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EMPOWERING WOMEN IN INDIA THROUGH SELF-HELP GROUPS: A REVIEW

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Abstract:

In India, there is a significant shift towards socio-economic transformation, with Women Self-Help Groups emerging as pivotal entrepreneurial organizations that not only contribute to their own advancement but also to the overall economy. The challenges faced by women entrepreneurs in a developing country like India, particularly in rural areas where economic opportunities for women are limited, are manifold. However, Self-Help Groups (SHGs) have played a crucial role in empowering rural women and fostering economic independence. This paper presents a literature review focusing on Self-Help Groups in Entrepreneurship and their impact on rural women. While the review highlights the positive outcomes of SHGs, it also identifies a lack of theoretical framework in existing research and calls for more empirical studies to validate key variables in this domain. The study concludes with a synthesis of existing literature and provides recommendations for future research in this area.

Keywords: Self-Help Groups, Entrepreneurship, Rural Women, Literature Review.

Introduction:

The Women and Children in Rural Areas (DWCRA) program was established in the early 1980s as part of the Integrated Rural Development Program (IRDP) in India. Its primary goal is to enhance the socio-economic status of rural women through self-employment opportunities and improved access to resources and services. DWCRA was specifically designed to address the unique needs of women and children in rural communities, which were often overlooked by traditional development programs. The program centered around the formation of self-help groups (SHGs) where women could

collaborate, access credit facilities, and engage in income-generating activities. By creating a conducive environment for rural women to achieve financial independence and social empowerment, DWCRA aimed to uplift these marginalized groups. While facing challenges in implementation and varying levels of success in different Indian states, DWCRA notably excelled, the program's success can be attributed to strong governmental backing, effective local leadership, active involvement of NGOs, and a supportive sociocultural milieu. Innovative approaches to SHG formation, credit linkages, and capacity

building initiatives in the state played a crucial role in DWCRA's remarkable achievements, making it a role model for replication in other regions.

Microfinance has emerged as a powerful tool in the modern economy, playing a crucial role in poverty reduction and women's empowerment. The growth of India's microfinance sector has given rise to Self-Help Groups (SHGs) and Community Management Groups (CMGs), gaining popularity across the country. SHGs enable their members, particularly women, to pursue their own entrepreneurial interests, showcasing their creativity, quick decision-making skills, resource mobilization abilities, risk tolerance, and access to cutting-edge technological information. As a result, many women are actively engaged in various industries such as food processing, catering, interior decoration, book binding, dairy, poultry, retail, and more. Although the rise of women entrepreneurs in India was not significant until the late 1970s, today an increasing number of women are venturing into the world of business, creating economic opportunities across urban and rural areas. Women's entrepreneurship involves establishing businesses and industries managed by women, providing employment opportunities for others.

Methodology:

The research on the Development of Women and Children in Rural Areas (DWCRA) program and its effects on women's empowerment in India will utilize secondary data sources. These sources include periodicals, magazines, websites, government publications like reports from

the Ministry of Rural Development and the National Rural Livelihoods Mission (NRLM). Reports and publications from NGOs such as SEWA (Self Employed Women's Association) and CARE India will be examined to assess the real-world impact and challenges faced by DWCRA. Furthermore, a comprehensive review of existing academic literature, including journal articles, dissertations, and conference papers, will be undertaken to synthesize previous research findings and identify any gaps in the current understanding of DWCRA's impact.

Review of Literature

Tripathy and Jain (2011). In their 2011 study, Tripathy and Jain delved into the structure of Self-Help Group (SHG)-micro-enterprises and examined the impact of the government's largest-ever micro-finance initiative on income distribution and poverty alleviation. Their analysis revealed that personal funds and collective assets had a significant positive effect on recipients' income growth, whereas bank credit did not show a similar influence. Furthermore, the study indicated that the most morally and financially advanced regions stood to benefit the most from this initiative, highlighting the need for enhanced oversight of government-operated microfinance programs in less developed nations for effective policymaking.

In a study conducted by Gaonkar Gopalkrishna M. (2014), it was emphasized that Self-Help Groups (SHGs) were originally established to tackle financial hurdles faced by marginalized communities. Presently, these groups

remain focused on promoting financial inclusion and play a significant role in fostering economic participation. The research indicated that members of SHGs not only benefit from microfinance but also from various associated initiatives, leading to an increase in financial knowledge and a gradual improvement in their socioeconomic status. Joining SHGs was found to empower individuals, benefiting not only themselves but also their families and communities. Therefore, SHGs are viewed as a potent tool for integrating disadvantaged and overlooked segments of society into the mainstream.

Das and Patnaik (2016) examined how microfinance influenced women in West Bengal by utilizing NABARD data spanning from 2009 to 2014. Their findings revealed that women showcased impressive levels of loan repayment and contributed positively to their households. Microfinance was identified as a tool for empowering women by increasing their knowledge and self-assurance in addressing poverty. However, despite substantial disbursements from Self Help Groups (SHGs) and different financial institutions, there were noticeable amounts of outstanding loans that persisted.

Devarapalli Kondala Rao and Guntaka Jyothi (2014) conducted a study on the SHG-Bank Linkage program in India, focusing on its widespread implementation. According to Tamilazhaki and Awasthi (2018), joining Self-Help Groups led to significant improvements in economic indicators such as expenditure (113% to 350%), annual income (128% to 382%), and savings (425% to 892%). This

resulted in increased women's involvement in household decision-making and economic empowerment. Key aspects of socio-economic empowerment included access to credit, asset accumulation, and enhanced mobility. Despite these benefits, challenges related to economic issues posed obstacles to the effectiveness of SHGs in various activities.

Narasimhan (2012) extensively discussed the efforts made by Tamil Nadu to enhance the visibility and market presence of Self-Help Groups (SHGs) by providing them with an emblem, name, and other distinctive features. Through the establishment of marketing organizations at the block and district levels, the government has enabled SHGs to develop a robust supply chain and delivery network. As a result, these SHGs can now distribute their products not only within the state but also across the country, benefiting from a dedicated support system and efficient delivery network established by these marketing organizations. Notably, there is a notable research gap concerning the utilization of social media by SHGs in India. Given the pervasive impact of social media on various aspects of contemporary life, including SHGs, it is imperative to include this aspect in future research endeavors.

Bhatnagar and Yadav (2023) examined factors influencing loan repayment in self-help groups (SHGs), finding that SHG maturity significantly affects repayment performance. They identified causes of high delinquency rates such as business failures, natural disasters, and medical expenses. Successful

repayment was attributed to profits from agriculture and enterprises among members.

DWCRA (Development of Women and Children in Rural Areas) and Financial Empowerment of Women in India

The DWCRA (Development of Women and Children in Rural Areas) is a significant socio-economic welfare program in India designed to boost the financial independence and social status of rural women. Launched during the 7th Five-Year Plan (1985-90) with governmental support, DWCRA addresses poverty, illiteracy, and the underrepresentation of rural women. By promoting self-help groups (SHGs), skill development, and financial access, the initiative empowers women to make meaningful contributions to their families and communities. Through its focus on enhancing women's financial autonomy, DWCRA acts as a key driver of positive change in the lives of rural women. Furthermore, it incorporates principles of social equality, entrepreneurship, and financial literacy, thereby enhancing the economic landscape of rural India.

Impact on Financial Empowerment

The DWCRA program has had a significant impact on the **financial empowerment** of rural women, as outlined below:

1. **Increased Household Income:** Through income-generating activities supported by SHGs, women have been able to

supplement or replace their traditional roles in agriculture, leading to an increase in the household income.

2. **Access to Financial Resources:** DWCRA has bridged the gap in financial inclusion for rural women by providing them with access to savings accounts, loans, and credit. This has played a major role in improving their economic conditions and giving them more control over financial decisions.
3. **Entrepreneurship Development:** Many women who were once dependent on agriculture or casual labor are now able to run small businesses or cooperatives. This entrepreneurship not only empowers women but also promotes local economies.
4. **Improved Decision-Making Power:** Financial independence gives women a stronger voice in family and community decision-making. In many households, women now control spending, savings, and investments, which enhances their role in household management.
5. **Reduction in Poverty:** By improving access to credit and income-generating opportunities, DWCRA has contributed to reducing poverty levels in rural areas. The empowerment of women also leads to better outcomes in terms of children's education, health, and overall well-being.

6. **Promotion of Gender Equality:** Financial independence is a key factor in breaking traditional gender norms and promoting gender equality. Women in DWCRA have gained respect within their families and communities, challenging patriarchal systems that limit women's roles.

Key Features of DWCRA

1. **Focus on Rural Women:** The program targets women in rural areas, especially those from marginalized communities, low-income backgrounds, and households that are dependent on traditional agriculture.
2. **Self-Help Groups (SHGs):** Women form SHGs that work as small cooperative units to support each other, share financial resources, and undertake income-generating activities.
3. **Income-Generating Activities:** The SHGs provide financial support for various income-generating activities, including dairy farming, poultry, handlooms, handicrafts, food processing, and small-scale industries.
4. **Skill Development:** The program includes training and capacity-building initiatives to enhance the technical and managerial skills of rural women. This ensures that they are not only financially independent but also capable of managing small businesses or cooperatives effectively.

5. **Credit Access:** DWCRA facilitates easier access to credit through collaborations with banks and financial institutions, enabling women to obtain loans at lower interest rates for setting up businesses and other ventures.

6. **Social Empowerment:** Beyond financial autonomy, DWCRA also focuses on educating women about their rights, social status, and health-related issues, creating a more holistic approach to empowerment.

7. **Linkage with Government Schemes:** DWCRA has been integrated with several other government schemes, such as the National Rural Livelihood Mission (NRLM) and Rural Self-Employment Training Institutes (RSETIs), to ensure a broader scope of impact.

Opportunities:

The DWCRA program has had a transformative impact on rural communities by empowering women and children in various aspects. Through its focus on income-generating activities such as agriculture, animal husbandry, handicrafts, and micro-industries, DWCRA has facilitated the establishment of numerous small-scale enterprises in rural areas. This has not only created job opportunities for Self Help Group (SHG) members but has also contributed to reducing rural unemployment rates through the growth of these enterprises. Beyond individual empowerment, DWCRA has

played a key role in fostering economic, social, and sustainable development in rural areas. By challenging traditional gender roles and empowering women economically and socially, DWCRA has empowered women to take on leadership roles within SHGs and the broader community. These empowered women serve as role models, showcasing that women can excel as leaders and entrepreneurs, leading to a shift in societal attitudes towards gender equality. Overall, DWCRA's holistic approach to rural development has not only improved the livelihoods of women and children in rural areas but has also created a ripple effect that benefits the entire community by promoting entrepreneurship, self-employment, and gender equality.

Awareness campaigns and educational initiatives associated with DWCRA play a crucial role in promoting gender equality and women's rights, contributing to a gradual shift in societal norms. The training and capacity-building aspects of DWCRA empower women with the skills necessary to sustain their businesses in the long term. Through the establishment of Self-Help Groups (SHGs), a supportive network is formed, enhancing collective resilience and sustainability. These groups are better equipped to withstand economic shocks compared to individual enterprises. DWCRA initiatives also focus on promoting environmentally sustainable practices. For instance, agricultural training incorporates organic farming techniques that are both cost-effective and eco-friendly. The encouragement of the sustainable use of local resources ensures that development

occurs without causing harm to the environment. By fostering community cohesion and encouraging collective action, DWCRA ensures that social development is sustainable. SHGs provide a platform for ongoing social engagement and mutual support. Emphasizing health, education, and gender equality forms the basis for continual social progress, as educated and healthy communities are better positioned to uphold development achievements.

Issues and challenges:

The *development Women and Children's Resource Agency* (DWCRA) self-help groups (SHGs) in India aim to empower women, improve their economic status, and enhance their participation in decision-making processes. However, there are several challenges and issues faced by these groups. Some of the major ones include:

Lack of Awareness and Education

- **Low Literacy Rates:** Many women in rural and marginalized communities lack education, which affects their ability to make informed decisions, manage finances, and run their groups effectively.
- **Awareness about Rights and Benefits:** Some members are not fully aware of the legal rights, schemes, or opportunities available to them under DWCRA, which limits the group's potential.

Financial Constraints

- **Limited Access to Credit:** Despite DWCRA's objective to provide financial assistance, some groups

face difficulty in accessing affordable credit. The lack of proper collateral or the reluctance of banks to lend to these groups can limit their growth.

- **Inadequate Fund Utilization:** Some SHGs struggle with improper fund management, which affects their ability to scale up or sustain their activities.

Leadership and Management Issues

- **Inexperienced Leadership:** Many SHGs lack experienced or trained leaders, leading to poor decision-making and inefficiency. Often, leadership is rotated, and members may not always be ready to step up.
- **Conflict Management:** In some cases, internal conflicts or power struggles within groups can hinder their functionality and growth. Women may have different views and approaches, leading to disagreements.

Cultural and Social Barriers

- **Patriarchal Norms:** Deeply ingrained societal norms may prevent women from fully participating in these groups. Patriarchy can influence how much power women are allowed to exercise within the SHGs or in the larger community.
- **Family Resistance:** Sometimes, the families of women may not support their involvement in SHGs, especially in more conservative

areas, leading to a lack of enthusiasm or participation.

Sustainability and Long-term Viability

- **Over-reliance on External Funding:** DWCRA groups often rely on government funding or external support, which may not be sustainable in the long term. When this funding is reduced or withdrawn, the groups may struggle to survive.
- **Business Sustainability:** Some SHGs start small-scale businesses or engage in income-generating activities, but lack of training, proper market access, or infrastructure can lead to business failure.

Training and Capacity Building

- **Inadequate Training:** While DWCRA provides some level of training, it is often not sufficient to prepare women to run businesses or manage groups effectively. Continuous training on financial literacy, business skills, and leadership is essential for group success.
- **Skill Development:** Many SHGs lack access to advanced skill development programs that could help them diversify and scale up their activities.

Institutional and Structural Challenges

- **Bureaucratic Red Tape:** Some SHGs face delays in getting access to government schemes due to bureaucratic hurdles, excessive documentation, and long processing times.
- **Weak Institutional Support:** Though the DWCRA aims to provide institutional support, often the implementation is weak. Inconsistent monitoring and evaluation processes can lead to a lack of guidance and accountability.

Market Access

- **Limited Market Opportunities:** Many DWCRA SHGs face challenges in marketing their products. Without access to a wider market, the groups are limited in their ability to expand their businesses and generate consistent income.
- **Price Fluctuations:** If the groups produce goods like handicrafts or agricultural products, they are often subject to market fluctuations, which can affect their income stability.

Health and Well-being

- **Health Challenges:** Women in rural areas face health issues, including malnutrition, that can affect their participation in SHG activities. Poor health can reduce their productivity and engagement in group activities.
- **Workload Balance:** Many women are also burdened with domestic

duties, and balancing family, work, and SHG responsibilities can become overwhelming.

Technological Gaps

- **Low Access to Technology:** Many DWCRA groups operate in rural areas where access to technology and the internet is limited. This gap makes it difficult for these groups to access market information, training, and other digital resources.
- **Digital Literacy:** The lack of digital literacy among some members prevents the groups from effectively using modern tools and platforms for business management, marketing, and networking.

11. Inadequate Networking

- **Lack of Linkages:** Some DWCRA SHGs struggle to form effective linkages with larger networks, banks, or government schemes. Without these connections, their growth prospects can be limited.
- **Isolation:** In some areas, SHGs are isolated, with limited exposure to other successful groups or networks, which stifles their innovation and learning.

Suggestions to Overcome These Challenges:

- **Enhanced Training Programs:** Providing continuous skill development and leadership

training to empower members and leaders.

- **Strengthen Financial Support:** Ensure better access to microfinance and affordable credit to promote economic independence.
- **Create Awareness:** Launch awareness campaigns to inform members about their rights, government schemes, and economic opportunities.
- **Improve Market Access:** Help SHGs access new markets, through collaborations or digital platforms, to boost income-generating activities.
- **Improve Institutional Support:** Strengthen monitoring and evaluation mechanisms to ensure that SHGs are receiving the necessary guidance and support.
- **Promote Technology Adoption:** Train women to use technology for business development, market research, and networking.

Conclusion:

There is an emerging need to promote women empowerment among the rural women for eradication of rural poverty. Towards this end, delivery of micro finance to the micro enterprises plays a significant role. Rural women with low income and lack of knowledge of available banking facilities can do little for the growth of banking habits on their own. Poverty alleviation is the ultimate goal of any nation. Studies have shown that the delivery of micro finance to the poor is

productive, effective and less costly, if they are organized into SHGs. Self-employment, which is the best employment in the wake of paucity of employment opportunities is emerging to be a very important source of livelihood for women in Asia and South East Asia. As a supplementary source of family income, the SHGs proved to be a boom to the rural woman folk not only in enhancing their financial status but also promoting entrepreneurship among them. The SHG members have started the business with a good intention even though low educated members have availed group loans from bank and doing traditional business like., Powders and Pickles, Garments, Dairy, Kirana and Tea Stalls and Handicraft activities and to earn money to supplement the family income.

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