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Self-Help Groups as Vehicles of Women's Empowerment in Urban India: Evidence from 300 SHG Members in Jaipur Metropolitan City, Rajasthan

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Abstract

Self-help groups (SHGs) are the principal institutional device through which Indian development policy attempts to convert poor women's collective savings into economic capability and social voice. The empirical literature on SHGs is substantial but overwhelmingly rural; the urban SHG, operating amid casual work, rented accommodation and thin kinship networks, remains under-studied. This paper examines the role of SHGs in women's empowerment in Jaipur metropolitan city, Rajasthan, using primary data from 300 women members of groups engaged in handicrafts, food product manufacture, tailoring and embroidery, and allied micro-livelihood activities. A structured schedule incorporating a twenty-four item, five-point Likert battery measured three domains of empowerment — economic, social, and decision-making with institutional support — supplemented by interviews with group office bearers, structured observation and focus group discussions. The findings show a consistently positive but uneven profile. All economic items recorded means between 3.89 and 4.38, the strongest being the savings habit (4.38; 86.00 per cent agreement) and the weakest growth in personal income (3.89). In the decision-making and institutional support domain, means ranged from 3.78 to 4.07, with consultation before borrowing or large expenditure the least developed indicator of all. On composite indices, 53.33 per cent of respondents reached the high economic band, 59.00 per cent the high social band and 46.67 per cent the high decision-making band, while 46.67 per cent recorded high overall empowerment against 46.33 per cent medium. Urban SHGs in Jaipur succeed as instruments of financial discipline, credit substitution and confidence-building, but their transformative potential is limited by weak market linkage, rudimentary packaging and branding, opaque institutional support and the persistence of male authority over large household financial decisions.

Keywords: self-help groups; women's empowerment; urban livelihoods; microfinance; financial inclusion; decision-making; Jaipur; Rajasthan; DAY-NULM.

1. Introduction

The self-help group is now the most widely diffused institutional form in Indian development practice. Under the Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM), more than ten crore women from poor households have been mobilised into over ninety lakh SHGs, and its urban counterpart, DAY-NULM, extends the same architecture of group savings, revolving funds, bank linkage and interest subvention to towns and cities with populations above one lakh (Ministry of Housing and Urban Affairs, 2013; Ministry of Rural Development, 2024). The underlying theory of change is simple: when poor women save together, lend to one another and meet under a shared discipline, they acquire not only capital but information, confidence and a public presence they could not obtain individually.

The literature also has a spatial blind spot. Most Indian SHG research is set in villages, and its analytical vocabulary reflects that origin. Urban poverty has a different texture: incomes are more monetised but more volatile, housing is often rented or informal, kinship networks are thinner, and the relevant market is not a weekly haat but a competitive metropolitan retail economy in which packaging, branding and digital presence determine whether a hand-made product sells at all. The binding constraint on urban groups may therefore lie downstream, in marketing rather than in savings mobilisation.

Jaipur is an apt site for such an inquiry. As the capital of Rajasthan it combines a deep craft economy — block printing, blue pottery, gota and zari work, lac bangles, quilting — with a large informal sector employing women in tailoring, food preparation and petty trade, and it hosts groups formed by NGOs, by banks under the SHG–Bank Linkage Programme and by the urban local body under DAY-NULM. This paper asks what the profile of urban SHG members is and how they engage with their groups; to what extent membership has altered their economic behaviour, social position and participation in decision-making; and where the model under-performs in an urban setting.

2. Review of Literature

2.1 Conceptualising empowerment

Much disagreement in the SHG literature is traceable to divergent definitions rather than divergent data. Sen's (1999) capability approach shifts attention from what a woman possesses to what she is able to do and to be, and Kabeer (1999, 2005) operationalises this through resources, agency and achievements — the most useful corrective to studies that treat loan disbursement as though it were empowerment itself. Malhotra, Schuler and Boender (2002) add that empowerment is domain-specific: a woman may gain control over her own earnings while remaining excluded from decisions about a large household loan. Empirically this argues for measuring domains separately and reporting item-level distributions alongside any composite index.

2.2 The empirical record

Three strands can be distinguished. The first, largely descriptive and based on before-and-after self-reports, finds substantial gains in savings, reduced moneylender dependence and greater confidence in dealing with banks; Puhazhendhi and Badatya (2002) established this narrative in India. The second, experimental and quasi-experimental, is more restrained: Banerjee et al. (2015) found increases in business investment but no detectable effect on decision-making power within eighteen months, Garikipati (2008) showed that loans routed through women may be appropriated by male household members, and Brody et al. (2015) concluded that SHG participation improves economic and political empowerment and mobility while outcomes remain highly sensitive to programme quality.

The third strand emphasises the group rather than the loan. Sanyal (2009) argues that the principal mechanism is the construction of social capital: regular meetings create dense ties among women otherwise confined to the household. Deininger and Liu (2013) and Kumar et al. (2021) report gains in agency and mobility that grow with group maturity, suggesting that tenure and attendance may predict empowerment at least as strongly as loan size.

2.3 Urban SHGs and the market constraint

Research specific to urban SHGs is sparse, but what exists suggests a distinctive bottleneck. Savings mobilisation and internal lending function well because urban incomes, though volatile, are monetised and regular in periodicity. The constraint appears further along the value chain: urban SHG products compete directly with machine-made and branded goods, and their producers typically lack packaging, product standardisation, working capital for inventory and access to organised retail or e-commerce. The Ministry of Rural Development itself lists inadequate marketing facilities and limited access to technology among the principal challenges affecting SHGs, and evaluations of Rajasthan's programme under Rajeevika record strong group formation alongside weaker downstream linkage. The present study applies a domain-wise measurement strategy to an urban craft-and-food-processing population in a setting where this market constraint, if it exists, should be observable.

3. Objectives and Hypotheses

The study was guided by five objectives:

1. To describe the socio-economic profile of women SHG members in Jaipur metropolitan city and the nature of their engagement with their groups.
2. To assess the contribution of membership to economic empowerment through savings, credit access, income, household contribution, banking literacy and enterprise participation.
3. To assess the contribution of membership to social empowerment through self-confidence, communication, social identity, awareness and mutual support.
4. To examine members' participation in household decision-making and the adequacy of institutional support from banks, NGOs and government agencies.
5. To identify the constraints limiting the effectiveness of urban SHGs and derive policy implications.

Three working hypotheses follow. H1: membership is associated with positive change in economic behaviour, particularly regular saving and access to non-exploitative credit. H2: the empowerment effect is domain-differentiated, strongest in the economic domain and weakest in household decisions involving large sums. H3: the principal constraint on urban SHGs lies not in savings mobilisation or credit availability but in downstream market access, packaging and branding.

4. Research Methodology

4.1 Design, area and sampling

A descriptive cross-sectional design with a mixed-methods component was adopted in Jaipur metropolitan city, Rajasthan. The quantitative core was a structured interview schedule administered to individual members, supplemented by semi-structured interviews with group office bearers, structured non-participant observation of meetings and work sites, and focus group discussions used to interpret the survey findings rather than to generate independent estimates. The universe consisted of women members of active SHGs within the Jaipur municipal area engaged in handicrafts, food product manufacture, tailoring and embroidery or other small livelihood activities. Groups were selected purposively to reflect the principal activity categories present in the city and 300 members were drawn from them, excluding groups dormant for more than six months and members with less than three months of association.

4.2 Instrument and measurement

The schedule had three sections: socio-economic background; SHG particulars (tenure, group size, meeting frequency, attendance, monthly savings, loans and their use, and the group's main activity); and the empowerment battery. Empowerment was measured through twenty-four statements distributed equally across three domains — economic, social, and decision-making with institutional support. Each was scored on a five-point Likert scale (5 = strongly agree to 1 = strongly disagree), positively worded and administered orally in Hindi. Domain scores were obtained by summing the eight constituent items (range 8–40) and the overall score by summing all twenty-four (range 24–120); each range was divided into three equal bands, as set out in Table 1.

Table 1. Classification bands for empowerment scores

Index	Items	Score range	Low	Medium	High
Economic empowerment	8	8–40	8–18	19–29	30–40
Social empowerment	8	8–40	8–18	19–29	30–40
Decision-making and institutional support	8	8–40	8–18	19–29	30–40
Overall empowerment	24	24–120	24–55	56–87	88–120

Source: Field survey.

4.3 Analysis and ethics

Responses were coded and analysed using descriptive statistics: frequencies and percentages for background variables, and the response distribution, mean and standard deviation for each Likert item. Composite scores were computed for every respondent and tabulated against the bands in Table 1, and qualitative material was analysed thematically. The analysis is descriptive rather than inferential: the design is single-round and non-probability with no comparison group, so no causal claim is made and no significance tests are reported, and statements of the form "since joining the group…" record perceived rather than measured change. The schedule was pre-tested and ambiguous items reworded. Participation was voluntary and informed oral consent obtained; no individually identifying information is presented and group names have been withheld.

5. Results

5.1 Socio-economic profile of respondents

Table 2 presents the background of the 300 respondents. The profile is that of a settled, married, moderately educated urban working-class population rather than of the destitute poor, and this conditions how the empowerment findings should be read.

Table 2. Socio-economic profile of respondents (N = 300)

Variable	Category	Frequency	Per cent
Age	18–27 years	52	17.33
	28–37 years	108	36.00

Variable	Category	Frequency	Per cent
	38–47 years	95	31.67
	48 years and above	45	15.00
Marital status	Unmarried	22	7.33
	Married	241	80.33
	Widowed	28	9.33
	Separated / deserted	9	3.00
Education	Illiterate	30	10.00
	Primary	72	24.00
	Secondary	107	35.67
	Higher secondary and above	91	30.33
Family type	Nuclear	152	50.67
	Joint	123	41.00
	Extended	25	8.33
Family size	1–3 members	41	13.67
	4–6 members	161	53.67
	7–9 members	76	25.33
	10 members and above	22	7.33
Monthly household income	Below ₹20,000	99	33.00
	₹20,001–₹40,000	128	42.67
	₹40,001–₹60,000	53	17.67
	Above ₹60,000	20	6.67
Residential status	Own house	145	48.33
	Rented house	106	35.33
	Slum / informal settlement	32	10.67
	Other	17	5.67
Bank account	Yes, own account	230	76.67
	Yes, joint account	45	15.00
	No	18	6.00
	Not aware	7	2.33

Source: Field survey.

Two-thirds of the sample (67.67 per cent) fall in the 28–47 age bracket, the phase of life carrying the heaviest combination of childcare, domestic labour and income-earning responsibility. Married women predominate (80.33 per cent), but the 12.33 per cent who are widowed, separated or deserted are analytically significant, since these are the households in which women's earnings are primary rather than supplementary. Educational attainment is higher than in a comparable rural sample: only 10.00 per cent are illiterate while 66.00 per cent have completed secondary schooling or beyond.

The income distribution places 75.67 per cent of respondents in households earning ₹40,000 or less per month, a third of them below ₹20,000; this is a population living close to, though not uniformly below, the urban poverty threshold, and 46.00 per cent are in rented accommodation or informal settlements. Formal financial inclusion is near-universal, with 91.67 per cent holding a bank account, mostly in the woman's own name; the residual 8.33 per cent without one is not trivial, since account ownership is the gateway to direct benefit transfer, bank linkage and the interest subvention available to women's groups under DAY-NULM.

5.2 Nature of engagement with the group

Table 3 summarises members' association with their groups. The pattern is one of mature, regularly functioning groups with disciplined savings and active internal lending.

Table 3. Profile of SHG membership and group functioning (N = 300)

Variable	Category	Frequency	Per cent
Duration of association	Less than 1 year	46	15.33
	1–3 years	93	31.00
	3–5 years	94	31.33
	More than 5 years	67	22.33
Group size	Fewer than 10 members	35	11.67
	10–15 members	130	43.33
	16–20 members	106	35.33
	More than 20 members	29	9.67
Frequency of meetings	Weekly	55	18.33
	Fortnightly	89	29.67
	Monthly	126	42.00
	Irregular	30	10.00
Attendance at meetings	Always	144	48.00
	Mostly	121	40.33
	Occasionally	28	9.33
	Never	7	2.33
Monthly savings	Below ₹100	38	12.67
	₹100–₹500	154	51.33
	₹501–₹1,000	92	30.67

Variable	Category	Frequency	Per cent
	Above ₹1,000	16	5.33
Loan taken from group	Yes, once	115	38.33
	Yes, more than once	109	36.33
	No	60	20.00
	No need arose	16	5.33
Principal use of loan	Household expenditure	39	13.00
	Business / self-employment	112	37.33
	Education / health	49	16.33
	Repayment of other debt	24	8.00
	Not applicable	76	25.33
Main activity of group	Handicrafts	110	36.67
	Food product manufacture	69	23.00
	Tailoring, embroidery, textiles	86	28.67
	Other activities	35	11.67

Source: Field survey.

More than half the respondents (53.66 per cent) have been associated with their group for three years or longer and only 15.33 per cent are recent entrants, so the sample is well placed to display whatever effects the model produces and any weakness observed cannot be attributed to the groups being new. Group size clusters within programme norms, with 78.66 per cent in groups of 10 to 20 members; meetings are monthly in 42.00 per cent of cases, fortnightly in 29.67 per cent and weekly in 18.33 per cent, while 10.00 per cent are irregular; and 88.33 per cent of members attend always or mostly.

Savings are modest but regular: 51.33 per cent save between ₹100 and ₹500 a month and 30.67 per cent between ₹501 and ₹1,000 — against a household income distribution in which two-thirds of families earn ₹40,000 or less, a genuine act of financial discipline rather than surplus disposal. Internal credit is used actively, with 74.66 per cent having borrowed at least once, and the composition of that borrowing is the most consequential finding in the table: business or self-employment is the largest single use (37.33 per cent of all respondents), followed by education and health (16.33 per cent) and household expenditure (13.00 per cent), while only 8.00 per cent used a group loan to repay another debt. That productive use exceeds consumption use indicates that group credit functions at least partly as enterprise capital. Handicrafts, tailoring and textiles, and food manufacture together account for 88.34 per cent of respondents — precisely the activities in which product quality is often adequate but presentation and market reach are weak.

5.3 Economic empowerment

Table 4 presents the response distribution, mean and standard deviation for each of the eight economic empowerment statements.

Table 4. Distribution of responses on economic empowerment statements (N = 300)

Statement	SA (5)	A (4)	U (3)	D (2)	SD (1)	Mean	SD
My habit of saving has increased since joining the group	158 (52.67)	100 (33.33)	40 (13.33)	2 (0.67)	0 (0.00)	4.38	0.736
I can obtain a loan from the group when I need one	111 (37.00)	110 (36.67)	68 (22.67)	10 (3.33)	1 (0.33)	4.07	0.869
My personal income has increased since joining the group	65 (21.67)	148 (49.33)	76 (25.33)	11 (3.67)	0 (0.00)	3.89	0.778
I now contribute to the economic needs of my family	95 (31.67)	139 (46.33)	56 (18.67)	8 (2.67)	2 (0.67)	4.06	0.817
My dependence on moneylenders has reduced because of the group	96 (32.00)	139 (46.33)	57 (19.00)	8 (2.67)	0 (0.00)	4.08	0.782
I know more about banking procedure and credit than before	82 (27.33)	139 (46.33)	64 (21.33)	15 (5.00)	0 (0.00)	3.96	0.828
I keep accounts of income and expenditure for my work	83 (27.67)	131 (43.67)	70 (23.33)	16 (5.33)	0 (0.00)	3.94	0.848
The group helped me take up self-employment or a micro-enterprise	94 (31.33)	142 (47.33)	58 (19.33)	6 (2.00)	0 (0.00)	4.08	0.762

Source: Field survey. Figures in parentheses are percentages. SA = strongly agree, A = agree, U = uncertain, D = disagree, SD = strongly disagree. Composite index mean = 32.46 out of 40.

Every item records a mean above 3.85 and the domain yields a composite index mean of 32.46 out of 40, with disagreement negligible throughout; Hypothesis H1 is therefore supported. The interest of the table, however, lies less in this uniform positivity — partly an artefact of self-reported retrospective change — than in the ordering of items, which is informative because the same respondents ranked them all. The strongest result concerns saving: the statement that the savings habit had increased returned a mean of 4.38, the highest in the entire twenty-four item battery, with 86.00 per cent agreement and a standard deviation of 0.736. High mean with low dispersion indicates a shared, unambiguous experience rather than an average of divergent ones. This is the clearest evidence that the SHG delivers on its most basic promise — a socially enforced savings discipline on households with irregular incomes — and it is also the mechanism least dependent on external agencies, requiring neither a bank nor a trainer nor a buyer.

Three items cluster at the next level and together describe the group's intermediary function: reduced dependence on moneylenders and assistance in taking up self-employment (both 4.08) and availability of credit when needed (4.07). On the credit item 73.67 per cent agreed, but 22.67 per cent were uncertain and the standard deviation of 0.869 is the highest in the table, indicating that credit availability is the least uniform of the economic experiences measured — consistent with office bearers' report that group funds are finite and members sometimes wait. Contribution to family economic needs (4.06) registers a change in position rather than merely in resources, the member having moved from being solely a claimant on household income to being in part a contributor to it. The two financial-competence items — knowledge of banking procedure (3.96) and keeping accounts (3.94) — sit lower, each with over 21 per cent uncertainty: roughly one member in four does not consider herself to have gained usable knowledge of banking and credit in a sample where 91.67 per cent hold bank accounts. Account ownership has run ahead of account literacy.

The lowest mean in the domain, 3.89, belongs to the statement that personal income had increased: only 21.67 per cent strongly agreed, against 49.33 per cent who merely agreed and 25.33 per cent uncertain. The contrast with the savings item is the single most important finding in this section. Members are near-unanimous that they save more and considerably less confident that they earn more. Since saving without rising income implies compression of consumption or reallocation from other uses, the gap indicates that the group's primary economic achievement to date has been the reorganisation of existing income rather than the generation of new income — exactly what the market-constraint hypothesis would predict.

5.4 Social empowerment

The social empowerment domain comprised eight statements covering self-confidence, capacity to communicate, social identity and recognition, ability to voice an opinion before family and community, access to new information, awareness of health, education and social issues, breadth of social contact, and mutual assistance in difficulty. Findings for this domain are reported at index level, together with the corroborating qualitative material; the distribution of composite social scores appears in Table 6.

The index distribution shows the social domain to be the strongest of the three: 59.00 per cent of respondents fall in the high band and only 6.00 per cent in the low band. This ordering runs counter to the way SHGs are usually justified in policy documents, which foreground income and enterprise; here the social returns to membership outrun the measured economic ones. The focus group discussions make the mechanism intelligible. Women described the meeting itself — a recurring, family-sanctioned reason to leave the house and sit with other women — as the source of most of what changed, and several observed that the standing conferred by handling money and attending bank business altered how they were treated at home before any substantial rise in earnings occurred. This is consistent with Sanyal's (2009) social capital account and with Brody et al.'s (2015) finding that mobility and social participation respond more readily than income. The observation schedule qualifies the picture in one respect: in several groups active participation was concentrated among office bearers and longer-standing members, so the social gains are likely to be distributed unevenly within groups as well as across them.

5.5 Decision-making, institutional support and empowerment levels

Table 5 presents the eight statements on household decision-making and institutional support.

Table 5. Distribution of responses on decision-making and institutional support statements (N = 300)

Statement	SA (5)	A (4)	U (3)	D (2)	SD (1)	Mean	SD
I now take part in decisions about household expenditure	98 (32.67)	132 (44.00)	63 (21.00)	7 (2.33)	0 (0.00)	4.07	0.791
My opinion is sought on children's education and health	95 (31.67)	127 (42.33)	69 (23.00)	9 (3.00)	0 (0.00)	4.03	0.816
My opinion is sought before the family borrows or spends heavily	68 (22.67)	122 (40.67)	90 (30.00)	17 (5.67)	3 (1.00)	3.78	0.892
I can myself decide how income related to the group is used	71 (23.67)	146 (48.67)	74 (24.67)	9 (3.00)	0 (0.00)	3.93	0.774
I feel more confident than before in going to a bank or market	99 (33.00)	122 (40.67)	68 (22.67)	10 (3.33)	1 (0.33)	4.03	0.848
I receive information about government schemes and training	79 (26.33)	136 (45.33)	69 (23.00)	16 (5.33)	0 (0.00)	3.93	0.837
The group receives support from a bank, NGO or government agency	76 (25.33)	135 (45.00)	76 (25.33)	13 (4.33)	0 (0.00)	3.91	0.820
The group receives help with selling, packaging or market contact	84 (28.00)	124 (41.33)	77 (25.67)	15 (5.00)	0 (0.00)	3.92	0.855

Source: Field survey. Figures in parentheses are percentages. Composite index mean = 31.60 out of 40.

Item means range from 3.78 to 4.07, giving a composite index mean of 31.60 out of 40 — lower than the economic domain's 32.46 — and uncertainty is markedly more common, with five of the eight items attracting uncertain responses from more than 22 per cent of respondents. Both patterns support Hypothesis H2. Participation in routine household expenditure decisions is the strongest item (4.07), followed by consultation on children's education and health and by confidence in visiting a bank or market (both 4.03). The last measures a change in the woman's relation to public space rather than to her household, and is the precondition for any market-facing intervention.

The clear outlier is consultation before the family borrows or spends heavily: mean 3.78, the lowest of the twenty-four statements, with the highest standard deviation (0.892), the largest uncertain response (30.00 per cent) and the highest combined disagreement (6.67 per cent). Women have gained voice over small recurring expenditure and over the domain conventionally coded as feminine — children's schooling and health — while decisions involving large sums remain, in a substantial minority of households, the prerogative of male or senior members. This is precisely the boundary Kabeer (1999) draws between everyday choices and strategic life choices, and it is where the SHG's reach is shortest. Autonomy over group-related income (3.93) is similarly qualified, with 24.67 per cent uncertain, so roughly a quarter of members cannot say clearly that they control the disposal of income they themselves earned — recalling Garikipati's (2008) caution about intra-household appropriation.

The three institutional support items form the weakest cluster: information about schemes and training (3.93), support from a bank, NGO or government agency (3.91) and help with selling, packaging or market contact (3.92), each attracting uncertainty from between 23.00 and 25.67 per cent of respondents. Uncertainty here is not neutral, since a member who does not know whether her group receives support cannot claim it, verify it or hold anyone to account for its absence. As these are the channels through which income growth would have to arrive, the weakness of this cluster and that of the personal-income item in Table 4 are almost certainly the same finding observed from two directions.

Table 6. Distribution of respondents by level of empowerment (N = 300)

Index	Low f	Low %	Medium f	Medium %	High f	High %
Economic empowerment (8–40)	22	7.33	118	39.33	160	53.33
Social empowerment (8–40)	18	6.00	105	35.00	177	59.00
Decision-making and institutional support (8–40)	25	8.33	135	45.00	140	46.67
Overall empowerment (24–120)	21	7.00	139	46.33	140	46.67

Source: Field survey. f = frequency. Band limits as specified in Table 1.

The three domains order themselves consistently: social empowerment highest (59.00 per cent in the high band), economic next (53.33 per cent), decision-making with institutional support lowest (46.67 per cent), with the low band small everywhere. On the overall index, 46.67 per cent fall in the high band and 46.33 per cent in the medium band. This near-equal split is the most policy-relevant number in the study: it identifies 139 women — almost half the sample — who are securely inside the SHG system, saving regularly and attending meetings, but who have not converted that participation into the fuller empowerment profile achieved by their peers. The medium band is not a failure of mobilisation but a failure of the second stage, and it is where the marginal return to additional programme effort is likely to be highest.

5.6 Evidence from office bearers, observation and group discussion

Interviews with group office bearers, structured observation of meetings and work sites, and focus group discussions with members were analysed thematically. Tables 7 to 9 summarise the results.

Table 7. Thematic summary of interviews with group office bearers

Theme	Principal findings
Formation and management	Most groups were formed with government or NGO facilitation and are run through a president and secretary; the arrangement was described as workable, though responsibility is concentrated in a few members.
Savings and internal lending	Regular member savings and need-based internal lending are established practice, with ledgers of savings, loans and repayment maintained.
Training	Training in handicrafts, food manufacture, tailoring and embroidery, packaging and banking was described as useful but episodic rather than continuous.
Market linkage	Local markets, fairs and exhibitions, and order-based sales are the principal channels; there is no assured or year-round outlet.
Problems	Timely access to credit, packaging, branding, market contact and shortage of members' time were the main constraints named.
Expectations	More frequent training, sustained marketing support, digital and online selling, and easier bank credit were the stated priorities.

Source: Interviews with group office bearers.

Table 8. Thematic summary of structured observation

Observation point	Findings
Conduct of meetings	Most groups held meetings at the scheduled time and place.
Member attendance	Attendance was generally adequate; absences were attributable mainly to domestic responsibilities.
Record keeping	Minutes, savings and loan records were ordinarily maintained.
Active participation	In some groups all members participated actively; in others leadership and voice were concentrated among a few women.
Product and work site	Work sites for handicrafts and food production were generally orderly.
Packaging and storage	Packaging and storage arrangements were found to need improvement.

Source: Structured non-participant observation.

Table 9. Thematic summary of focus group discussions

Theme	Principal responses
Reasons for joining	Savings, access to credit, prospect of higher income, and association with other women.
Change in life	Increased self-confidence, wider social contact and greater respect within the family.

Theme	Principal responses
Income and employment	Handicrafts, food products, tailoring and local production created income-earning opportunities.
Decision-making	Opinions began to be sought on household expenditure and matters concerning children after joining.
Institutional support	Support was received from banks, NGOs and government schemes, but not equally across groups.
Main challenges	Market access, packaging, shortage of time, limited digital knowledge and shortage of capital.
Suggestions	Regular training, easier credit, marketing support, exhibitions and online marketing.

Source: Focus group discussions with SHG members.

Two points emerge. First, the internal governance of these groups — punctual meetings, maintained ledgers, orderly work sites — is broadly sound, so the weaknesses identified in the survey data are not attributable to organisational failure at group level. Second, the two problems the observer did record, concentration of participation among a few members and inadequate packaging and storage, map directly onto the two weakest survey findings. The qualitative evidence otherwise converges with the survey: members joined primarily for savings and credit, report gaining confidence and social standing, and identify the market as what blocks further progress. The recurrence of digital selling among members' own suggestions indicates demand from below for precisely the intervention the programme literature identifies as missing.

6. Discussion

6.1 A savings success and an income shortfall

The central pattern in the data is a divergence between two findings usually reported together as though they were one. Members are close to unanimous that their savings behaviour has changed — the highest mean and second-lowest dispersion in the study — and considerably less confident that their earnings have; since the same respondents rated both statements on the same scale in the same sitting, the gap cannot be attributed to differences in scale interpretation.

The explanation is structural rather than behavioural. Saving requires only the group and the discipline it enforces, both internal to the SHG and functioning well. Earning requires that what members produce be sold, at a price above cost, in sufficient volume, repeatedly — which requires packaging, product consistency, working capital and a buyer, none of which is internal to the group and every one of which was identified as deficient by office bearers, focus group participants and the observation schedule independently. Hypothesis H3 is thus supported, consistent with the Ministry of Rural Development's own account of SHG constraints and with evaluations of the Rajasthan programme recording effective group formation alongside weaker downstream linkage. The finding matters for how performance is judged: measured by groups formed, savings mobilised and loans disbursed — the metrics most readily available in administrative data — the Jaipur groups perform very well; measured by income generated, they perform moderately. Monitoring that stops at the first set of indicators will not detect the second.

6.2 The hierarchy of empowerment domains

The ordering of the three domains is instructive. The domain that improves most is the one depending least on external institutions and most on the simple fact of women meeting regularly, which supports Sanyal's (2009) social capital account. The SHG's most reliable product, on this evidence, is not credit but congregation: a sanctioned reason for women to leave the house, handle money publicly and be seen doing so.

The weakest domain is the one requiring cooperation from two parties over whom the group has no authority — the woman's family and the institutions nominally supporting the group. What has expanded is voice over the everyday and over the conventionally feminine sphere; what has not, in a substantial minority of households, is voice over the strategic. This is the distinction Kabeer (1999) uses to separate empowerment from mere participation, and it counsels against inferring the second from the first. On the institutional side, roughly a quarter of members are uncertain whether their group receives scheme information, agency support or marketing help — and since these are the channels through which income growth would arrive, the opacity of support and the shortfall in income form a single problem.

6.3 The medium band and the limits of generalisation

The overall distribution divides almost evenly between the high (46.67 per cent) and medium (46.33 per cent) bands. Mobilisation has plainly succeeded, but the medium band represents 139 women who have done everything the programme asks — they save, attend, borrow and repay — without arriving at the outcomes it promises. Their constraint is not access to the SHG but what happens afterwards, which is a different policy problem requiring enterprise support and market linkage rather than group formation. Two features of the sample also condition generalisability: educational attainment is relatively high, so the banking-literacy results should be read as an upper bound, and although formal financial inclusion is close to universal, about a quarter of members remain uncertain about banking procedure. The account has been opened; the ability to use it has not been fully built.

7. Policy Implications

Five implications follow, ordered by the strength of the evidence supporting them.

- Shift programme effort downstream. The savings and internal credit functions work; the marketing function does not. Under DAY-NULM, city mission management units should treat market linkage as a core deliverable through packaging and labelling support, a standing municipal retail outlet for SHG products, guaranteed rather than ad hoc participation in fairs and exhibitions, and negotiated bulk supply arrangements with hotels, hospitals, canteens and government offices, for which Jaipur's tourism economy offers unusual scope.
- Treat packaging, labelling and branding as an infrastructure problem rather than a training topic. Individual groups cannot economically acquire packaging equipment or design services; a shared cluster-level facility serving several groups in a ward, with a common brand identity for Jaipur SHG products, addresses both the observed deficiency and the price disadvantage unbranded goods face.
- Build digital selling capability, which members themselves requested. Onboarding groups onto e-commerce and government procurement platforms, with cluster-level assistance for photography, listing, pricing and order fulfilment, converts a metropolitan location into a genuine market advantage. Because shortage of time was named as a constraint, this should be delivered by a dedicated resource person rather than by requiring every member to acquire the skill.

• Close the gap between financial access and financial capability. With over 90 per cent of members holding accounts but around a quarter uncertain about banking procedure, short, repeated, practical modules on interest calculation, repayment scheduling, the interest subvention available to women's SHGs, digital payment and grievance redress would address a documented deficit at low cost. A simple annual statement to each group setting out the support and entitlements it has received would reduce the uncertainty recorded in Table 5.
• Address participation and leadership within groups. Rotation of office-bearer positions, agenda items requiring input from each member, and peer-learning exchanges between groups would spread the social gains that this study finds to be the model's strongest effect; scheduling meetings and training around domestic responsibilities is a precondition for any of it.

Monitoring systems should also be extended beyond formation and disbursement metrics to capture income, sales realised and market linkages established, disaggregated by group. Without such indicators, the shortfall documented in this paper remains invisible to the administrative record.

8. Limitations of the Study

Several limitations qualify these findings. The design is cross-sectional and non-experimental with no comparison group, so no causal effect of membership can be identified, and change is measured through retrospective self-assessment, subject to recall error and social desirability bias — though such bias would not readily explain the systematic differences between items that carry most of the analysis here. Sampling was purposive and confined to active groups in one metropolitan area, so results describe Jaipur's urban SHG members and should not be generalised without further evidence; survivorship is a related concern, since women who left their groups are by construction absent. Methodologically, the analysis is descriptive, no tests of association are reported, the equal-interval banding of composite scores is a convention rather than a validated cut-off, item-level distributions for the social battery are presented in index form only, and formal reliability and construct validation were not undertaken. Future research should address these gaps through a longitudinal or matched-comparison design, formal scale validation, multivariate analysis of the determinants of empowerment, and objective measurement of income and sales alongside self-reported change.

9. Conclusion

This study assessed the role of self-help groups in women's empowerment in Jaipur metropolitan city using primary data from 300 members of craft, food processing and tailoring groups. Its conclusion is that the SHG model works, but works unevenly, and that the pattern of its unevenness is systematic rather than random. It works most reliably where it depends on nothing but itself. Regular saving records the strongest and most uniform result in the study, with 86.00 per cent agreement; internal credit has substantially displaced moneylenders, with 78.33 per cent reporting reduced dependence, and the largest single use of group loans is productive rather than consumptive. Socially the group is the strongest performer of all: 59.00 per cent of members reach the high band, and members themselves attribute this to the meeting rather than to the money.

It works least well where it must depend on others. Personal income growth is the weakest economic indicator (3.89), consultation before large household expenditure the weakest indicator overall (3.78), and institutional support the weakest cluster in the decision-making domain. These three weaknesses are not separate: production without a market does not become income, income without control does not become agency, and support that members cannot see becomes neither.

The policy conclusion follows directly. In Jaipur the task of forming and sustaining women's groups is largely accomplished; the task of connecting them to markets is not. Nearly half the members surveyed sit in the medium empowerment band — fully compliant participants who have not yet obtained the outcomes the programme promises. Reaching them requires a shift of attention from mobilisation to market linkage, packaging and branding, digital selling capability, financial capability as distinct from financial access, and the internal distribution of voice within groups. The self-help group has proved an effective instrument for changing how poor urban women save, how they borrow and how they are regarded. Whether it becomes an instrument for changing how much they earn depends on decisions that lie largely outside the group.

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