, women's mobility, and women's control over family planning with an estimated effect size ranging from 0.06–0.41 standardized mean differences. However, no evidence for positive effects of SHGs on psychological empowerment of women was reported. A study by Al-shami, Razali, Rashid, N. (2018) indicates that access to Amanah Ikhtiar Malaysia (AIM) credit enhanced women's income and empowered them particularly in terms of their involvement in the decision making process and control over resources. Huis M, et al. (2019) have viewed women empowerment as an amalgam of two different dimensions - (1) personal empowerment, measured by control beliefs, and (2) relational empowerment, measured by relational friction, and (3) intra-household decision making power.

Kapoor S. (2019) assessed the impact of SHGs on women's empowerment in Noida as a part of NHPC's CSR study. The researcher finds significant social, economic, political, health, education, and knowledge impact of SHGs on women respondents. The level of empowerment of the women respondents increased post SHG membership. Tanima, Brown & Dillard (2020) interrogate the disputed claims of the microfinance industry in promoting women's empowerment by counterposing two ideological framings: that of 'microfinance minimalism' and a counter-hegemonic discourse articulated in gender and development studies and use these opposing perspectives to analyze the operations of a microfinance NGO in Bangladesh. A study by Sharma, Mishra & Rai (2021) indicates an interdependence of the relationship between level of education and marital status on women empowerment. The study also points out the significant role women SHG members played in creating awareness and rendering community service during Covid. It can be inferred from the research findings of Datta, S., & Sahu, T. N. (2021) that microcredit usage has

facilitated borrowers to start income generating activities and shape up their lifestyle practices over a period of time.

Findings of Kumar et al. (2021) based on panel data sourced from 1470 respondents from five States in India suggest that SHG membership has significantly impacted aggregate measures of women's empowerment and reduces the gap between men's and women's empowerment scores. However, the impact on the attitude towards domestic violence and respect within the household is insignificant. Mengstie B's. (2022) investigation into the economic impact of microfinance on women's empowerment, based on data sourced from 368 women clients of microfinance, reveals the noteworthy influence of age, marital status, education level, credit amount, and number of trainings on their economic empowerment. In an investigation of the role of SHGs in empowering women in Pakistan, Khursheed A. (2022) provides valuable insights into how microfinance has made women socially and economically empowered and assists in the creation of women-led ventures. Khan, Bhat & Sangmi (2023) have examined the impact of microfinance on the economic, social, political, and psychological dimensions of women empowerment. The study finds that while the impact of microfinance interventions is strong on the economic, political, and psychological aspects of empowerment, the impact is smaller in respect of social empowerment. Ghosh et al. (2023) in their study based on responses elicited from 344 women respondents belonging to village SHGs and involved in income generating activities, conclude that SHG interventions have a positive impact on the economic and socio-cultural empowerment of women.

Microfinance Institutions (MFIs) play a pivotal role in facilitating access to microcredit. By extending loans to SHGs on soft terms, they help members of the SHGs to start income-generating activities and become self-reliant and empowered. Soeleman & Lestari (2014) examine the potential of Sukuk financing as a tool for supporting the sustainable development of smallholder farmers. It analyzes existing literature on Islamic finance, agricultural financing, and sustainable development, highlighting its strengths, limitations, and areas for further research. The paper proposes two Sukuk structures: equity-based and asset-based. Both involve profit-sharing between investors, farmers, and other stakeholders, incentivizing sustainable practices. The paper acknowledges the importance of aligning financial instruments with religious values, appealing to a large potential investor base. The landscape of microfinance, however, presents its own set

of challenges that necessitate strategic reorientation on the part of MFIs to effectively address and overcome these obstacles. Khan (2008) in a case study of the Aga Khan Rural Support Programme (AKRSP) in Pakistan, known worldwide for its work in rural development and the cause of women empowerment, attempted to explore how the microfinance division of the AKRSP's adapted, reoriented, and subsequently transformed to an independent commercial setup in response to external changes in its organization. The researcher discusses at length how the AKRSP's microfinance division adapted and reoriented itself to two environmental disturbances, the first being donors' changed approach and thinking about the sustainability of the microfinance institutions, and, second, the resulting competition among the MFIs. To facilitate the transformation into a commercial set up, AKRSP attempted to streamline delivery and feedback systems, revise existing programmes and design new initiatives to address the challenges in the microfinance sector, besides initiating changes in the overall organizational structure, internal management system, accounting use and the decision processes. The case study highlights how MFIs can successfully adjust themselves to unavoidable external disturbances.

### **3. Research Methodology**

The present study draws from both primary and secondary data sources. For the purpose of obtaining primary data, a structured questionnaire was prepared and was administered to women members of Self-Help Groups selected as the sample. Group discussions, interviews with the Self-Help Group Promoting Institutions, as also observation form a part of the primary data schedule. The secondary data has been sourced from books, journals, and articles on the subject.

*Sample Selection:* The State of Goa in India comprises two districts, North Goa District and South Goa District. A total of 780 respondents drawn from 185 Self Help Groups located in both the districts of the State of Goa were selected for the study.

*Statistical Tools Employed:* Data has been analyzed using SPSS software. The paired t-test has been used to test the hypothesis. Besides, an Empowerment Index based on the Empowerment Index earlier used by R. Haridoss and J. Fredrick (2006) has been constructed to ascertain the empowerment levels of the women SHG members. The interdependence of the relationship between the level of women empowerment and various socio-economic variables has been measured using the Chi-Square test.

*Data Presentation:* Data findings are presented in the form of tables and charts.



## Hypothesis

H<sub>0</sub>: Micro credit and SHGs have not had any impact on women empowerment.

H<sub>1</sub>: Micro credit and SHGs have had a positive impact on women empowerment.

## 4. Research Findings

### *Profile of the 780 Women Respondents*

- **Geographical Distribution:** Over half (55.6%) of the respondents hailed from North Goa, while the remaining (44.4%) resided in South Goa.
- **Age:** A significant portion (42.2%) belonged to the 35-44 age group. Younger members were less common, with only 3.2% below 25 and a mere five exceeding 65.
- **Religion:** The SHGs exhibited a predominantly Hindu membership (96%, n=749). Catholics and Muslims formed a smaller minority (3.6% and 0.4%, respectively).
- **Family Structure:** Nuclear families were the norm (76.9%), with 180 members belonging to joint families.
- **Caste:** The General Category comprised the largest caste group (49.5%). Other Backward Classes (OBCs) followed closely at 36.2%. Scheduled Castes (SCs) and Scheduled Tribes (STs) constituted a smaller portion (0.9% and 13.5%, respectively).
- **Marital Status:** The majority (82.4%, n=643) were married. Unmarried members accounted for 6.9%, while widows made up 10.5%. Divorce was rare, with only one respondent falling into this category.
- **Housing:** Homeownership was prevalent (94.6%), with rented accommodation being less common (5.4%).
- **Education:** A substantial number (81.2%, n=633) were literate, with educational attainment ranging from primary school to postgraduate degrees.
- **Employment:** Prior to joining the SHG, 33.5% (n=261) of the respondents were employed. Notably, after joining, 519 members who lacked an independent income source embarked on income-generating activities like catering, handicrafts, and retail trade.
- **Loan Utilization:** The majority (87%, n=680) availed loans from the SHG. While 24.5% used the credit solely for income

- generation, a larger portion (43.6%) borrowed for non-productive purposes. Interestingly, 19.1% utilized loans for both income-generating and other needs.
- **Asset Acquisition:** 27.9% of respondents leveraged SHG membership to acquire assets like gold, vehicles, furniture, electronics, and other household items, signifying an improvement in their financial well-being.

*Do Microcredit and SHG membership empower women?*

The present study attempts to find out whether micro credit and SHGs have contributed to the process of women empowerment. Three basic constructs representing three different dimensions of women's empowerment have been taken into consideration: economic empowerment, social empowerment, and political empowerment. The responses of the respondents to a set of twenty-five questions covering various economic, social, and political aspects have been collated to test the null hypothesis that micro credit and SHGs have not contributed to women empowerment. To find out whether SHG membership has had an impact on women, a ‘before’ and ‘after’ approach has been adopted. An attempt has been made to ascertain whether there was any improvement or positive change in the various determinants of empowerment viz. confidence levels, mobility, income generating capacity, savings potential, asset acquisition, decision making powers of the women in respect of the household budget and investments, political awareness, voting powers etc. after attaining SHG membership. Dummy variables were assigned based on the respondents' responses. The **Paired t-test** has been employed to test the null hypothesis.

The various attributes of empowerment that have been incorporated into the analysis are listed in Table 1.

**Table 1**  
**Constructs of Women Empowerment**

Item No.	Constructs	Operational Definitions	Dummy Variables
1	<b>Women’s Economic Empowerment (WEE)</b>	Ability of the SHG Member to purchase durable assets + +employment status+ Income earnings + Contribution to family income + Financial independence + ability to have savings participation in household decisions related to Household budget + Investments + Education of Children+ Personal needs	Yes -1 No - 0

2	<b>Women’s Social Empowerment (WSE)</b>	Membership of local bodies +Participation in social and cultural activities+ Attending seminars, workshops, rallies+ Improvement in confidence + Improvement in communication skills+ Capacity building and skill development + Improvement in mobility+ Approaching Government/State/bank and other officials + Participation in decision making related to leisure activities + Celebration of social events and festivals.	Yes -1 No - 0
3	<b>Women’s Political Empowerment (WPE)</b>	Ability of SHG member to take own decision with regard to casting of vote+ Political awareness + Participation in political discussions+ Participation in political campaigns+ contesting elections.	Yes -1 No - 0

For the purpose of this study, Women’s Empowerment (WE) has been defined as a sum of Women’s Economic Empowerment (WEE), Women’s Social Empowerment (WSE) and Women’s Political Empowerment (WPE).

i.e  $WE = WEE + WSE + WPE$ .

Thus, a total of 25 specific attributes encompassing various economic, social, and political facets of empowerment were assigned scores of 0 and 1 which were then added together to arrive at a numerical statistic each for Women’s Economic Empowerment (WEE), Women’s Social Empowerment (WSE) and Women’s Political Empowerment (WPE), Pre and Post SHG membership. The scores of the three constraints of empowerment were then collated to arrive at the final Women’s Empowerment Score for both periods, i.e., ‘before’ and ‘after’ joining the SHG.

The data so sourced was analyzed using the paired *t* test to test the null hypothesis that micro credit and SHGs have not significantly contributed to the process of women empowerment.

The responses of these 780 women SHG members to questions on issues covering various economic, social, and political facets encompassing the concept of empowerment were factored into the analysis to test the null hypothesis.

These responses in terms of frequencies and percentage change are indicated in Table 2.

**Table 2**  
**Responses of Women SHG Members**

S	Attributes of Empowerment	Before Joining SHG		After Joining SHG		Percentage Change	
		No (%)	Yes (%)	No (%)	Yes (%)	No (%)	Yes (%)
ECONOMIC ATTRIBUTES OF EMPOWERMENT							
1.	Employment Status of SHG Member	519(66.5)	261(33.5)	147(18.8)	633(81.2)	372	47.7
2.	Income generation	519(66.5)	261(33.5)	147(18.8)	633(81.2)	372	47.7
3.	Ability to save	644(82.6)	136(17.4)	0(0)	780(100)	644	82.6
4.	Decision making- Asset acquisition	243(31.2)	537(68.8)	124(15.9)	656(84.1)	119	15.3
5.	Decision making- Investments	288(36.9)	492((63.1)	158(20.3)	622(79.7)	130	16.6
6.	Decision making- Education	188(24.1)	592(75.9)	91(11.7)	689(88.3)	97	12.4
7.	Decision making- Household Budget	228(29.2)	552(70.8)	91(11.7)	689(88.3)	137	17.5
8.	Decision making- Personal Needs	586(75.1)	194(24.9)	455(58.3)	325(41.7)	131	16.8
9.	Financial Independence	520(66.7)	260(33.3)	247(31.7)	533(68.3)	273	35.0
10.	Contribution to Family Income	520(66.7)	260(33.3)	275(35.3)	505(64.7)	245	31.4
SOCIAL ATTRIBUTES OF EMPOWERMENT							
11.	Decision making- Leisure	620(79.5)	160(20.5)	534(68.5)	246(31.5)	86	11.0

12.	Membership of Local Bodies	674(86.4)	106(13.6)	489(62.7)	291(37.3)	185	23.7
13.	Participation in social/cultural Activities	612(78.5)	168(21.5)	255(32.7)	525(67.3)	357	45.8
14.	Attendance at Seminars/Workshops etc.	688(88.2)	92(11.8)	167(21.4)	613(78.6)	521	66.8
15.	Level of Confidence	404(51.8)	376(48.2)	46(5.9)	734(94.1)	358	45.9
16.	Mobility	614(78.7)	166(21.3)	81(10.4)	699(89.6)	533	68.3
17.	Skill Development & Capacity Building	582(74.6)	198(25.4)	283(36.3)	497(63.7)	299	38.3
18.	Communication Skills	156(20.0)	624(80.0)	84(10.8)	696(89.2)	72	9.2
19.	Approaching Officials	202(25.9)	578(74.1)	93(11.9)	687(88.1)	109	14.0
20.	Celebration of Social Events	443(56.8)	337(43.2)	140(17.9)	640(82.1)	303	38.9
<b>POLITICAL ATTRIBUTES OF EMPOWERMENT</b>							
21.	Decision to vote	412(52.8)	368(47.2)	308(39.5)	472(60.5)	104	13.3
22.	Political Awareness	381(48.8)	399(51.2)	290(37.2)	490(62.8)	91	11.6
23.	Political Discussions	730(93.6)	50(6.4)	277(35.5)	503(64.5)	453	58.1
24.	Participation in Political Campaigns	737(94.5)	43(5.5)	679(87.1)	101(12.9)	58	7.4
25.	Contesting Elections	777(99.6)	3(0.4)	769(98.6)	11(1.4)	8	1.0

**Source: Computed from field data.**

It is evident that post membership of SHGs, there has been a quantitative and qualitative change in the lives of the women members. While 66.5 % of the women respondents were either housewives or unemployed before joining the SHG, the percentage decreased to 18.8 %. The respondents were

involved in a variety of income generating activities – handicrafts, agriculture, trade, labour etc. With a positive change in their employment status, these women have succeeded in earning incomes and contributing to the family expenditure too. Monetary dependence on their spouses to meet personal needs has also shown a decline. These findings are echoed by V.M.S. Perumal (2003) who notes that women members of SHGs are now independent in meeting their personal expenditure and they contribute more to their household income. The findings regarding the positive impact of SHGs and micro credit on SHG women members also finds resonance in other impact studies by Puhazhendi (2000), Jerinabi U, (2006) and EDA Rural Systems (2005), Hashmi & Schuler & Riles (1996), Kapoor S. (2019), Ghosh et al. (2023). The most significant change has occurred in the ability of the members to save. While just 17.4 % of the members had the capacity to save prior to becoming members of the SHG, all the respondents (100 %) had personal savings to their credit, after gaining entry into the SHGs. This can be attributed to the fact that savings in the thrift fund on a monthly basis is mandatory under the SHG programme. Data analysis also indicates a positive change in respect of household decision making wherein the opinion of the SHG women members is valued and taken into consideration by their spouses/families with respect to education of children, financial investments, preparation of the household budget and acquisition of assets.

With respect to the different social indicators of empowerment considered in the study, the maximum impact has been on the mobility of the respondents. The women, post their SHG membership, participated in exhibitions organized both within and outside the State, attended seminars and personality development programmes, went on field trips, picnics, and pilgrimages, organized and participated in cultural activities on a group basis. A total of 45.95 % of the respondents indicated that through the SHG activities they have become more confident. These findings concur with conclusions drawn by Dulhunty A. (2022) whose study based on SHGs in West Bengal, India, indicates that women post SHG membership developed an inner sense of confidence, shaping their ‘power within.’ While there has been an improvement in all the social indicators of empowerment considered in the study, the least change has been noted with respect to the development of communication skills, the ability to approach government/bank and other officials and in the involvement of the respondents in taking decisions related to their leisure activities. This is so as even before becoming members of the SHGs, the respondents were better placed in respect of these indices.

While SHG meetings fostered political awareness through discussions on local issues, this has not translated significantly into participation women members contesting elections, although women do participate in election campaigning. Notably, voting decisions often remain influenced by spouses or family members.

Testing of Null Hypothesis

The Null Hypothesis has been tested using the Paired *t* test. The mean empowerment score of the women respondents after and before joining the SHG have been considered while carrying out the test.

Table 3.a Paired Sample Statistics

	Mean	N	Std. Deviation
Women Empowerment After	17.0026	780	4.05356
Women Empowerment Before	9.2577	780	4.07113

3.b Paired Samples Correlation (Women’s Empowerment)

	N	Correlation	Sig.
Women Empowerment After & Women Empowerment Before	780	.587	.000

3.c Paired Samples Test (Women’s Empowerment)

	Paired Differences							
	Mean	SD	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
				Lower	Upper			
WE_AFTER - WE_BEFORE	7.74487	3.69196	.13219	7.48537	8.00437	58.587	779	.000

Source: Computed from Field Data

Table 3a provides descriptive statistics related to the before and after periods with regards to mean, number of respondents and standard deviation. While the mean of the empowerment scores before joining the SHG is 9.2577, the mean after joining the SHG is 17.0026. The correlation coefficient for the 780 pairs of observations is 0.587 with a significance

value of 0.000. Furthermore, the mean difference between the two pairs of observations is 7.74487. This implies that the empowerment score of the respondents before joining the SHG is lower than the empowerment score after joining the SHG by an average of 7.7. The test results show a  $t$ -statistic of 58.587 with 779 degrees of freedom. The two-tailed  $p$ -value is 0.000 which is less than the 5 % level of significance. Thus, it is proved that SHG women members are clearly more empowered after joining the SHG compared to before joining the SHG.

On an average, the SHG women members were more significantly empowered after joining the SHG ( $M = 17.0026$ ) than they were before joining the SHG ( $M = 9.2577$ ),  $t(779) = 58.587$ ,  $p < 0.5$ .

**The null hypothesis is therefore rejected at 5% level of significance which implies that the SHGs have indeed had a positive and significant impact on women empowerment.**

The study findings align with the perspective that microcredit programs and Self-Help Groups (SHGs) significantly contribute to women's empowerment. SHGs have played a pivotal role in fostering greater participation of women in household decision-making processes. By facilitating access to financial resources, these groups have empowered women economically. Consequently, women have achieved greater independence, leading to an overall improvement in their status—both within their homes and beyond.

### **Empowerment Index**

In the present study, an attempt has also been made to quantify the number of respondents in terms of the levels of empowerment based on their decision-making capabilities. An empowerment index has been constructed on lines similar to the Empowerment Index used by R. Haridoss and J. Fredrick (2006) in their analysis of women empowerment. Empowerment herein has been defined in terms of the freedom and power of the respondents to take decisions of their own accord. Ten variables have been identified to measure the decision-making power of the respondents.

1. Decision related to purchase of durable assets
2. Decision related to preparation of the household budget
3. Decision related to availing credit from the SHG
4. Decision related to repayment of loan availed from the SHG



- 5. Decision related to family investments
- 6. Decision related to education of children
- 7. Decision related to respondents’ leisure activities
- 8. Decision related to meeting expenditure towards satisfaction of respondents’ personal needs
- 9. Decision related to celebration of family/social functions/events, and,
- 10. Decision related to the respondents' voting power.

The decision-making power of the respondents was classified on the following basis:

- 1) Self decision,
- 2) More self than spouse/family,
- 3) Both equally,
- 4) More spouse/family than self and
- 5) Only spouse/family.

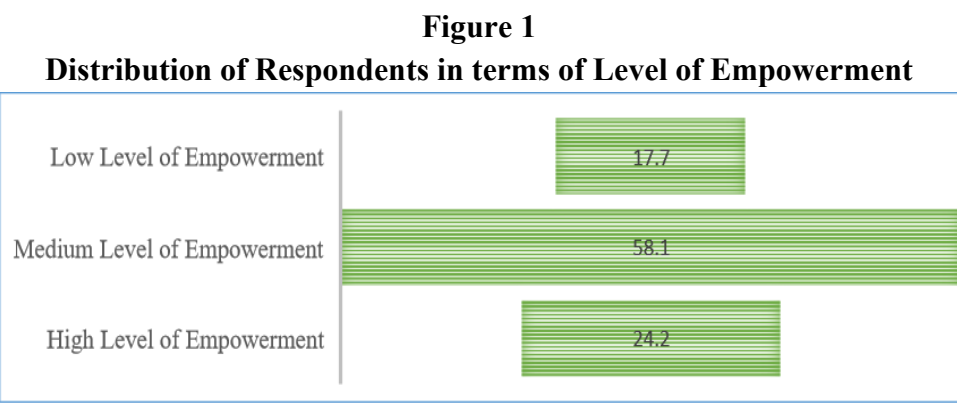
The following scores were assigned to the above responses.

Responses	Scores
Self-Decision	5
More Self than spouse/family	4
Both equally	3
More spouse/family than self	2
Only spouse/family	1

Based on the scored values, the respondents were classified into three broad categories of levels of empowerment, viz. Low level of Empowerment (scores in the class interval of 10-23); Medium level of Empowerment (scores in the class interval of 24-37) and High level of Empowerment (scores in the class interval of 38-51). The minimum and maximum score were 10 and 50 respectively. Class intervals have been arrived at by dividing the range by the number of class intervals, i.e.

Width of class interval = Range/No. of Class intervals, rounded off to the nearest integer.

Given the three levels of empowerment, Figure 1 infers that 17.7 % of the women respondents fall into the category of Low level of Empowerment, 58.1 % of respondents fall into the category of medium level of Empowerment, and the remaining 24.2 % of women SHG members can be considered to be highly empowered. Thus, the majority of the SHG women members (453) fall into the category of medium level of empowerment.



**Source: Computed from field data**

Table 5 indicates the decision-making capacities of the women SHG members vis-a vis the ten variables along with the corresponding scores. It can be inferred from the Table that decisions are by and large made collectively by the family. This “equal” approach applies to most variables. A total of 31.9 % and 32.7 % of the respondents take independent decisions as far as seeking credit from the SHG is concerned and the repayment thereof. When it comes to the preparation of the household budget, it is a collective decision. Just 8.7 % of the respondents take this decision independently. For 28.7 % of the respondents, spending their leisure time and selecting leisure activities is a ‘self’ decision. In terms of political empowerment, field data indicates that while women do participate in election campaigning, the decision to vote is one that is predominantly dictated by the spouse and his family. A relatively small section of the sample (18.3% N=143) is able to take an independent decision with respect to voting at elections.

**Table 5**  
**Decision Making Capacities of SHG Women Members**

Sr. No.	Decision Taken	Purchase of Assets	Household Budget	Loan from SHG	Loan Repayment	Investments	Children's Education	Leisure Activities	Personal Expenses	Social Functions	Voting at Elections
1.	Self	112 (14.4)	68 (8.7)	249 (31.9)	255 (32.7)	108 (13.8)	107 (13.7)	224 (28.7)	323 (41.4)	112 (14.4)	143 (18.3)
2.	More Self than Spouse/family	40 (5.1)	81 (10.4)	6 (0.8)	6 (0.8)	28 (3.6)	34 (4.4)	74 (9.5)	42 (5.4)	33 (4.2)	25 (3.2)
3.	Both Equally	416 (53.3)	406 (52.1)	390 (50.0)	282 (36.2)	359 (46.0)	508 (65.1)	340 (43.6)	216 (27.7)	488 (62.6)	113 (14.4)
4.	More spouse/ family than self	115 (14.7)	106 (13.6)	44 (5.6)	27 (3.5)	154 (19.7)	81 (10.4)	73 (9.4)	84 (10.8)	92 (11.8)	462 (59.2)
5.	Spouse/family	97 (12.4)	68 (8.7)	91 (11.7)	210 (26.9)	131 (16.8)	50 (6.4)	69 (8.8)	115 (14.7)	55 (7.1)	37 (4.7)
	TOTAL	780 (100)	780 (100)	780 (100)	780 (100)	780 (100)	780 (100)	780 (100)	780 (100)	780 (100)	780 (100)

Source: Field data. Figures in brackets represent percentages.

### *Micro credit and Women Empowerment*

The impact of SHGs on women empowerment cannot be disputed. It is the group dynamics, intrinsic to the group itself that acts as a catalyst in the overall development of the women participants. While the impact of SHGs on women empowerment is direct, micro credit per se indirectly empowers women. Merely availing credit cannot be construed as empowering. It is the ability to transform this credit into a productive income generating resource that will have a bearing on empowerment. Garikipati S. (2012) suggests that the impact of credit on women empowerment can be better understood by focusing on the processes involved in loan usage and repayment. Loan usage by the respondents in the study indicates that 43.6 % of the SHG members had availed credit for income generating activities of which just seven (1.9 %) members had borrowed from the SHG to finance the business of their spouse or other male family members. The loan usage indicates a tilt in favour of consumption expenditure with 62.7% of the respondents having availed credit for non-income generating activities.

However, the study further shows, that most of the credit availed by the women members has been utilized for meeting household consumption expenditure, house repairs, construction of houses, education of children, financing medical expenses and in the settlement of earlier debt. About 13.9 % of the respondents had used micro credit to purchase assets in the form of gold ornaments and other personal effects. This clearly indicates that micro credit availed by the SHG members has led to the betterment of the household at large. These findings are also documented in other studies.

The study also indicates the woman has an important say in decisions related to seeking credit from the SHG. A total of 31.9 % of the respondents opined that it was a 'self' decision to seek financial accommodation from the SHG. Nonetheless, it was with the knowledge of the spouse that loans were availed from the SHG. With regard to the repayment of the loan, 29.9 % (233) of the respondents utilized their own money to repay debt. In the case of 29.4 % of the respondents, the loans were repaid by the spouse. Just 5.3 % of the respondents felt the need to borrow from relatives, friends as also from the 'Confre' (An indigenous form of micro credit group existing in the State of Goa) to finance their SHG debt obligations in time. Thus, with respect to monetary matters, the findings indicate that the woman does not have absolute control in terms of decision-making.

Microcredit, however, cannot be viewed independently of the SHG programme. It is through the mechanism of SHGs that microcredit is

disbursed to the SHG members. In the ultimate analysis, this credit acts as a catalyst in the empowerment process.

**Chi Square Test of Independence**

An attempt has also been made to determine the independence of relationship between the level of empowerment and various socio-economic variables such as age, family type, education, marital status, employment, and income. The chi-square test has been carried out to examine whether the level of empowerment and various socio-economic variables are independent of each other.

**Dependent Variable:** Level of Empowerment  
**Independent Variables:** age, family type (Nuclear or Joint family), education, marital status, employment status, and income.

**Table 6**  
**Results of Chi-Square test of Independence**

Sr. No.	Socio-Economic Variables	Pearson Chi Square	Df	Chi Square critical value at 5% Level	Significance (2-tailed)	Inference
1.	Age	56.59	10	18.31	0.000	Significant
2.	Family Type	0.382	2	5.99	0.826	Not Significant
3.	Education	31.86	2	5.99	0.000	Significant
4.	Marital Status	203.36	6	12.59	0.000	Significant
5.	Employment	69.09	2	5.99	0.000	Significant
6.	Income	83.79	2	5.99	0.000	Significant

**Source: Computed from field data**

In the case of economic variables of employment and income, it is observed that the Pearson Chi Square value of 69.09 and 83.79 respectively exceed the critical/table value for the chi-square distribution with 2 *df* indicating a strong and significant relationship between the economic variables of employment and income earned by the respondents and their level of empowerment. While there is no significant relationship between type of family the respondent belongs to, whether nuclear or joint, and the level of empowerment, factors such as age, education, and marital status do influence the level of empowerment.

## 5. Discussion and Conclusion

While most impact studies have found that SHGs and microcredit have had a positive impact on women, a deeper investigation reveals a nuanced picture. From the present study, it can be concluded that the SHG movement in Goa driven by various Self Help Group Promoting Institutions (SHGPIs), has contributed to the overall development and empowerment of the SHG women members. The results of the paired  $t$  test revealed a significant difference between the mean level of empowerment pre and post SHG membership. ( $M$  pre = 9.26,  $M$  post = 17.00,  $t$  (779) = 58.587,  $p < 0.5$ , evidencing an improvement in the level of empowerment post SHG membership. SHG membership has undeniably improved women's economic empowerment. Access to microcredit has empowered them to venture into small businesses, build independent income streams and contribute to household finances. However, the study also highlights a crucial caveat: despite financial independence, household financial decisions primarily remain collective, indicating the complex interplay of economic independence and cultural dynamics. The Empowerment Index findings suggest that the majority of the women have achieved a medium level of empowerment, with 58.1% and 24.2% of the women falling in the medium and high level of empowerment category respectively. Furthermore, the level of empowerment is also conditioned by socio-economic factors such as age, income, marital status, education, and employment. These finding suggests both progress and a call for action.

While the impact of microcredit on the empowerment of women is significant, it is the usage of microcredit that contributes to the empowerment paradigm. In respect of most monetary transactions, decision-making is largely a family affair. Decisions related to asset acquisition, investments, household budgets, availing and repayment of loans is predominantly a joint decision of the respondent and her spouse. The impact on various parameters of social and political empowerment that have been considered in the study too are not all positive. Household decision-making continues to remain a collective decision. The decision to exercise franchise is conditioned more by the spouse and other family members rather than the women themselves. This finding underscores the need for further exploration of the intricate relationship between cultural norms, individual agency, and political participation.

The success of microcredit interventions often depends upon the motivation and active participation of both stakeholders - the SHGPIs and the microcredit users. In the case of Self- Help Group (SHG) programmes,

disbursing microcredit to women and empowering them economically is crucial. However, studies reveal a nuanced reality: while microcredit facilitates economic empowerment, household dynamics can still influence decision-making. It is therefore imperative for SHG Promoting Institutions (SHPIs) to go beyond just extending credit. By encouraging members to use microcredit more productively, SHPIs can unlock the full potential of this intervention. This implies not only equipping women with financial skills, encouraging independent decision-making, but also addressing the broader social context within households. SHGPIs need to create a conducive and supportive environment wherein women feel empowered to make informed financial decisions. This would be the key to greater economic prosperity, not just for the individual women members, but for their families and the society at large. Furthermore, in line with the recommendations made by Khan A.A. (2024), there is also an underlying necessity for the microfinance sector at large to uphold its commitment to serving target beneficiaries without compromising on profitability and self-sustainability.

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