

ECONOMIC EMPOWERMENT OF RURAL WOMEN THROUGH SELF-HELP GROUPS: A STUDY OF INCOME GENERATION AND FINANCIAL INCLUSION

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ABSTRACT

In recent times, India's main concern has been women's empowerment. When women are excluded, the development process becomes unfair and incomplete. Women make up 48.46 percent of India's population, but only 34 percent of the workforce, according to the 2011 Census. To advance, women require political, economic, and social empowerment. By providing them with access to financial services, microfinance today plays a crucial role in empowering marginalized communities. Microfinance has emerged as a crucial tool in the fight to improve rural economies and broaden access to banking services, both of which are government-sponsored initiatives. The capacity of SHGs and microfinance to (a) alleviate poverty, (b) strengthen women's economic independence, and (c) raise public awareness is the final outcome of a nation's sustainable development. The microfinance program's influence on self-help groups (SHGs) has benefited everyone involved, not just those who borrowed the money. They help self-help groups in their income-generating endeavors. The Self-Help Group (SHG) movement has emerged as an effective means of achieving women's empowerment. This article examines the ways in which the SHG movement has assisted women in gaining access to agency and banking services. It examines the major obstacles that stand in the way of women's empowerment, education, and employment. Ultimately, the document seeks to address the issue of women being excluded and guide them towards empowerment. We are of the firm belief that the development agenda will be strengthened by more efforts, innovations, and interventions in the field of SHGs.

Keywords: Empowerment, financial inclusion, SHGs, Women

I. INTRODUCTION

The nation has been freed from political repression for the first time since 1947. Throughout the history of India, women have never been granted any degree of autonomy or the capacity to make their own choices. In spite of the fact that girls are compelled to depend on males, the truth remains that they make an equal contribution to both society and the economy. Unfavorable cultural attitudes, legal difficulties, practical barriers, external barriers, a lack of education, and personal concerns are just a few of the obstacles that women must overcome. Following that, we will be able to acquire a state of empowerment. Over the course of the many years that have

passed, the topic of women's empowerment has become an important one in India. Although women make up more than half of the population in India, they have a lower employment rate than males do. Despite the fact that women hold the majority of jobs, this is the case. Without a doubt, the contribution that women contribute to the growth of the country is something that cannot be overlooked. Women's inclusion in society, politics, and the economy could be significantly enhanced by their empowerment. The majority of women in India, particularly those who live in rural areas, are unable to access a variety of essential services, leaving them virtually isolated. It is absolutely necessary for women with low salaries to be included in the financial system in order for them to maintain their financial security. The Reserve Bank of India (RBI) and the government of India have implemented a policy known as "financial inclusion." As a consequence of this, Indian financial institutions are compelled to provide loans to "priority sectors," one of which is rural women. One of the most important factors that has contributed to the growth of rural communities is the emergence of microfinance. It is one of the numerous initiatives that the government has initiated and that receives financial support from the government. The reduction of poverty is one of the most effective strategies that eventually leads to the nation's sustainable development. Other useful mechanisms include the empowerment of women and the cultivation of awareness. Two examples of successful strategies are self-help groups, also known as SHGs, and microfinance. The effect of the microfinance program that has been implemented via SHGs has been successful in bringing about positive social benefits for all of the members. This is true regardless of the numbers of persons who have directly benefitted from the microcredit. Cooperatives and banks assist small and medium-sized businesses (SHGs) in generating revenue. On the other hand, the empowerment of women is not a process that occurs on its own. In addition to this, it is essential to carry out extra measures that are beneficial. With the help of women's self-help groups, also known as SHGs, women have been able to move around socially and physically.

II. REVIEW OF LITRATURE

Vaneeta Chandna, Sambhawna Chaudhary (2022): "Empowerment is a process of increasing awareness and capacity that leads to transformational action, increased participation, and increased power and control over decisions," according to the definition of empowerment. He described the process of women's empowerment as a deliberate process that instills knowledge and confidence in them because women are an essential part of every home. This is because women play a significant role in every household, according to him. Women are given the opportunity to improve their skills because they believe they are the last to make decisions about their families and have control over every situation they encounter at work and in social settings. They are motivated to take advantage of various opportunities as a result of this. "a process by which women have full control of their lives by being capable of making their own decisions" is the definition of empowerment (empowerment is a process). This is because women have the perception that they are the intended recipients of these choices. Empowerment takes time. Another method that is currently being used is utilizing self-help groups as a means of leveraging microfinance to improve women's social and economic status in addition to their financial situation. An investigation that

was carried out in the hamlet of Cheniyali Sera focused on four distinct self-help groups. Jai Nagrajan, Khadhya Suraksha, BhairavDevta, and Nag Devta were the names of these organizations. The female respondents provided a comprehensive collection of information, which was then analyzed. Women's engagement in self-help groups has been shown to have a beneficial effect on their life, as shown by the fact that this has been proved.

Dr. D.Amutha (2022): Are women capable of satisfying growth and success if they are backed by genuine, devoted, and honest efforts from everyone? In addition, the cooperation of men and women has the potential to advance India from a developing nation into a fully developed one. The revolution that has the most potential to significantly alter the status of women in a country, in addition to the level of life they enjoy, is that revolution. Women's financial independence is guaranteed by ensuring their emancipation. Any process of economic growth that is meant to be as healthy as possible must aim for women's empowerment. One of the primary focuses of this research is on the empowerment of women in India via the implementation of a program that links self-help organizations with financial institutions. The study found that the accumulation of SHGs in the online banking industry increased from 2007–2008 to 2019–20. The total amount of SHG growth increased to Rs. 26,152 crores in 2019–2020, with 102.43 lakh SHGs saving linked to banks, from Rs. 3785 crores in 2007–2008, when there were 50.10 lakh SHGs with growing coffer accounts. Compared to the previous numbers, this represents a significant increase. Despite this, the average amount of growth per SHG has increased, going up to Rs. 23 291 in March 2020 from Rs. 7 556 in March 2008. This is a substantial increase. In 2019–20, there will be 102,43 lakh self-help groups (SHGs) with access to the cyber banking sector, bringing the total number of SHGs with access to the sector to 26,152 crores. This is an increase from Rs. 3,785 crores in 2007–2008, when there were 50.10 lakh SHGs with extenuative coffer accounts associated with them. With Extenuative Accounts for 13.87 lakh SHGs, Bounded Rural Banks had amassed Rs. 1,166 crores, while Annex Banks had amassed Rs. 541 crores with Extenuative Coffer Accounts for 8.12 lakh SHGs. The total sum of money accumulated by both kinds of banks was Rs. There is no doubt that over time, the number of self-help groups (SHGs) that banks have supported has increased. From 545 crores in the 2001-2002 fiscal year to 99729 crores in the 2021-2022 fiscal year, the total amount of loans approved has also significantly increased over time. One illustration of the proactive strategy that the organization employs to encourage banks to issue additional loans is the significant increase in the total amount of refinancing that NABARD provides to banks over the course of time.

Vrinda Yogesh Dave, Dr. Maurvi Vasavada (2022): The purpose of this review-based study is to learn more about the socioeconomic empowerment of Gujarati women in India who are members of self-help groups (SHGs). For the purpose of carrying out the literature review, the state of Gujarat has been selected intentionally, and one state from each of India's five geographical regions has been chosen at random. In order to investigate contemporary evaluations of a wide variety of literatures that have been published since 2014 and made accessible on research websites and in institutional libraries, a methodological approach that is systematic has been used. The Self-Help Groups (SHGs) have been demonstrated to be very beneficial in enabling women to

participate in both informal and economic activities, especially those who are economically disadvantaged, in all of the states that have been researched, including Gujarat. It was shown that the economic improvement that followed participation in SHGs was much bigger than the social improvement in each and every state that was investigated. It has been demonstrated that Self-Help Groups (SHGs) in Kerala are more successful than those in other states when it comes to social and economic empowerment of women. In order to achieve the objectives of social advancement and economic empowerment of rural women across India, planners and policymakers must engage in strategic planning.

Niyaz , Abhinandan Kulal , Mahammad Thauseef P (2021): There have been a number of government initiatives to empower women from minority groups, but their efficacy is still up for debate. A strong instrument of complete empowerment requires the ability to be financially independent and self-sufficient, which can only be accomplished with the assistance of financing. In light of this goal, the purpose of the current research project was to find out how minority women's empowerment is affected by awareness and use of various social programs. A sample unit of 388 women from minority groups was used in a research study that was carried out in Karnataka. A comprehensive questionnaire was used to collect primary data, and the researchers selected sample units through straightforward random sampling methods. A straightforward regression analysis is used to evaluate the hypotheses that are created to support the primary objective. The study's findings indicate that minority women's overall development has been negatively impacted by their exceptionally low understanding of and utilization of government social programs during this time period. In order to achieve total empowerment in India, the findings of this study suggest that awareness programs for rural minority women be implemented.

Sushil Kumar Singh (2021): A self-help group, also known as a SHG, is an informal group of people who have joined forces to improve their financial situation. One example of a self-help group (SHG) is a small group consisting of ten to twenty people who work together to improve their standard of life. This program, which is implemented in the majority of India's regions, provides individuals and businesses in need with financial assistance to improve their circumstances. These programmers are already present in the Poorvanchal region of Uttar Pradesh. SHGs, NGOs, the banking industry, microfinance institutions, and other organizations operate these programmers. If you have a skill, want to start your own business, or want to work for yourself but don't have the money, you might be able to get microcredit from SHGs and other organizations that are similar to them. The primary focus of this essay is on the current operational state of SHGs in the Poorvanchal region. The purpose of this paper is to uncover the problems that are inherent in such programming. We are attempting to determine whether it is beneficial for the individual's current status and the region as a whole in this endeavor. In addition, it offers suggestions for improving the training of SHG programmers and draws attention to the difficulties that business owners face.

Lakhwinder Kaur, Divya Sachan (2017): In today's society, rural women face a significant amount of difficulty due to their perception of helplessness and inability to make informed financial decisions. Their most recent growth, self-help groups (SHGs), might give them a chance

to rise above their circumstances and become self-sufficient and independent entrepreneurs. The current study, which was carried out in 2014 in the Punjabi state's Jalandhar region, focused on conducting in-depth research on two organizations—Mian Mamli and Nari Shakti—both of which were established by Pahal Non-Governmental Organization. The present study found that, on average, fifty percent of the participants belonged to the SC group and were young workers who had completed their education. Up to \$65,000 was the average annual salary for these workers. More than ninety percent of the women who joined the organization did so for a variety of reasons, including the desire to increase their own income and savings as well as the income of their families, to establish social ties, to take advantage of financial advantages, to develop habits of saving, and to have easy access to loans. Other reasons included the desire to increase their own income and savings as well as the income of their families. Additionally, the survey revealed that the majority of self-help group members attended promotional agency and Krishi Vigyan Kendra-organized training sessions. As a consequence of this, women who had never left their houses became businesswomen and started increasing the income of their families via a variety of entrepreneurial enterprises. Pickling, making candles and soap, and processing fruits and vegetables were among these.

Dr. Jyothi Kalyanrao Heggani (2014): Women are given the opportunity to gain socioeconomic empowerment via the formation of self-help organizations. The current study's literature review demonstrates that a number of previous studies have been carried out on a variety of topics connected to self-help organizations and women's empowerment. Finding out how women participate in self-help groups and other revenue-generating activities is of the utmost importance.

Objectives .A

- In order to investigate the theoretical considerations of empowerment.
- To identify the self-help organizations that are geared toward women's empowerment.
- To have an awareness of the impact that self-help groups have on the empowerment of women.

III. RESEARCH METHEDODOLOGY

The investigation of the research made use of secondary data. The data that came from reputable publications and other sources were looked over.

IV. FINANCIAL INCLUSION

In spite of the fact that it has been decades since inclusive growth entered the Indian economy as a theory and paradigm, the level of penetration has been relatively modest. In 2011, Kerala was the state with the highest level of financial inclusion, as measured by the Index of Financial Inclusion (IFI), which has three variables: penetration (the number of people who have a bank account), availability of banking services (the number of bank branches per 1000 population), and use (measured as outstanding credit and deposit). Karnataka and Maharashtra had reached a high level of financial inclusion with IFIs greater than 0.5. However, with an IFI ranging from 0.3 to 0.5, Haryana, Tamil Nadu, Punjab, Andhra Pradesh, Himachal Pradesh, and Sikkim had reached a medium level of financial inclusion. When compared to the majority of developing nations throughout the globe, our nation's level of financial exclusion is relatively low when measured in

terms of the density of bank branches, the density of automated teller machines, the ratio of bank credit to GDP, and the ratio of bank deposits to GDP. By way of illustration, India has 25.4 automated teller machine branches per 1000 people, whilst China had 2975.05.

V. EMPOWERMENT

The process of increasing one's knowledge and ability, which ultimately leads to increased involvement, authority and control over decision-making, and transformational action, is the definition of empowerment. It is a difficult concept to talk about the process of making people, groups, or communities more capable of taking control of their lives, making choices, and achieving their goals. The practice of empowerment varies from person to person. People must be given the tools, resources, and opportunities they need to become more independent, self-assured, and capable of influencing their own positions in order to accomplish this.

Key aspects of Empowerment .A



FIG-1: Aspects of Empowerment

Importance of Empowerment .B

Well-being and Personal Development: Empowerment is a potent strategy for boosting self-esteem, personal development, and overall well-being. When people believe that they are in charge of their lives, they can experience feelings of contentment and pleasure.

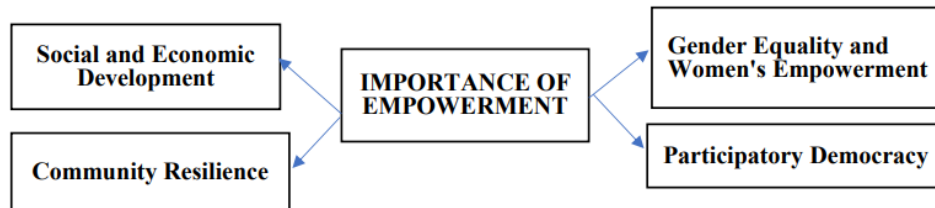


FIG-2: Importance of Empowerment

Promoting Empowerment .C

To successfully promote empowerment, a combination of social, economic, and political initiatives is required. The following are some strategies:

- Making it possible for people to get high-quality education and training in many skills.
- Making sure that everyone, regardless of gender, race, or socioeconomic background, has the same range of options available to them.
- Promoting community engagement and involvement in decision-making is a priority.
- In order to solve social and economic difficulties, the establishment of support structures and networks is essential.

- The act of advocating for policies and initiatives that encourage empowerment and inclusiveness.

VI. WOMEN EMPOWERMENT

"Women are more likely to select the most advantageous option from among those available to them in order to achieve the outcomes that they desire when they have access to a wide range of options." The process of working to enhance women's social, economic, political, and psychological capabilities is referred to as women's empowerment. This gives women the ability to take charge of their own life and make choices based on accurate information. It seeks to provide a setting in which women are able to fully engage in all elements of society, as well as in which they have equal access to opportunities, resources, and rights.

Key elements of Women Empowerment .D

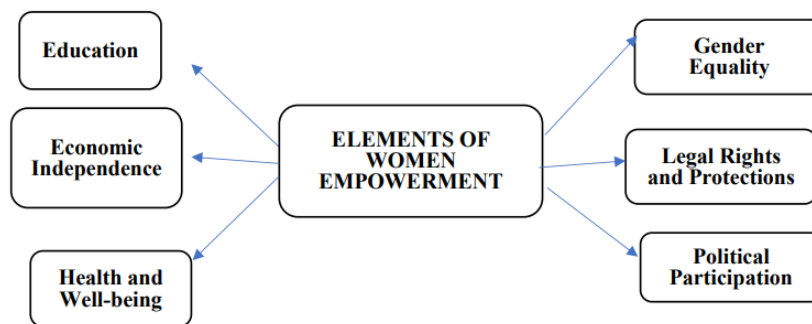


FIG-3: Elements of Women Empowerment

Importance of Women Empowerment .E

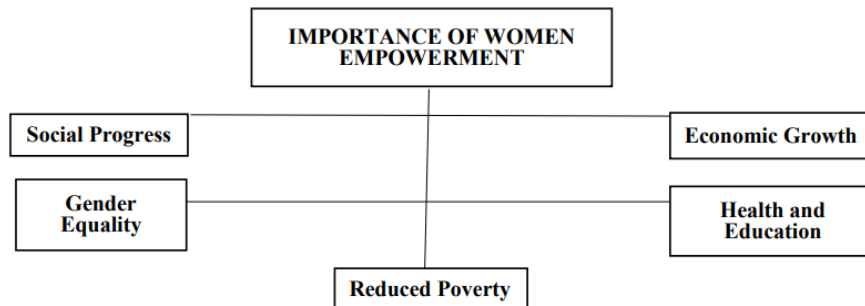


FIG-4: Importance of Women Empowerment

Strategies For Women Empowerment .F

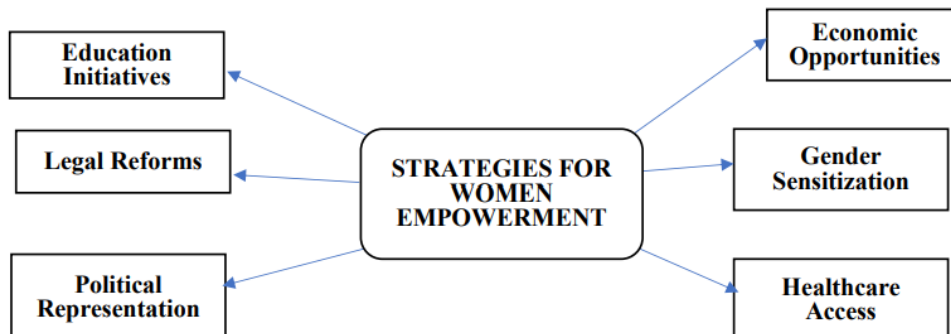


FIG-5: Strategies For Women Empowerment

VII. SELF-HELP GROUPS (SHGS)

A self-help group is a group of rural poor people who have voluntarily joined together with the intention of eliminating poverty among their community members. Self-help groups are community-based organizations that are made up of a small group of people who meet voluntarily to confront common challenges and work toward their collective development. The formation of these organizations often takes place at the grassroots level, and they are founded on the ideals of mutual trust, support, and solidarity among their fellow members.

Purpose .A

The primary goal of starting Self-Help Groups (SHGs) is to create an environment that inspires members to become self-sufficient and financially independent. By combining their resources, exchanging information, and making use of their combined abilities, small-scale groups (SHGs) work toward various objectives. Among the activities that fall under this category are the engagement in advocacy and awareness efforts to address social issues and enhance members' rights and opportunities, the facilitation of skill development through training and capacity-building initiatives, the promotion of economic empowerment by enabling members to engage in activities that generate income, and the provision of social support to strengthen the group's solidarity and mutual assistance. Through the combination of these roles, SHGs serve as an essential platform for both individual and community development.

Significance of Shgs .B

Self-Help Groups, often known as SHGs, have emerged as a potent weapon for alleviating poverty and building social empowerment, especially in countries that are still in the process of developing. Local development, as SHGs promote grassroots-level economic activities and community-led initiatives; financial inclusion, by providing members access to credit, savings mechanisms, and formal banking services; and community cohesion, fostering solidarity, mutual trust, and collective problem-solving within the group, are all important aspects of their significance. Women's empowerment is another important aspect of their significance. When taken as a whole, these components make self-help groups (SHGs) an indispensable agent of sustained socioeconomic reform.

Characteristics of Self-Help Groups .C

Self-Help Groups, more commonly referred to as SHGs, are groups formed by individuals who join together to achieve a common objective. To ensure effective participation and to foster mutual understanding and collaboration, they keep the group size small. Additionally, they frequently share a similar socioeconomic background, ensuring effective participation. Self-help groups (SHGs) meet regularly to discuss progress, issues, and goals in order to achieve financial stability. In addition, they encourage activities like using credit and saving money. Members benefit from working together to achieve social and economic objectives that improve their communities and means of subsistence, in addition to receiving assistance from peers. The groups must engage in democratic decision-making, encourage member participation, and place an emphasis on capacity development to enhance knowledge and skills in order to function. Members of underrepresented groups are able to participate in a setting that is both inclusive and empowering, and a foundation of trust and secrecy ensures that open communication is maintained. In addition, SHGs create

connections with other organizations, such as banks, non-governmental organizations (NGOs), and government authorities, which enables them to get access to resources and possibilities. Above all else, they place an emphasis on sustainability, with the objective of achieving long-term self-sufficiency and ongoing expansion.

Operations of Self-Help Groups .D

The first step in running Self-Help Groups (SHGs) is to establish and register them. This gives the groups a formal framework for their activities. They meet on a regular basis to plan activities and talk about the progress they've made. They put a lot of emphasis on the saving and credit habits that help people become more disciplined with their money. Effective loan management and precise record keeping are carried out to ensure transparency in order to meet the needs of the members. SHGs also participate in social activities that provide solutions to problems in the community and advance the welfare of the group as a whole. Members' capabilities are enhanced through ongoing training and capacity building, and partnerships with external organizations like banks, NGOs, and government authorities make it possible for members to access resources. In order to boost revenue generation, numerous organizations are making progress in the establishment of micro-enterprises. Conflict resolution methods are used to keep the peace inside the organization, while monitoring and evaluation are used to keep track of the progress that has been made. By federating with other groups and networking with them, SHGs frequently increase their impact. Additionally, shared responsibility, skill development, and inclusive governance are maintained through leadership rotation.

VIII. FUNCTIONS OF SELF-HELP GROUPS

- They work toward the goal of expanding the economic options available to those who are economically disadvantaged by providing assistance to these individuals in the areas of employment and activities that generate revenue.
- They provide financial support to those who are normally unable to get loans from conventional banking institutions, and they do so without the need of collateral by providing this aid.
- In addition, they use group leadership and conversation as methods for conflict resolution.
- They provide crucial microfinance services to clients who have little to no financial resources.
- Underserved communities, especially those living in rural regions, are given the opportunity to get access to formal banking services via their efforts.
- A further benefit is that they encourage thriftiness among those with lesser incomes.
- Through the promotion of a feeling of belonging and the provision of a secure environment in which people may interact with one another, self-help organizations contribute to the formation of a sense of community.
- Self-help groups provide its members more agency by assisting them in the development of coping techniques and fostering a sense of self-confidence.
- Self-help organizations lobby for expanded access to therapies and resources, as well as for increased public awareness of the problem that they are working to address.

IX. IMPACT OF SELF-HELP GROUPS

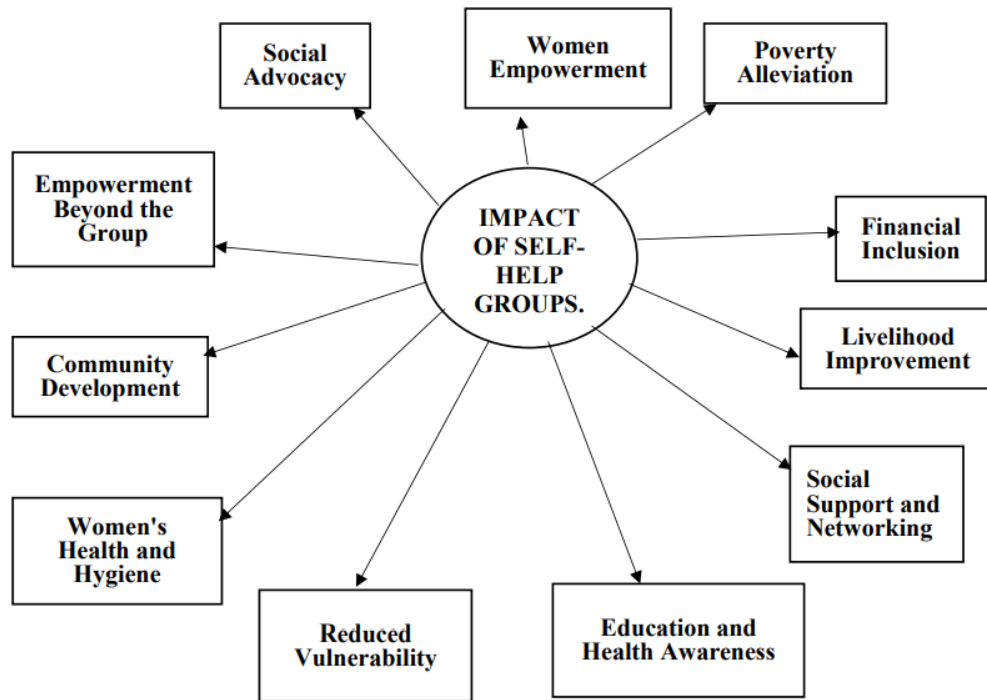


FIG-5: Impact of Self-Help Groups

X. FINDINGS OF SELF-HELP GROUPS ON WOMEN'S EMPOWERMENT

- Women's economic standing and financial independence have been significantly improved as a result of the economic empowerment facilitated by self-help groups (SHGs).
- Women who participate in self-help groups (SHGs) often see improvements in their living circumstances and livelihoods as a result of higher incomes.
- There has been a favorable influence on women's engagement in the decision-making processes of households as a result of their participation in decision-making processes within SHGs.
- For women who participate in self-help groups (SHGs), they enjoy an increase in both their social standing and their sense of self-worth.
- Health and Education by SHGs: The primary emphasis of SHGs is often on educating and raising awareness about health issues among its members.
- The Women's Agency and Leadership in Self-Help Groups (SHGs) provide a platform for women to develop their leadership abilities and assume decision-making positions, not just inside the group but also in other aspects of life.
- Social Support and Empowerment against abuse for Women When women participate in self-help groups (SHGs), they often discover that their fellow members provide them with emotional and social support, which enables them to deal with issues such as domestic abuse.
- The empowerment of women via the use of SHGs often results in larger community benefits, which is a positive impact on the development of the organization.

XI. CONCLUSION

The study highlights the fact that Self-Help Groups are an effective grassroots vehicle for economically empowering rural women. This is accomplished by integrating them into formal financial institutions, increasing their revenue generation capacity, and providing them with access to credit. Participation in SHGs not only has the potential to provide financial benefits, but it also fosters self-assurance, builds social networks, and increases individuals' capacity for independent decision-making. Nevertheless, in order to have the greatest possible effect, it is necessary to address structural barriers such as gender norms, insufficient infrastructure, and skill shortages via the coordinated efforts of government agencies, non-governmental organizations (NGOs), and financial institutions. This will ensure that rural women are not just recipients of assistance but also active contributors to their communities' and the nation's economies. By providing SHG-based businesses with market-oriented training, technology integration, and sustainable business models, this will be accomplished.

XII. REFERENCE

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