

# **The Role of Kudumbasree in Women's Empowerment: A Factor Model Analysis.**

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## **Abstract**

This study offers a comprehensive examination of the critical role of micro, small, and medium enterprises (MSMEs) and the Kudumbashree program in promoting women's empowerment in India, with a specific focus on the Aloor Grama Panchayat in Kerala. It effectively highlights how Kudumbashree, a large-scale women's development initiative, employs microcredit, entrepreneurship, and targeted empowerment strategies to confront the socio-economic challenges faced by underprivileged women. Employing a robust descriptive and analytical approach, this research draws on both primary data from Kudumbashree units and secondary data from various published sources. The goal is to assess the program's significant impact on enhancing women's self-reliance, economic stability, and overall social well-being. The findings offer a deeper understanding of the effectiveness of community-based programs in promoting women's entrepreneurship and empowerment within developing economies.

**Keywords:** Women's Empowerment, Kudumbashree, Micro, Small, and Medium Enterprises (MSMEs), Microfinance, Entrepreneurship, Self-Help Groups (SHGs) etc.

## **1. INTRODUCTION**

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in the economic growth of many countries. They contribute to balanced regional development, equitable income and wealth distribution, and the mobilisation of small savings into productive channels. Data from the Indian government indicates that the MSME sector has consistently grown at a rate of 8% from 2002 to 2012, employing over 60 million people and becoming the second-largest sector after agriculture. Women-led entrepreneurship is a vital aspect of this growth, significantly enhancing the economic development of families, communities, and the nation. According to the Fourth All India Census of MSMEs, women-owned enterprises account for 13.72% of all MSMEs.

The Department of Local Self-Government in Kerala launched one of Asia's most significant women's development projects, named 'Kudumbashree,' which aims to create new opportunities for women's economic empowerment and citizen-focused governance. This paper examines the role of micro-enterprises in women's entrepreneurship, with a specific focus on those operating within Kudumbashree units. The growth of MSMEs has been a notable feature of India's economic development, contributing significantly to job creation, the adoption of modern technologies, and the expansion of industries in smaller towns and rural areas. The MSME sector is a dynamic part of India's industrial economy, accounting for over 55% of the total value of industrial production. MSMEs contribute to over 40% of the country's exports and employ more than 17.5 million people across 317,500 units. Small-scale industries have historically fostered the development of over 1 million entrepreneurs, underscoring their foundational role in entrepreneurship.

A woman entrepreneur is defined as someone who owns and controls an enterprise, holding at least 51% of the capital and ensuring that at least 51% of the employment is allocated to women. 'Kudumbashree,' a poverty alleviation project sponsored by the Kerala government, is one of the most significant women-empowerment initiatives in India. The term "Kudumbashree" translates to "prosperity of life." The program includes 4.1 million members and covers more than 50% of households in Kerala. Kudumbashree focuses on microfinance, entrepreneurship, and empowerment to address the basic needs of underprivileged women, allowing them to lead more dignified lives and secure better futures.

## **2. LITERATURE REVIEW**

Numerous studies have examined the role of self-help groups (SHGs), including Kerala's unique Kudumbashree mission, in empowering women across India. Early research by Shylendra (1998) in Gujarat highlighted the importance of clear SHG objectives, while Puhazhendhi and Satyasai (2001) found that SHGs generally contribute to the economic and social empowerment of impoverished rural populations, particularly in the southern region, with older groups performing better. Narasimhan (2001) emphasised the need to change mindsets alongside providing resources for empowering marginalised women, and Bhagyalakshmi (2004) noted the continued need for progress despite implemented measures for women's development. Studies specific to Kerala, such as those by Jaya (2004) and Manjusha (2010), have indicated positive impacts of SHGs and Kudumbashree on women's living standards, empowerment, and socio-economic status, even among tribal communities. Malhotra (2004) provided a comprehensive overview of women's empowerment issues and the role of microfinance, while Sharma et al. (2008) specifically linked Self-Help Groups (SHGs) to women's empowerment through entrepreneurial activities. Beevi and Devi (2011) identified both the potential and the challenges faced by women in Kerala's SHGs, while Kalyani and Seena P.C. (2012) underscored the link between women's economic development and broader social progress through collective efforts, such as Kudumbashree. Minimol M. C. and Makesh K. G. (2012) highlighted the often-overlooked aspect of intellectual empowerment, while Das (2012) and Narang (2012) emphasised the significant impact of SHG-bank linkage programs and the overall empowering nature of SHGs, providing women with greater autonomy and access to resources. Choudary et al. (2012) and Hemalatha A. V. (2012) further analysed the operational aspects and skill development facilitated by women's SHGs in Tamil Nadu and Kerala, respectively, emphasising their role in integrating women into the development process. Jomy Jose (2015) found that Kudumbashree leads to sustainable social and economic development of women and a direct impact on their living status, educational, nutritional and health needs of their children, positively. Finally, S. Franklin John and Nilufar Sathiq. P

(2021) also indicated that only a few entrepreneurial activities are undertaken by members of Kudumbashree, and there is a significant difference in their attitude towards women's empowerment based on their years of association.

### **3. STATEMENT OF THE PROBLEM**

Despite global advancements, women in India, particularly in rural areas, often face neglect and discrimination, limiting their participation in socio-economic activities. It is essential to provide women with opportunities to engage in financial activities, expand their social networks, and generate income and wealth, as this promotes self-reliance, economic stability, and female autonomy. By providing education, training, employment, and self-employment opportunities, we can enhance women's roles within their families, improve their economic status, enhance their social well-being, and contribute to overall national development. Socio-economic progress is accelerated when both men and women contribute to growth and have equitable opportunities. This study examines the role of micro, small, and medium enterprises in women's entrepreneurship through the Kudumbashree unit, with a specific focus on the Aloor grama panchayat. It emphasises the empowerment of women through community-based programs designed to eradicate poverty and economically uplift rural women.

### **4. SCOPE OF STUDY**

Kudumbashree aims to support women entrepreneurs in generating income through self-employment and improving their living standards. This study focuses on the Aloor Grama Panchayat in the Thrissur district, Kerala.

### **5. OBJECTIVES OF THE STUDY**

1. To identify the factors that contribute to women's empowerment through Kudumbashree.
2. To propose recommendations to enhance women's empowerment through kudumbasrees.

### **6. RESEARCH METHODOLOGY**

The study employs a descriptive and analytical research methodology, utilising both primary and secondary data to examine women's empowerment through Kudumbashree units in Aloor Grama Panchayat, Thrissur, Kerala. The researcher collected primary data from 50 respondents, 5 women each from 10 Kudumbashree units. The study used a simple random sampling method and a structured questionnaire designed to collect data about various aspects of empowerment. Secondary data was collected from published materials, including journals, books, newspapers, magazines, and relevant websites. The study population consists of women engaged in Kudumbashree micro-enterprises, specifically selected to evaluate their economic, social, and political empowerment. The period of study spanned from January 1 to March 31, 2024, offering sufficient time for detailed observation and data collection. The collected data was analysed using descriptive and inferential statistical tests. This comprehensive approach enabled the researcher to gain valuable insights into how Kudumbashree initiatives contribute to enhancing women's roles in society.

## 7. INTERPRETATIONS AND FINDINGS

**Table No.1**

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
0.795	0.799	15

(SPSS Output on primary data)

The 15-item scale demonstrates good internal consistency, as evidenced by a Cronbach's Alpha of 0.795. This suggests that the items are generally measuring the same concept reliably.

**Table No.2**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.620
Bartlett's Test of Sphericity	Approx. Chi-Square	502.254
	df	105
	Sig.	0.000

(SPSS Output on primary data)

The KMO value of 0.620 falls into the "mediocre" range. Although it exceeds the commonly accepted minimum of 0.50 for proceeding with factor analysis, it suggests that the sampling adequacy is not ideal. That means that while there might be some underlying factors, the relationships among the variables might not be as strong or as clearly defined as one would hope for a very robust factor solution.

Since the p-value (0.000) is much less than 0.05, reject the null hypothesis. This means that the correlation matrix is significantly different from an identity matrix, implying that there are significant relationships between the variables, and thus, they are suitable for factor analysis.

**Table No.3 Factor Analysis**

Structure Matrix								
	Raw				Rescaled			
	Component				Component			
	1	2	3	4	1	2	3	4
The financial services provided (e.g., microloans, savings) are effective in supporting women's entrepreneurship	1.291				.901			
The program adequately reaches and benefits the most disadvantaged women.	1.053				0.808			

The repayment terms for financial assistance are fair and manageable.	1.004				0.793			
They handled issues and challenges fairly and promptly.	.700				0.601			
Social Empowerment - The program has significantly enhanced women's awareness of their rights and social status.		-1.302				-.880		
The initiative has enabled women to secure leadership roles within their communities.		-1.000				-.862		
Capacity Building and Skill Development—Kudumbashree's training and skill development programs are practical and beneficial		-1.144				-.815		
Partnership and Stakeholder Involvement -The program effectively collaborates with relevant stakeholders (government, NGOs, private sector.		-.712				-.633		
The women involved in the program are empowered to sustain their businesses independently.			1.022				0.860	
Independent decision-makers and stakeholders are fully involved in the decision-making and implementation processes.			1.152				0.829	
The program is sustainable and will continue to have a long-term impact on women's financial independence.			0.965				0.819	
Conflict Resolution They can handle an effective grievance redressal system for beneficiaries.			0.645				0.571	
The objectives of this Kudumbashree program are clearly defined.				1.138				0.853
The program is effectively focused on empowering women in the community.				0.888				0.837

The Role of Kudumbashree Units: Kudumbashree units play a vital role in improving the socio-economic status of women.				0.724				0.644
Extraction Method: Principal Component Analysis. Rotation Method: Oblimin with Kaiser Normalization.								

**Table No.4 Correlation Matrix**

Component Correlation Matrix				
Component	1	2	3	4
1	1.000	-.003	0.190	-.016
2	-.003	1.000	-.057	0.021
3	.190	-.057	1.000	0.160
4	-.016	0.021	0.160	1.000
Extraction Method: Principal Component Analysis. Rotation Method: Oblimin with Kaiser Normalization.				

Source: Primary data-SPSS Out put

## Factor Analysis :

1. Interpretation of Component 1: This component appears to represent "Effectiveness and Accessibility of Financial Services and Program Management." Variables loading highly on this component relate to the quality, fairness, and reach of financial support, as well as the general effectiveness of program operations in addressing issues.
  2. Interpretation of Component 2: This component, despite the negative signs, clearly represents "Social and Human Capital Development and Partnerships." The negative signs indicate the direction of the correlation, not that the outcomes are adverse. What is important is that these variables are grouped. It captures aspects related to empowering women socially, building their skills, and fostering collaboration.
  3. Interpretation of Component 3: This component appears to represent "Empowerment, Sustainability, and Operational Effectiveness (Beneficiary Focus)." It highlights the long-term impact, self-sufficiency of beneficiaries, and their involvement in decision-making, along with conflict resolution mechanisms.
  4. Interpretation of Component 4: This component seems to represent "Program Clarity, Focus, and the Foundational Role of Kudumbashree Units." It captures aspects related to the program's strategic direction and the fundamental contribution of its organisational structure.
- Cross-Loading: Notice that "Partnership and Stakeholder Involvement" (the program effectively collaborates with relevant stakeholders) has significant loadings on both Component 2 (-.633) and Component 4 (.621). This suggests that stakeholder involvement applies to both social and human

capital development, as well as the broader foundational aspects of the program. This is common with oblique rotations, such as Oblimin, where factors are allowed to be correlated with each other.

- **Number of Components:** Four components were extracted. The analysis suggests that these four underlying dimensions can explain the variance in the original variables.
- **Rotation Method (Oblimin):** Oblimin is an oblique rotation, meaning it allows the extracted components to be correlated. If the analysis had used an orthogonal rotation (e.g., Varimax), the components would be forced to be uncorrelated. The choice of Oblimin suggests that the researchers expected some degree of correlation between these underlying dimensions of the Kudumbashree program.
- **Strength of Loadings:** Generally, loadings with an absolute value of .50 or higher are considered significant. Many variables have very strong loadings (above .80), indicating clear associations with their respective components.
- **Contextual Understanding:** To fully comprehend these components, it is essential to have a thorough understanding of the Kudumbashree program and its objectives. The labels assigned above are interpretations based purely on the statistical relationships.

In summary, the factor analysis suggests that the various aspects of the Kudumbashree program can be grouped into four distinct yet potentially related underlying dimensions:

1. Effectiveness and Accessibility of Financial Services and Program Management
2. Social and Human Capital Development and Partnerships
3. Empowerment, Sustainability, and Operational Effectiveness (Beneficiary Focus)
4. Program Clarity, Focus, and the Foundational Role of Kudumbashree Units

**Table No.4 Descriptive Statistics**

<b>Kudumbasree Women Empowerment Factors</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Effectiveness and Accessibility of Financial Services	50	3.2500	0.40
Social and Human Capital Development and Partnerships	50	3.2602	0.64
Empowerment, Sustainability, and Operational Effectiveness	50	3.5150	0.68
Program Clarity, Focus, and the Foundational Role of Kudumbashree Units	50	3.6733	0.65
Total of Kudumbasree Women Empowerment Dimension	50	3.4362	0.635
Valid N (listwise)	50		

Source: Primary data-SPSS Output

## 8. FINDINGS OF THE STUDY

The means for all factors range from approximately 3.25 to 3.67. This suggests that, on average, respondents tend to lean towards the higher end of the scale, assuming a scale where higher values indicate greater agreement or positivity (e.g., a Likert scale from 1 to 5).



The means for all factors and the overall mean for Kudumbasree Women Empowerment are above the midpoint of a typical 5-point scale (assuming 1 = lowest, 5 = highest). This suggests a generally positive perception of Kudumbasree's contribution to women's empowerment among the sampled individuals.

In summary, the Kudumbasree program is perceived positively on average, with powerful and consistent perceptions regarding financial services and social capital development. However, there is more variability in perceptions related to broader empowerment, sustainability, operational effectiveness, program clarity, and the role of Kudumbashree units.

Some of the previous studies revealed that challenges faced by women in Kerala's SHGs (Kalyani & Seena P.C., 2012) underscored the link between women's economic development and broader social progress through collective efforts, (Minimal M. C. and Makesh K. G., 2012), indicated that, an often-overlooked aspect of intellectual empowerment.

The study was conducted over a short period and was limited to a specific geographical area. That may affect the reliability of the data, and there is a possibility that respondents will provide exaggerated information.

## **9. RECOMMENDATIONS**

1. To strengthen the kudumbasree program, it is important to address the concerns of the small opposition and engage the neutral group through awareness campaigns and targeted initiatives that highlight the program's benefits for women.
2. The program could focus on showcasing success stories, clarifying their impact, and engaging the neutral group to communicate the benefits better. Additionally, addressing the concerns of the dissenting minority could help strengthen the program's overall perception.
3. The program should investigate the concerns of those who disagree and work to clarify its impact on the most disadvantaged groups, thereby improving overall perception.
4. To improve the program, it is important to investigate the concerns of those who disagree, gather more specific feedback on the challenges faced, and refine the services offered.
5. Providing more transparent communication and possibly adjusting the repayment structure based on feedback could help enhance understanding and support for the financial assistance program.
6. Improving the clarity and effectiveness of the training, showcasing success stories, and making necessary adjustments could help enhance overall perceptions and support for these initiatives.
7. Awareness campaigns and gathering feedback can help refine the program to meet the needs of women better and enhance its effectiveness.
8. To enhance the program's impact, it would be beneficial to provide more concrete examples of women in leadership roles and the benefits they have achieved.

## **10. CONCLUSION**

Kudumbashree and MSMEs play crucial roles in empowering women by promoting economic independence, facilitating skill development, and fostering leadership opportunities. The study attempts to identify the various dimensions of the Kudumbashree units that empower the female community. The study finds that the 15 variables contribute to the four major dimensions of the empowerment of the



Kudumbasree units. Through its community-based framework, it empowers women by providing access to microloans, savings mechanisms, and entrepreneurial training while also promoting their participation in decision-making processes and local governance structures. Concurrently, MSMEs provide women with entrepreneurial opportunities, financial autonomy, and the ability to establish sustainable businesses, thereby challenging traditional gender roles and enhancing their social status. Both initiatives contribute significantly to key empowerment factors, including financial independence, leadership development, resource accessibility, and enhanced social participation. Collectively, they cultivate a supportive ecosystem wherein women can achieve growth, develop their potential, and exercise leadership, fostering a sense of confidence and autonomy that extends beyond their economic activities to encompass their broader engagement in social roles. However, to fully optimise their impact and ensure continued progress, ongoing efforts are imperative to address persistent challenges, improve access to resources and opportunities, and secure the long-term sustainability of these vital empowerment programs.

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