

GROUP WORK AS A TOOL FOR ECONOMIC EMPOWERMENT OF WOMEN IN SELF-HELP GROUPS (SHGs)

Dr. Chetana Sawai

Assistant Professor,

Dr. Ambedkar College of Social Work, Wardha, Maharashtra, India.

ABSTRACT

Self-Help Groups (SHGs) have emerged as a powerful mechanism for the economic and social empowerment of marginalized women in India. While their microfinance function is well-documented, the psychosocial dimensions of SHG participation — particularly shifts in self-efficacy, decision-making power, and mental health — remain underexplored in the social work literature. This paper examines group work as a structured professional intervention within the SHG model, focusing on the social worker's facilitative role in promoting psychosocial outcomes alongside economic gains. Drawing on secondary data, relevant national and international literature, and practice-based evidence, the study finds that professionally facilitated SHGs produce significantly stronger psychosocial outcomes than purely credit-linked groups. The paper proposes a Social Worker-Facilitated SHG (SWFSHG) model integrating feminist group work principles, strengths-based approaches, and structured psychosocial programming. Implications for social work education, practice, and policy are discussed.

Keywords: *Self-Help Groups, group work, women's empowerment, self-efficacy, decision-making, psychosocial outcomes, marginalized women, social worker facilitation, SHG model India, feminist group work*

1. INTRODUCTION

India's Self-Help Group (SHG) movement represents one of the largest community-based women's empowerment initiatives in the world. Launched formally under the NABARD-SHG Bank Linkage Programme in 1992, the movement today encompasses over 12 million SHGs with more than 140 million members, the vast majority of whom are women from economically marginalized and socially excluded communities [1]. SHGs operate as small, voluntary groups of 10–20 women who pool savings, access microcredit, and engage in collective decision-making — providing a structural foundation for both economic mobility and social transformation.

While the economic contributions of SHGs are extensively documented — increased household income, asset creation, access to formal banking, and livelihood diversification — the psychosocial dimensions of SHG participation have received comparatively limited scholarly attention. Questions of how SHG participation shapes women's self-efficacy, their power within family and community decision-making, and their mental health and wellbeing remain incompletely answered, particularly from a social work practice perspective.

This paper addresses this gap by examining SHGs through the lens of professional group work practice. It argues that the SHG model, when facilitated by trained social workers applying feminist and strengths-based group work principles, can produce transformative psychosocial outcomes beyond the economic — building individual confidence, collective agency, and community resilience among India's most marginalized women. The paper: (1) reviews evidence on psychosocial outcomes of SHG participation; (2) maps the social worker's facilitative role within the group process; (3) analyses factors shaping outcome quality; and (4) proposes an integrated Social Worker-Facilitated SHG (SWFSHG) model for practice.

2. REVIEW OF LITERATURE

2.1 The SHG Movement in India: An Overview

The SHG-Bank Linkage Programme (SHG-BLP), pioneered by NABARD, connects grassroots women's savings groups to formal financial institutions, enabling access to credit without collateral. State-level programmes — notably the Kudumbashree Mission in Kerala, the Jeevika programme in Bihar, and the Stree Shakti scheme in Karnataka — have integrated SHGs into broader social development architecture, linking them to nutrition, health, literacy, and livelihood programming [2]. The government's DAY-NRLM (Deendayal Antyodaya Yojana — National Rural Livelihoods Mission) currently provides the overarching policy framework, with a target of organizing all rural poor households under SHGs [3].

Despite this policy priority, the literature reveals significant variation in SHG quality and outcomes. Groups that remain primarily credit-linked, without structured social programming or professional facilitation, tend to show weaker outcomes on psychosocial and empowerment dimensions compared to groups embedded in broader community development programmes [4]. This finding has important implications for social work practice and the profession's potential contribution to the SHG ecosystem.

2.2 Self-Efficacy and SHG Participation

Self-efficacy — an individual's belief in her capacity to execute behaviours necessary to produce specific outcomes (Bandura, 1997) — is a foundational psychosocial construct in women's empowerment literature [5]. SHG participation has been consistently associated with improvements in self-efficacy across multiple dimensions: financial self-efficacy (confidence in managing money and business decisions); social self-efficacy (confidence in public speaking, negotiating with officials, and participating in community meetings); and domestic self-efficacy (confidence in negotiating within the household) [6].

Deininger and Liu (2009) found significant improvements in women's self-reported decision-making confidence following SHG participation in Andhra Pradesh [7]. Swain and Wallentin (2009) similarly documented increases in self-esteem and social confidence among SHG members in Odisha [8]. However, both studies note that self-efficacy gains are strongest where groups engage in structured social programming beyond savings and credit activities.

2.3 Decision-Making Power and Household Dynamics

Women's decision-making power — within households, communities, and civic institutions — is a key indicator of empowerment and a central objective of feminist social development practice. SHG participation has been linked to increased women's participation in household financial decisions, reduced acceptance of domestic violence, greater influence in children's education decisions, and enhanced participation in gram panchayat and community governance [9].

Garikipati (2008) documented that SHG membership in Andhra Pradesh was associated with women's greater control over microloans and reinvestment decisions, though this control was mediated by intra-household power dynamics [10]. Brody et al. (2015) found that SHG participation significantly increased women's participation in household asset decisions and reduced intimate partner violence in their systematic review of 38 studies [11]. Critically, the quality of facilitation emerged as a moderating variable: groups with

active community worker or social worker engagement showed stronger decision-making outcomes than self-managed groups.

2.4 Mental Health Outcomes

The relationship between SHG participation and mental health is bidirectional and complex. Positive mental health outcomes associated with SHG membership include: reduced psychological distress; decreased sense of social isolation; improved subjective wellbeing; and reduced depression symptoms — particularly among women who experience SHG participation as a form of social support and collective validation [12]. The sense of belonging, mutual aid, and collective identity that well-functioning SHGs foster align directly with social work’s understanding of group cohesion as a therapeutic factor [13].

However, poorly structured SHGs can produce adverse mental health outcomes including financial stress from peer repayment pressure, interpersonal conflict within groups, and frustration when economic gains do not materialize as expected. Rajivan (2010) documented cases of debt-related stress among SHG members in Tamil Nadu, underscoring the importance of responsible facilitation and financial literacy support [14]. These findings highlight the critical role of the social worker in mediating group dynamics and preventing harm.

Study / Source	Context	Key Outcome Measured	Finding	Facilitation Type
Deininger & Liu (2009)	Andhra Pradesh	Self-efficacy & decision-making	Significant gains in financial and social confidence	Programme-linked (NGO)
Swain & Wallentin (2009)	Odisha	Self-esteem and social confidence	Higher gains where structured social programming present	Mixed (NGO + self-managed)
Brody et al. (2015)	Multi-state (systematic review)	Decision-making power, IPV reduction	Significant IPV reduction; facilitation quality as key moderator	Community worker facilitated
Garikipati (2008)	Andhra Pradesh	Loan control & asset decision-making	Partial gains; intra-household power dynamics mediate outcomes	Bank-linked (low facilitation)
Rajivan (2010)	Tamil Nadu	Mental health / debt stress	Debt stress reported in poorly structured groups; wellbeing gains in facilitated groups	Self-managed (minimal facilitation)
Kudumbashree, Kerala (2022)	Kerala (state-wide)	Civic participation, leadership	Strong gains in panchayat participation; integration with livelihoods decisive	Structured SW + community worker

Table 1: Summary of Key Studies on Psychosocial Outcomes of SHG Participation in India

3. THE SOCIAL WORKER’S FACILITATIVE ROLE IN SHG GROUP WORK

Group work is one of the three classic methods of social work practice, alongside casework and community organization. Within the SHG context, social workers function not merely as administrators or credit supervisors, but as professional group work practitioners who apply theory, ethics, and structured methodology to maximize the group’s empowerment potential. The social worker’s facilitative role encompasses multiple overlapping functions across the lifecycle of the group.

3.1 Stages of Group Development and Social Worker Functions

Tuckman’s model of group development — Forming, Storming, Norming, Performing, and Adjourning — provides a useful framework for understanding the social worker’s evolving role across the SHG lifecycle [15]. At the Forming stage, the social worker functions as an enabler and connector, helping women understand the group’s purpose, establishing trust, and setting norms of confidentiality and mutual respect. During Storming, the social worker acts as a mediator and conflict resolver, addressing interpersonal tensions and power imbalances that inevitably emerge within the group. At the Norming and Performing stages, the worker assumes a facilitative and increasingly background role, building group autonomy, strengthening leadership capacity, and introducing structured programming around financial literacy, legal rights, and psychosocial topics. Finally, at Adjourning, the social worker supports transition planning, celebrates collective achievements, and links the group to wider community networks and government schemes.

3.2 Core Facilitative Competencies

Effective social work facilitation of SHGs requires a distinctive set of competencies that span direct practice, community development, and policy engagement. These include: active and empathetic listening; ability to manage group dynamics and power differentials; knowledge of microfinance, livelihoods, and government welfare schemes; feminist consciousness and commitment to gender justice; skill in adult education and non-formal learning methodologies; and capacity to link groups to legal aid, health services, and crisis support when needed.

Group Stage	SW Role	Key SW Activities	Expected Group Outcome
Forming	Enabler & Connector	Group formation, trust building, norm setting, introduction to SHG purpose and rules	Group cohesion; clarity of purpose; initial trust
Storming	Mediator & Conflict Resolver	Managing power dynamics, resolving interpersonal tensions, reinforcing group norms, addressing leadership struggles	Conflict management skills; stronger group identity
Norming	Educator & Capacity Builder	Financial literacy, legal rights awareness, health education, linking to government schemes (DAY-NRLM, PM Jan Dhan)	Self-efficacy gains; improved financial decision-making; scheme utilization
Performing	Facilitator & Empowerment Practitioner	Leadership development, collective action planning, civic	Community leadership; policy engagement; economic enterprise launch

Group Stage	SW Role	Key SW Activities	Expected Group Outcome
		participation, inter-group federation linkages	
Adjourning	Transition Planner & Celebrator	Transition planning, linking to federations, celebrating achievements, sustainability planning	Group autonomy; sustained networks; dignified closure

Table 2: Social Worker’s Facilitative Role Across Stages of SHG Group Development

3.3 Feminist Group Work Principles in the SHG Context

Feminist group work practice, as theorized by Bricker-Jenkins and Hooyman (1986) and developed in the Indian context by Patel (2005), offers a particularly coherent framework for SHG facilitation [16]. Its core principles — consciousness-raising, shared power, validation of experience, and the personal as political — align organically with the SHG’s potential as a transformative social space. The social worker applying feminist group work principles moves beyond functional facilitation to support women in naming their structural oppression, connecting individual experiences to shared social conditions, and identifying collective action as a legitimate response to injustice.

Research consistently shows that professionally facilitated SHGs with structured psychosocial programming produce 30–40% stronger outcomes on self-efficacy and decision-making measures than purely credit-linked self-managed groups. The social worker’s facilitative role is the decisive variable [4][11].

4. MEASURING PSYCHOSOCIAL OUTCOMES: KEY INDICATORS AND FINDINGS

This section synthesizes evidence on three core psychosocial outcome domains: self-efficacy, decision-making power, and mental health. For each domain, key measurement indicators and evidence-based findings are presented.

Outcome Domain	Key Measurement Indicators	Evidence on SHG Impact
Self-Efficacy	Confidence in financial decisions; willingness to speak in public; ability to negotiate with officials; confidence in asserting rights	Consistent positive impact documented across states; stronger in NGO/SW-facilitated groups; Bandura’s General Self-Efficacy Scale adapted for Indian rural contexts [5][6]
Decision-Making Power	Participation in household financial decisions; control over personal income; influence in children’s education and health decisions; participation in community/civic decisions	Moderate-to-strong gains reported; intra-household power dynamics and husband’s attitude are key mediating variables; longer membership duration improves outcomes [9][10]
Mental Health & Wellbeing	Psychological distress (GHQ-12); depression symptoms (PHQ-9); sense of social support; subjective wellbeing; reduced isolation	Bidirectional evidence: positive outcomes in well-facilitated groups; debt-related stress in poorly structured groups; group cohesion identified as critical protective factor [12][14]

Outcome Domain	Key Measurement Indicators	Evidence on SHG Impact
Social Capital	Bridging and bonding social capital; network size; access to community resources; collective action participation	SHG participation significantly expands social networks and bridging capital; federation membership multiplies effect; literacy and social programming accelerate gains [2][3]
Political & Civic Participation	Voting behaviour; candidacy for panchayat; attendance at gram sabha; ability to access government schemes independently	Strong evidence from Kerala Kudumbashree and Bihar Jeevika; SHG membership associated with 2–3x higher rates of gram sabha participation [2][7]

Table 3: Psychosocial Outcome Domains, Indicators and Evidence Summary for SHG Participation

4.1 Factors Shaping Outcome Quality

Evidence from the literature consistently identifies several factors that moderate the quality of psychosocial outcomes from SHG participation. These include: duration of membership (longer tenure associated with stronger outcomes); quality of facilitation (professional or NGO-led facilitation associated with stronger psychosocial outcomes than self-managed groups); integration with social programming (groups embedded in livelihoods, health, legal literacy, and education programming show markedly stronger outcomes); caste and community context (Dalit and tribal women’s SHGs face additional structural barriers requiring targeted facilitation strategies); and inter-group linkages (membership in SHG federations multiplies empowerment outcomes by expanding network, voice, and collective bargaining power) [4][11][17].

5. THE SOCIAL WORKER-FACILITATED SHG (SWFSHG) MODEL

Building on the evidence reviewed above, this paper proposes the Social Worker-Facilitated SHG (SWFSHG) Model — an integrated practice framework for maximizing both economic and psychosocial outcomes of SHG participation through structured professional social work engagement. The model operates across five interconnected components.

Component	Focus	Key Activities	Expected Outcome
1. Group Formation & Trust Building	Establishing psychological safety and group identity	Participatory group norms; ice-breakers; life-story sharing; ground rules; confidentiality agreement	Group cohesion; reduced stigma; sense of belonging
2. Financial Literacy & Livelihoods	Building economic self-efficacy and enterprise capacity	Savings and credit education; budgeting; enterprise planning; market linkages; DAY-NRLM scheme navigation	Financial self-efficacy; household income gains; scheme utilization
3. Psychosocial Programming	Strengthening mental health, identity, and resilience	Consciousness-raising sessions; personal narrative sharing; stress management; domestic violence awareness; legal rights education	Improved mental health; reduced isolation; rights awareness; reduced DV tolerance

Component	Focus	Key Activities	Expected Outcome
4. Leadership & Civic Engagement	Building decision-making power and community voice	Leadership training; panchayat engagement; gram sabha participation; inter-group federation linkage; RTI and legal aid access	Political participation; civic leadership; community advocacy
5. Monitoring & Evaluation	Measuring and strengthening outcomes over time	Regular self-efficacy and wellbeing assessments; participatory review meetings; outcome tracking; social worker reflective practice	Evidence-based practice; adaptive facilitation; programme improvement

Table 4: Components of the Social Worker-Facilitated SHG (SWFSHG) Model

The SWFSHG model is explicitly intersectional in design, recognizing that the empowerment needs and structural barriers faced by women differ significantly by caste, religion, disability, marital status, and geographic location. Social workers applying the model must adapt facilitation strategies to these contextual dimensions, ensuring that dominant voices within groups do not eclipse the needs of the most marginalized members. In practice, this may require one-to-one sessions alongside group meetings, sub-group formation for specific communities, or external advocacy on behalf of members who face severe structural exclusion.

6. IMPLICATIONS FOR SOCIAL WORK PRACTICE, EDUCATION AND POLICY

Domain	Current Challenge	Recommended Action
Social Work Practice	SHG facilitation is often performed by poorly trained community volunteers or bank correspondents without group work skills	Deploy trained social workers as SHG facilitators under DAY-NRLM; develop SWFSHG practice protocols; integrate psychosocial programming into all facilitated groups
Social Education	SHG facilitation and group work with marginalized women are underemphasized in BSW/MSW curricula	Integrate SHG-focused group work practicum in field education; develop feminist group work modules; include financial literacy and livelihoods in social work curricula
Policy	DAY-NRLM guidelines do not require professional social work facilitation; psychosocial indicators absent from official SHG monitoring frameworks	Advocate for mandatory psychosocial outcome indicators in DAY-NRLM monitoring; include social worker facilitation as a programme requirement; fund SWFSHG pilots in high-deprivation districts
Research	Longitudinal studies on psychosocial outcomes of SHG participation, and on the specific impact of professional facilitation, are sparse in India	Fund longitudinal multi-state studies comparing facilitated vs. self-managed SHG outcomes; develop validated psychosocial measurement tools for rural Indian contexts

Table 5: Implications of the SWFSHG Model for Practice, Education, Policy and Research

7. DISCUSSION

The evidence reviewed in this paper strongly supports the proposition that SHG participation, when facilitated by trained social workers applying structured group work methodology, produces transformative psychosocial outcomes among marginalized women in India. Self-efficacy gains, shifts in decision-making power, improved mental health, and expanded civic participation are all documented — but consistently mediated by the quality of facilitation. The social worker’s role is not incidental to these outcomes; it is constitutive of them.

This has significant implications for how the SHG movement is understood and resourced. The dominant discourse around SHGs — in both policy and academic literature — constructs them primarily as financial instruments: vehicles for credit delivery and savings mobilization. This paper argues for a paradigm shift that recognizes SHGs as social work practice sites — structured group environments in which professional facilitation, feminist principles, and psychosocial programming can systematically produce human flourishing alongside economic gain.

Limitations of this review include its reliance on secondary literature, which limits conclusions about causal mechanisms and context-specific variation. The proposed SWFSHG model, while grounded in evidence, requires empirical testing through pilot studies and participatory action research with marginalized women. Future research should also attend more carefully to the experiences of Dalit women, women with disabilities, and LGBTQ+ women within SHG settings, whose specific needs and barriers have been inadequately represented in the existing literature.

8. CONCLUSION

India’s Self-Help Group movement has the potential to be far more than a microfinance delivery mechanism. When animated by professional social work facilitation grounded in feminist practice principles, group work theory, and strengths-based approaches, the SHG becomes a powerful instrument for the psychological, social, economic, and civic transformation of marginalized women’s lives. Shifts in self-efficacy, decision-making power, and mental health are not by-products of economic participation — they are achievable, measurable outcomes of intentional, skilled group work practice.

The Social Worker-Facilitated SHG model proposed in this paper offers a structured, evidence-informed framework for maximizing these outcomes. Its realization will require investment in social work education and practice capacity, policy reform within national livelihood programmes, and sustained research commitment. The social work profession — as practitioners, educators, researchers, and advocates — has both the responsibility and the unique expertise to lead this transformation.

Declaration: The author declares no conflict of interest. This research received no specific grant from any funding agency. The paper is based entirely on secondary data and published sources.

REFERENCES

- [1] NABARD, Status of Microfinance in India 2022–23, Mumbai: NABARD, 2023.
- [2] Kudumbashree Mission, Annual Report 2021–22, Thiruvananthapuram: Government of Kerala, 2022.
- [3] Ministry of Rural Development, DAY-NRLM Programme Guidelines, New Delhi: Government of India, 2023.
- [4] N. Patel, “Rethinking SHG facilitation: The social work perspective,” *Indian Journal of Social Work*, vol. 66, no. 3, pp. 287–302, 2005.
- [5] A. Bandura, *Self-Efficacy: The Exercise of Control*, New York: W.H. Freeman, 1997.
- [6] S. Hashemi, S. Schuler, and A. Riley, “Rural credit programs and women’s empowerment in Bangladesh,” *World Development*, vol. 24, no. 4, pp. 635–653, 1996.
- [7] K. Deininger and Y. Liu, “Economic and social impacts of an innovative self-help group model in India,” *World Development*, vol. 41, pp. 100–115, 2013.
- [8] R. B. Swain and F. Y. Wallentin, “Does microfinance empower women? Evidence from self-help groups in India,” *International Review of Applied Economics*, vol. 23, no. 5, pp. 541–556, 2009.
- [9] D. Pitt, S. Khandker, and J. Cartwright, “Empowering women with micro finance: Evidence from Bangladesh,” *Economic Development and Cultural Change*, vol. 54, no. 4, pp. 791–831, 2006.
- [10] S. Garikipati, “The impact of lending to women on household vulnerability and women’s empowerment: Evidence from India,” *World Development*, vol. 36, no. 12, pp. 2620–2642, 2008.
- [11] C. Brody, T. de Hoop, M. Vojtkova, R. Warnock, M. Dunbar, P. Murthy, and S. Dworkin, “Self-help groups as a platform for complex interventions to improve health in low and middle-income countries,” *Campbell Systematic Reviews*, vol. 11, no. 1, pp. 1–182, 2015.
- [12] R. Bali Swain and M. Varghese, “Does group membership necessarily mean social capital? Evidence from rural India,” *Journal of International Development*, vol. 26, pp. 375–388, 2014.
- [13] M. S. Corey and G. Corey, *Groups: Process and Practice*, 9th ed., Belmont: Brooks/Cole, 2014.
- [14] A. K. Rajivan, “Self-help groups, microfinance and women’s empowerment,” in *Towards Gender Equity in Development*, S. Razavi (ed.), Oxford: Oxford University Press, 2010.
- [15] B. W. Tuckman, “Developmental sequence in small groups,” *Psychological Bulletin*, vol. 63, no. 6, pp. 384–399, 1965.
- [16] M. Bricker-Jenkins and N. Hooyman, *Not for Women Only: Social Work Practice for a Feminist Future*, Silver Spring: NASW, 1986.
- [17] World Bank, “Self-help groups and women’s empowerment in rural India: A review of evidence,” Washington D.C.: World Bank Working Paper, 2020.
- [18] NRLM, *Aajeevika — National Rural Livelihoods Mission: Progress Report 2022*, New Delhi: Ministry of Rural Development, 2022.
- [19] R. Marathe and S. Chandak, “Group cohesion and women’s self-esteem: Findings from SHG programmes in Maharashtra,” *Social Work Forum*, vol. 15, no. 2, pp. 44–58, 2021.
- [20] A. Sen, *Development as Freedom*, New York: Anchor Books, 1999.