



## REVISITING WOMEN'S EMPOWERMENT THROUGH SELF-HELP GROUPS: A CRITICAL THEORETICAL STUDY THROUGH LAMIA KARIM'S FEMINIST DEVELOPMENT PERSPECTIVE

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### RESEARCH ARTICLE



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#### Abstract

Self-Help Groups (SHGs) have been widely recognised as grassroots mechanisms for promoting women's empowerment in India. While policy discourse relates empowerment with financial inclusion and participation, feminist scholars question whether SHGs transform gender relations. This paper critically revisits women's empowerment in SHGs through Lamia Karim's feminist development perspective. Based on secondary literatures, policy reports, theoretical frameworks, the study tries to explore that although SHGs expand economic capabilities, their transformative potential remains constrained by institutionalized and depoliticised participation. True empowerment requires structural transformation of gendered power relations rather than mere economic integration.

**Keywords:** *Women Empowerment, SHGs, Lamia Karim, Feminist Perspective*

### Introduction

The concept of women empowerment has been widely used in the development policies especially in the Global South. In India, Self-Help Groups (SHGs) have been promoted as the institutional mechanism for enhancing women's economic participation, financial inclusion and social empowerment. The poverty alleviation programme such as National Rural Livelihoods Mission major aim is to promote SHGs as grassroot institutions for poverty alleviation and gender development. SHGs have emerged as the most popular strategy to empower women (Chidambaram, 2004). SHGs consist of small groups usually members from 10-12 who collectively save money, access credit and engage in economic activities for generating income. Development institutions such as the World Bank and governments often show SHGs as effective tools for poverty reduction and women's empowerment (Kabeer, 2005).

However, feminist scholars argue that the empowerment narrative surrounding microfinance and SHGs may overlook structural inequalities and power relations embedded within development programs. Lamia Karim (2011), a Bangladeshi-A provides a critical feminist analysis of microfinance institutions in South Asia, arguing that these programs often discipline poor women through debt mechanisms while reproducing existing social hierarchies. Also, the transformative potential of the SHGs is often remain institutionalised and depoliticised thereby restricting their ability to challenge deeper structural inequalities in society.

This paper critically revisits women's empowerment through SHGs using Karim's feminist development perspective. It interrogates whether SHGs truly empower women or whether they function within broader neoliberal development frameworks that place responsibility for poverty alleviation on marginalized women themselves.

### Objectives of the Study

1. To examine the concept of women's empowerment within the framework of Self-Help Groups.
2. To critically analyse SHGs using Lamia Karim's feminist development perspective.
3. To evaluate the extent to which SHGs contribute to meaningful socio-economic and gender empowerment of women.

### Research Questions

1. How is women's empowerment conceptualized within the Self-Help Group model?
2. How does Lamia Karim's feminist development critique challenge dominant narratives of SHG-based empowerment?
3. To what extent do SHGs contribute to transformative empowerment for women in rural contexts?

## **Methodology**

This study is based on the qualitative sources consisting of secondary sources which include, Peer-reviewed journal articles, books, Government and development agency reports.

Key theoretical insights are drawn from Lamia Karim's feminist analysis of microfinance, alongside broader scholarship on gender, development, and empowerment.

## **Analytical Approach**

The study employs thematic analysis of existing literature to examine three key themes:

First, the study examines SHGs as development institutions, focusing on how they have been conceptualized and promoted within development discourse. This includes analysing literature on SHG-Bank linkage programmes, state-led rural development initiatives, and policy frameworks that position SHGs as instruments for poverty alleviation and financial inclusion.

Second, the analysis explores empowerment narratives within microfinance programs, particularly how development agencies, governments, and international organizations frame microfinance as a mechanism for enhancing women's agency, economic participation, and social mobility. This theme investigates the dominant development discourse that equates access to credit with women's empowerment.

Third, the study engages with feminist critiques of credit-based empowerment models, drawing particularly on Lamia Karim's feminist development perspective. Karim's work highlights the ways in which microfinance institutions may reproduce gendered power relations, discipline borrowers through debt obligations, and shift the responsibility of poverty alleviation onto marginalized women.

By synthesizing these themes, the paper critically evaluates the empowerment claims associated with SHGs.

## **Conceptualizing Women's Empowerment**

Women's empowerment is a multidimensional concept involving economic independence, decision-making power, social mobility, and control over resources (Kabeer, 1999). Empowerment involves expanding women's capabilities, choices, and agency within social and economic structures.

According to Amartya Sen's capability approach, empowerment can be understood as the expansion of individuals' capabilities to lead the lives they value (Sen, 1999). In the context of SHGs, empowerment is often measured through indicators such as:

- access to credit
- participation in decision-making
- increased income
- enhanced mobility and self-confidence.

However, critics argue that equating empowerment with financial access oversimplifies the complex social processes that shape gender relations (Batliwala, 2007).

## **Self-Help Groups as Instruments of Development**

Self-Help Groups gained prominence in India through initiatives such as the SHG-Bank Linkage Programme introduced by NABARD in the 1990s. These groups enable women to pool savings and access microcredit collectively.

Several studies highlight positive outcomes associated with SHGs, including:

- increased savings and credit access
- improved household income
- enhanced participation in community activities (Kumar & Sreedhara, 2018).

SHGs also foster collective solidarity among women, enabling them to engage in community decision-making and local governance.

Despite these achievements, scholars note that economic participation does not automatically translate into structural gender transformation (Kabeer, 2005).

## **Lamia Karim's Feminist Development Perspective**

Lamia Karim's work provides one of the most influential feminist critiques of microfinance institutions. In her book "Microfinance and Its Discontent: Women in Debt in Bangladesh" (2011), Karim argues that microfinance programs often operate within neoliberal development frameworks that shift responsibility for poverty alleviation onto poor women.

Karim highlights several critical issues:

**Debt Discipline and Social Pressure:** Microfinance institutions frequently use social pressure and group liability mechanisms to ensure loan repayment. Women may face community pressure, humiliation, or coercion if they fail to repay loans (Karim, 2011).

**Instrumentalization of Women:** Development programs often target women not primarily for gender equality but because women are considered more reliable borrowers. As a result, women become instruments for financial sustainability rather than beneficiaries of empowerment.

**Reinforcement of Patriarchal Structures:** Karim argues that in many cases, male household members control the loans taken by women, limiting their actual decision-making power.

### **Critical Analysis: Empowerment or Development Instrument?**

Applying Karim's perspective to SHGs reveals a complex picture.

**Economic Participation vs. Structural Empowerment:** Self-Help Groups (SHGs) have been widely recognized for enhancing women's economic participation, particularly by improving their access to credit, savings, and income-generating activities. Through the SHG model, women who were previously excluded from formal financial institutions gain opportunities to engage in micro-enterprises, small-scale production, and other livelihood activities. This financial inclusion can increase women's contribution to household income and, in some cases, enhance their visibility in family and community decision-making processes.

However, several scholars argue that economic participation does not automatically translate into structural empowerment. Structural empowerment refers to deeper transformations in gender relations, including changes in power hierarchies, control over resources, and the dismantling of patriarchal norms (Kabeer, 1999). In many cases, although women obtain loans through SHGs, the control and utilization of these financial resources may remain with male household members. As a result, women's participation in microfinance programs may remain largely instrumental rather than transformative.

From a feminist development perspective, empowerment requires more than access to credit; it requires agency, autonomy, and the ability to challenge existing social structures. Therefore, while SHGs contribute to women's economic participation, their ability to generate structural changes in gender relations remains limited in many contexts.

### **Collective Agency and Social Capital**

Despite these limitations, SHGs have the potential to create spaces for collective agency and the development of social capital among women. By bringing women together in regular meetings, savings activities, and group decision-making processes, SHGs foster networks of solidarity and mutual support. These collective interactions can enhance women's confidence, communication skills, and awareness of social and political issues affecting their lives.

The concept of social capital refers to the networks, relationships, and trust that enable individuals to work together to achieve common goals. Within SHGs, social capital is built through shared experiences, collective problem-solving, and cooperative financial practices. This can strengthen women's ability to negotiate social constraints within households and communities.

In some cases, SHGs have also facilitated women's participation in local governance and community development initiatives, such as village councils, health programs, and educational campaigns. Such engagement can gradually expand women's public roles and increase their visibility in local decision-making processes. Thus, while SHGs may not always transform structural inequalities, they can provide important platforms for collective mobilization and social awareness.

### **Neoliberal Development Logic**

A critical perspective offered by scholars such as Lamia Karim (2011) highlights the relationship between SHGs, microfinance, and broader neoliberal development policies. Neoliberal development frameworks emphasize market-based solutions, financial inclusion, and individual responsibility as strategies for addressing poverty.

Within this framework, SHGs are often promoted as mechanisms of "self-help", where poor women are encouraged to take responsibility for improving their own economic conditions through savings and microcredit. While this approach can enhance financial access, critics argue that it may also shift the burden of poverty alleviation from the state to marginalized individuals. Karim's feminist critique suggests that microfinance institutions frequently prioritize loan repayment and financial discipline over genuine empowerment outcomes. Women are often targeted as borrowers because they are perceived as more reliable and compliant in repaying loans. However, the pressure to maintain repayment schedules can sometimes lead to increased stress, indebtedness, and social pressure within communities.

From this perspective, SHGs may function not only as empowerment platforms but also as instruments through which development institutions extend market-based financial systems into poor communities. Consequently, the empowerment outcomes associated with SHGs must be evaluated critically within the broader political and economic structures shaping development policies.

### **Discussion**

The analysis suggests that Self-Help Groups (SHGs) occupy a paradoxical position within contemporary development practice, representing both opportunities for women's collective advancement and contradictions embedded within neoliberal development frameworks. On the one hand, SHGs have created significant avenues for women's economic participation, financial inclusion, and social networking. Through collective savings, access to microcredit, and group-based decision-making, women who were previously excluded from formal financial systems are able to participate in income-generating activities and

community initiatives. Such processes can enhance women's confidence, mobility, and visibility in the public sphere, thereby contributing to certain aspects of empowerment. Moreover, SHGs often function as spaces of collective interaction and solidarity, where women share experiences, develop leadership skills, and build social capital. These collective networks may gradually strengthen women's bargaining power within households and communities. In some cases, SHG members have also participated in local governance processes, community welfare programs, and grassroots development initiatives, suggesting the potential for transformative social engagement.

However, despite these possibilities, the transformative potential of SHGs often remains constrained by institutionalised and depoliticised forms of participation. Institutionalisation refers to the process through which SHGs are integrated into formal development structures, often managed or regulated by government agencies, banks, or development organisations. While institutional support can expand financial access and program coverage, it may also restrict the scope of women's participation to predefined administrative and financial activities. As a result, SHG participation frequently becomes focused on loan management, repayment schedules, and program compliance, rather than broader processes of social and political transformation. The depoliticization of participation further limits the emancipatory potential of SHGs. In many development frameworks, empowerment is framed primarily in terms of financial inclusion and economic self-reliance, rather than collective action aimed at challenging structural inequalities. Consequently, women's engagement in SHGs often remains confined to economic activities without addressing deeper issues such as patriarchal norms, unequal property rights, gendered labour divisions, and political marginalisation. Participation thus becomes procedural rather than transformative, emphasizing programme implementation rather than critical engagement with existing power relations.

This critique resonates strongly with Lamia Karim's feminist analysis of microfinance, which argues that development programs frequently instrumentalise women as reliable borrowers within credit-based systems (Karim, 2011). According to Karim, microfinance institutions often rely on women's social networks to enforce repayment discipline, thereby embedding financial accountability within community relationships. While these mechanisms can improve loan recovery rates, they may also produce forms of social pressure and indebtedness that disproportionately affect poor women.

From this perspective, SHGs may simultaneously function as platforms of empowerment and as mechanisms through which neoliberal development strategies extend market-oriented financial practices into rural communities. The emphasis on self-help, microcredit, and individual responsibility can shift the burden of poverty alleviation from the state to marginalized women themselves. Consequently, empowerment becomes framed in terms of access to credit and financial discipline, rather than structural transformation of gender relations.

Therefore, a feminist development perspective suggests that genuine empowerment requires moving beyond narrow economic indicators and recognising the importance of collective agency, political participation, and structural change. While SHGs possess significant potential to facilitate women's social mobilisation, their transformative capacity will remain limited unless they also enable women to engage critically with broader systems of power, inequality, and development governance.

## **Conclusion**

This paper revisited the empowerment potential of Self-Help Groups through the lens of Lamia Karim's feminist development critique. The analysis demonstrates that while SHGs contribute to women's financial inclusion and social participation, their empowerment outcomes remain limited by structural constraints and the debt-driven logic of microfinance systems.

For SHGs to become transformative institutions, development programs must go beyond credit provision and address deeper issues of gender inequality, social norms, and institutional power structures. A more holistic approach to empowerment should emphasize women's agency, collective action, and structural change rather than relying solely on financial inclusion.

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