

## **Empowering women through self-help groups: Comparative study of SEWA and ICNW**

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### **ABSTRACT**

*This paper examines how self-help groups (SHGs) support women by providing both financial support as well as financial training. By examining the case of two SHGs- Self-Employed Women's Association (SEWA) and the Indian Cooperative Network for Women (ICNW)- it is found how they enable women to make decisions and offer livelihood opportunities. However, analysis also shows how such initiatives may overlook structural barriers such as social norms and infrastructure gaps, which restrict women from fully benefitting from the support provided by such SHGs. This study applies the logic of Theory of Change to highlight these gaps, arguing that while SHGs provide crucial support, their programs could be strengthened and redesigned to deliver more sustainable and long-term solutions for women's empowerment.*

### **Introduction:**

Self-help groups are strong community based, small sized voluntary groups of women who address shared economic, social, or personal challenges by empowering women through initiatives such as access to microcredit, skill building, mutual support, among others. Their role in capital generation and market access has become increasingly relevant, especially in empowering women in the informal sector, where working women often face limited bargaining power and are subject to suboptimal compensation and conditions. Despite the facilitation role of SHGs, significant challenges persist for women. For instance, only 32.6% of women are a part of the labour force as opposed to 76% of men in India (Waghmare, 2024). While SHGs play a valuable role in advancing financial inclusion and empowerment, sometimes they do not address problems as its root leaving an opportunity for recurrence. Critical infrastructure gaps—like healthcare, and digital access—combined with socio-cultural norms that cast women as caregivers, restrict women's workforce participation. Additionally, small loan sizes limit meaningful impact and hinder economic progress. To better understand this issue, I examine the

role of SHGs by assessing 2 SHGs, The Self-Employed Women’s Association (SEWA) and Indian Cooperative Network for Women (ICNW) through their strengths, challenges, and opportunities in advancing women’s empowerment and identify how they can focus on treating disease rather than just symptoms, that is, address issues at the cost through the lens of *Theory of Change*. To ensure that in the future, the support provided by SHGs is more sustainable that addresses issues in the long run, I propose strategies to bridge these shortcomings and strengthen the overall impact of such initiatives. This paper is structured into 3 sections: literature review, research and method, and the conclusion.

**Literature Review:**

Title	Author & Year	Summary
Economic Empowerment of Women - a lead by working women’s forum	Vasanthi, 2019	The paper discusses women’s empowerment as a key factor in global development, with a focus on Tamil Nadu’s tradition of supporting women’s advancement. It highlights the economic challenges faced by poor women, especially the need for credit and opportunities to overcome poverty. The study examines the role of the Working Women’s Forum in India, which provides poor women with access to credit, education, healthcare, and training. Through these efforts, the organisation promotes social and financial independence, helping women rise out of poverty and take leadership roles.
Oxfam Empowering women to upgrade their homes - Manila housing SEWA trust (India)	Arauz, 2020	Mahila Housing Trust helps women in informal settlements improve housing, sanitation, and access to resources while promoting empowerment, climate resilience, and local governance. Its “Women as Vikasinis” program strengthens women’s leadership in addressing climate challenges and has earned United Nations recognition. The trust has supported

		over a thousand settlements and millions of women through community partnerships and development initiatives.
Drivers of Poverty Alleviation process: Empirical study of community-based organisations from India	Patel & Sapovadia, 2013	Poverty stays a significant issue in India, with many still living below the poverty line and uneven development slowing progress. Effective poverty reduction requires participation and economic inclusion rather than short-term aid. Community-based organisations—such as cooperatives, trusts, societies, and self-help groups—play a key role by empowering communities, creating jobs, fostering collaboration, and supporting marginalised populations.
Women and collective action: lessons from the Indian dairy cooperative sector	Dohmwirth & Hanisch, 2018	The study evaluates the impact of women-only and mixed-gender dairy cooperatives in Karnataka, India, on women’s empowerment. It finds that women-only cooperatives boost leadership skills but do not improve control over income or household decisions and may even reduce perceived empowerment compared to non-members. Excluding men limits household-level influence, while women face barriers in mixed-gender cooperatives. Effective policies must carefully address these dynamics to enhance empowerment.
Evaluating the Impacts of Micro-saving: the case of SEWA bank in India	Berg, 2010	The paper examines the impact of SEWA Bank’s micro-saving program in India on household income and consumption. Unlike microcredit, micro-saving has received little attention due to limited data. The study finds no significant effects, while naive estimates overstate impacts. Micro-saving can help

		households manage income fluctuations, insure against shocks, and invest in assets, but informal alternatives like family, friends, or ROSCA (Rotating Savings and Credit Association) are commonly used. Overall, the program shows limited measurable impact when biases are properly accounted for.
Women's Leadership Trends in Tribal Enterprises-A Study in Cooperatives Based Tribal Enterprises in Jharkhand, India	Bhaskar&Kaushik, 2022	The article examines how entrepreneurship through cooperatives in Jharkhand empowers tribal women, fostering leadership skills and economic contributions. It shows that, with proper facilities and support, these women can successfully manage collective enterprises and raises key questions to assess the wider socioeconomic impacts of such empowerment.
BIROn - Birkbeck Institutional Research Online	Asif et. al, 2022	The article investigates the role of micro-finance, particularly group lending models, in empowering women in rural Uttar Pradesh, India. It finds that social capital is crucial for access to financial resources and loan repayment, but empowerment occurs only when women use these resources for their own entrepreneurial goals. The study contributes to debates on microcredit's effectiveness and suggests revising micro-finance schemes to better support women's entrepreneurship.
Women's empowerment through Micro finance: evidence from cooperative success stories	Celestin, 2016	The article explores how cooperative micro-finance empowers women economically, socially, and personally by increasing income, decision-making power, and community involvement. Case studies and data analysis show significant improvements, including a 95.2% rise in income and stronger household

		financial roles for women. The study validates the positive effects of cooperative micro-finance and recommends enhancing support systems and skills training for sustained empowerment.
Roles of Cooperatives in Poverty Reduction: A Case of Nepal	Bharadwaj, 2012	This paper discusses how cooperatives can play a vital role in reducing poverty in Nepal by breaking the cycle of poverty through quality assets, access, and competitive transferability. It emphasises that well-managed cooperatives can empower rural communities, improve livelihoods, and integrate them into national development, thereby ensuring sustainable poverty reduction.
Women's Empowerment and Equity	Roy et. al, 2021	This paper mentions that rural women in India are central to agriculture but face barriers such as lack of land rights, low wages, and limited decision-making. It also highlights programs like Collectives for Integrated Livelihood initiatives (CInI) that empower women through skills, finance, and leadership, helping uplift families and communities despite ongoing discrimination and inequality

**Data and analysis**

In this section we discuss the characteristics as well as analyse the strengths, challenges, and opportunities of both self-help groups.

**Characteristics**

Both SEWA and ICNW focus on empowering women in the informal sector by providing them with financial independence, security, and social upliftment. SEWA, founded in 1972 in Gujarat, emphasises full employment for women through a combination of work, income, food, and social security, including healthcare, insurance, and housing. Its model integrates union action

and cooperative development to help women gain ownership of assets and access to essential services. Similarly, ICNW, established in 1981 in South India, also strives to economically empower poor women but primarily through transforming labour into capital. While SEWA focuses on cooperative trade and access to essential needs, ICNW takes a broader socio-political stance by addressing issues like class exploitation, caste inferiority, male dominance, and domestic violence. SEWA is more economically and socially structured, while ICNW combines economic empowerment with strong advocacy for social justice.

### **Strengths**

Both SEWA and ICNW demonstrate strengths in organising large groups of women and equipping them with tools for self-reliance. SEWA operates on a massive grassroots scale, serving over 2.5 million self-employed women through an integrated approach that combines capacity building, financial services, and healthcare. ICNW, on the other hand, focuses more on helping poor women diversify income sources and expand small businesses for higher profits. While SEWA's strength lies in its institutional trust and comprehensive financial literacy programs, ICNW excels in tackling social discrimination and providing targeted financial training. SEWA empowers through structured cooperatives and banking systems, while ICNW works directly on breaking social barriers and empowering women to manage finances independently. Both aim for financial independence, but SEWA does so through institutional support, while ICNW relies more on social empowerment and awareness.

### **Weaknesses/Challenges**

Both organisations face challenges in maintaining consistent livelihoods for women amid socio-economic and infrastructural limitations. SEWA, despite its large-scale support, struggles during economic crises like the 2008 financial downturn, and many rural members still face debt and unstable employment. It also encounters issues with digital outreach due to poor connectivity. Similarly, ICNW faces infrastructural and cultural barriers that restrict women's access to markets. Women under ICNW's programs also face discrimination in entrepreneurship and limited exposure to technological resources. The key difference is that SEWA's challenges are more related to scalability and digital inclusion, while ICNW's barriers stem from persistent social and cultural inequalities. Both, however, highlight how systemic poverty and inequality continue to limit the effectiveness of women's empowerment programs in India.

### **Opportunities/Applications**

Both SEWA and ICNW have developed innovative opportunities to strengthen women's socio-economic positions. SEWA provides access to working capital through its own bank, helping women establish and sustain businesses, while also introducing digital tools to reach rural

populations. It offers long-term safety nets through health and retirement insurance and leverages technology to promote financial literacy and digital inclusion, training over 100,000 women in Gujarat in 2022. In contrast, ICNW reinvests profits from women-led businesses into community initiatives like schools and health programs, ensuring collective social benefit. While SEWA uses a technologically advanced and self-sustaining financial model, ICNW adopts a community-oriented reinvestment approach. Both organisations ultimately use economic empowerment as a means of social progress — SEWA through innovation and institutional inclusion, and ICNW through community reinvestment and collective welfare.

### **Success Stories**

Success stories from SEWA and ICNW highlight the transformative impact of Self-Help Groups (SHGs) in India. For example, Yoginaben Tarbada, a SEWA grassroots leader from Chota Udepur, used to travel several kilometres just to pay utility bills. After receiving SEWA's training, she began paying bills online and shared this knowledge with her community. She also learned to use the "BETI" app to record financial transactions for micro-enterprises such as smallholder farming and garmenting. By spreading these skills, she empowered women in her community to track profits and revenues more clearly, enabling them to make smarter financial and business decisions. Similarly, Mrs. Chandra Mani, who once worked in a small xerox and lamination shop, struggled to provide for her family of four children after moving to the city. With the support of an ICNW organiser, she received her first loan of ₹400, which helped her start a snacks business. Through ICNW's financial literacy training, she learned how to manage her income and later secured a ₹50,000 loan to open her own xerox shop. With her husband's support, she expanded her business, ensured her children's education, saved ₹1,00,000, and purchased land to build a house. However, while giving access to technology has helped these women in many ways, there are still some issues regarding it, such as some villages not having access to reliable internet or the women having to pay for data on their devices, which could be an extra expenditure for them.

In India, Self-Help Groups (SHGs), supported by initiatives like SEWA and ICNW, aim to economically empower women by promoting financial literacy, savings, credit access, and entrepreneurship, helping them improve household decision-making. Programs such as the National Rural Livelihoods Mission and Deen Dayal Upadhy Mission provide loans of veiled sizes but sometimes may not provide substantial financial resources that are needed, in increasingly competitive environments, by many women looking to build livelihoods through entrepreneurship. Despite these efforts, many women remain in low-paid or unpaid work, face childcare responsibilities, and are constrained by socio-cultural norms that limit workforce participation. SHGs can be more effective if they are able to address root-cause problems. For instance, lack of decision-making authority at home may limit women's economic participation

despite access to capital through SHGs. In such cases, providing training or raising awareness to increase women's participation in decision-making would be critical to facilitate their empowerment. They alone cannot address essential infrastructure gaps, such as transport, healthcare, and internet access. Effective empowerment requires multi-pronged support, including stronger government policies, improved infrastructure, flexible childcare, and societal change, to enable women to full participate not only in the workforce but also society. Research shows that if women participated equally in the workforce, India's GDP could grow by up to 43% (Mamgain, 2022), highlighting the immense economic potential of empowering women.

### **Conclusion**

The study of Self-Help Groups (SHGs), particularly through the cases of SEWA and ICNW, reveals that collective organization can be a powerful instrument for women's economic and social transformation. By pooling resources, building financial literacy, and fostering mutual accountability, SHGs have enabled thousands of women to move from the margins of the informal economy toward self-reliance and greater agency. Yet, their successes also expose the limits of empowerment when structural barriers—such as poor infrastructure, gendered care responsibilities, and limited access to technology—remain unaddressed. To ensure that SHGs do not merely alleviate immediate financial needs but contribute to lasting social change, their frameworks must evolve from microcredit-centered models to more holistic systems of empowerment. This involves integrating healthcare, education, childcare, and digital training into their operations, supported by strong public policy partnerships. When the state, private sector, and community institutions collaborate to dismantle systemic inequalities, SHGs can become catalysts for generational change—building not only economic resilience among women but also reshaping the social fabric toward greater equity and inclusion.

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