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# Self-Help Groups as Catalysts for Sustainable Livelihoods and Women Empowerment: Insights from SHGs in Sika Tode Village, East Siang District, Arunachal Pradesh

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**Abstract**

Self-Help Groups (SHGs) have emerged as an important instrument for promoting rural livelihoods and empowering women particularly in economically vulnerable communities. They provide a common platform for women to mobilise savings, access financial assistance, undertake income-generating activities and participate in collective decision making. The present study examines the role of SHGs in promoting sustainable rural livelihoods and women's empowerment, with special reference to Sika Tode Village of East Siang District, Arunachal Pradesh. It highlights the contribution of SHGs towards improving the economic conditions of rural women through collective savings, income-generating activities and mutual cooperation. The study is descriptive in nature and is based in both primary and secondary data to achieve its predetermined objectives. It further attempts to understand how SHGs contribute to women's economic independence, social participation and overall empowerment in the study area.

**Keywords:** Self-Help Groups, Women Empowerment, Rural Livelihood, Financial Inclusion, Socio-economic Development.

## Introduction

Self-Help Groups (SHGs) are small, voluntary associations of economically disadvantaged people, generally belonging to similar socio-economic backgrounds. Self-help groups (SHGs) are generally informal associations of people who come together to achieve or fulfill their needs and to improve living standard (Pandey and Gautam, 2023)). In recent years, SHGs have assumed a significant role in promoting and empowering rural women. SHGs have evolved into a nationwide network empowering millions of women through collective action and institutional building (Manjula, 2026). They primarily aim to support women, who are often considered economically vulnerable within patriarchal family structures by providing them with a collective platform to address their common socio-economic problems. Members come together with a shared vision, mutual understanding, cooperation and a sense of collective responsibility. The basic objective of SHGs is to address common problems through principles of self-help and mutual assistance. They also promote the habit of regular savings among members which are deposited in bank accounts maintained in the name of SHGs. These savings

gradually constitute a common fund that can be utilised to meet the financial needs of members and support various income-generating activities.

Arunachal Pradesh has also witnessed the growing popularity of Self-Help Groups. Several SHGs are functioning in different villages across the state working towards the socio-economic development and empowerment of rural women and their numbers continue to increase. In this regard, the Arunachal State Rural Livelihoods Mission (ArSRLM) is playing a proactive role in guiding, supporting and strengthening SHGs through various initiatives, programmes and schemes aimed at promoting sustainable livelihoods and women economic empowerment.

Sika Tode is a rural village situated in East Siang District of Arunachal Pradesh. According to the 2011 Census of India, the village has a total population of 671, comprising 331 males and 340 females. It is predominantly a tribal village, with 615 individuals, accounting for 91.65 percent of the total population belonging to be Scheduled Tribe Category. The overall literacy rate of the village is 69.32 percent with male and female literacy rates standing at 76.09 percent and 62.75 percent respectively. The village is situated approximately 18 kilometres from Pasighat, the district headquarters of East Siang District.

**Research Gap**

Previous research works conducted by various scholars have examined the contribution of Self-Help Groups (SHGs) towards women empowerment in different parts of Arunachal Pradesh. However, limited empirical evidence is available on the functioning and contributions of specific SHGs in Sika Tode Village of East Siang District, particularly in relation to their role in promoting sustainable rural livelihoods and addressing different dimensions of women's empowerment at the grassroots level. Therefore, the present study seeks to bridge this gap by examining the functioning, activities and contributions of selected SHGs towards livelihood sustainability and women's empowerment in the study area.

**Review of Literature**

The following review of literature highlights the findings and contributions of various scholars regarding the role of Self-Help Groups (SHGs) in promoting sustainable livelihoods and enhancing the socio-economic empowerment of rural women.

Singh and Kumari (2025) highlighted the role of Self-Help Groups (SHGs) in promoting women empowerment in rural areas. They also examined the contributions of SHGs toward sustainable rural development. Their study further concluded that SHGs go beyond financial inclusion by fostering social empowerment, strengthening women's decision making capacity and improving overall quality of life. Similarly, Manjula (2026) in her study found that SHG encourage greater social participation and mobility among rural women. She further observed improvements in decision making abilities and financial literacy highlighting the role of SHGs in enhancing their overall socio-economic empowerment. Roley, Toko and Tamuli (2024) in their study, found that SHGs play a significant role in empowering women both socially and economically. They further concluded that women's participation in SHGs enables them to make meaningful contributions to society. Deka (2022), in his paper observed that the economic status of women improved considerably after joining SHGs. He further highlighted that SHG participation contributed to an overall improvement in women's quality of life.

Moreover, Pandey and Gautam (2023) highlighted the various roles of SHGs in promoting women's empowerment including financial inclusions, social integration, gender equality, alternative source of

livelihood, banking literacy and among others. Similarly, Wakhet and Singpho (2024) examined the role of SHGs in improving the economic wellbeing of the rural women. Their study revealed that SHGs provide various monetary and non-monetary supports to the women living in rural areas thereby contributing to their socio-economic development. Karunarathne and Praveena (2024) analysed 10 research papers to examine the impact of SHGs in women empowerment. Their study highlighted the transformative role of SHGs in improving the socio-economic status of women. They further observed that participation in SHGs enables women to enhance their self-esteem, develop leadership skills and assert their agency in various spheres of life. Similarly, Pathak (2019) in her study observed that micro finance programme serves as an effective means of empowering women both economically and socially. She further highlighted the overall development of members participating in self-help groups.

**Significance of the Study**

The present study is an attempt to explore the role of Self-Help Groups (SHGs) in promoting sustainable livelihoods and women's empowerment in the selected village in particular and the state in general. It seeks to understand how rural women utilise SHGs as a platform to engage in income-generating activities, improve their economic conditions and contribute towards household welfare with the support of various government initiatives. Furthermore, the study highlights the contribution of SHGs towards enhancing women's financial independence, social participation, decision-making abilities and overall empowerment.

**Objectives of the Study**

1. To examine the major activities of Self-Help Groups (SHGs) in Sika Tode Viillage.
2. To assess the contribution of the selected SHGs towards sustainable livelihoods and enhancing women empowerment
3. To identify the major challenges faced by SHG members

**Research Methodology**

The present study adopted a descriptive approach to examine the role of Self-Help Groups (SHGs) in promoting sustainable livelihoods and women empowerment in Sika Tode Village, East Siang District, Arunachal Pradesh. Moreover, the study covers all 10 (ten) SHGs actively functioning in the sample village comprising a total of 75 (seventy-five) members. Considering the manageable size of the population, the census enumeration method was used whereby all 75 members were included in the study. Both primary and secondary data were used. Primary data were collected through personal interviews, telephonic interviews, and direct interactions with the members. Secondary data were obtained from published and unpublished research works, academic journals, research articles, government reports, official records, etc. The data collected were systematically processed, analysed and interpreted to generate meaningful insights aligned with the stated objectives of the study.

**Results and Discussion**

**Profile of Self-Help Groups (SHGs) in the Study Area**

The study are comprises several Self-Help Groups actively engaged in collective savings, income-generating activities and other livelihood related initiatives. Table 1 presents the profile of the SHGs selected for the study highlighting their names and membership strength.

**Table 1: Distribution of Self-Help Groups and their membership**

| Sl. No. | Name of SHG | No. of Members |
|---|---|---|
| 1 | Donyi Sanggo Ane | 8 |
| 2 | Deyi Gumin | 11 |
| 3 | Ninur Lomang | 7 |
| 4 | Mongku Nagar | 7 |
| 5 | Tode Mongku Ane | 11 |
| 6 | Gumin Nagar | 6 |
| 7 | Deyi Degong | 6 |
| 8 | Kaju Lekope | 7 |
| 9 | Ayang | 6 |
| 10 | Angun Asir | 6 |
| **Total** | | **75** |

Source: Field Survey

**Table 2: Age-wise Classification**

| Sl. No. | Age Group | No. of Members |
|---|---|---|
| 1 | Below 25 Year | 4 |
| 2 | 25 – 35 Years | 32 |
| 3 | 35 – 45 Years | 30 |
| 4 | Above 45 Years | 9 |
| **Total** | | **75** |

Source: Field Survey

The above table reveals that the majority of DHG members belong to the age groups of 25-35 years and 35-45 years, accounting for 62 out of 75 members. This indicates that SHGs in the study area are predominantly composed of women in their economically productive and socially active years. On the other hand, the participation of younger women below 25 years of age remains relatively low, suggesting the need to encourage greater youth participation in SHG activities.

**Major activities of SHGs in Sika Tode Village**

**Income generation through savings:** Regular savings by SHG members help create a common financial pool which serves as a source of funds for internal lending and investment in various income-generating activities. Through this collective saving mechanism, members gain access to financial resources to initiate or expand small-scale economic activities, meet their financial needs and improve household income.

**Financial assistance through internal lending:** SHG members can take loan at a very low interest rate (i.e. 1% per month) during the time of need. Through this credit facility, the members can manage their emergency requirements such as medical and health, children's educational expenses, etc. at affordable rate of interest.

**Regular group meetings and collective decision-making:** The SHG members conduct regular group meeting every Sunday, making it four times in a month. Important issues concerning the functioning and activities of SHG are extensively discussed during the meeting. These gatherings provide a common platform for members to share their views, discuss financial matters, address internal issues and collective decisions. Regular meeting also strengthen mutual understanding, cooperation and a sense of collective responsibility among members.

**Regular contributions and group fund mobilisation:** Apart from the monetary grants from the government, the SHG members contribute regularly towards the common group fund to strengthen their financial resources. In the study area, SHGs collect Rs. 100/- each member every week along with additional contribution of Rs. 200/- on the last day of the month. However, the amount of weekly contribution varies among the SHGs operating in the study area, with some collecting Rs. 50/- and others Rs. 100/- per member. In addition, a penalty of Rs. 100/- is imposed on members who remain absent from group meetings without attending them. These regular contributions and penalty collections help augment the common fund which are generally utilised for internal lending and other group-related activities.

**Income diversification through group activities:** In order to raise their common group fund, SHG members undertake various income-generating activities to earn additional revenue. These activities include providing catering services during training programmes organised by government officials and preparing locally made pickles from available resources such as mangoes, bamboo shoots, elephant apples, and other locally available products. The earnings generated through these activities contribute towards strengthening their common group funds and improving their financial sustainability.

**Collective income-generating and fundraising activities:** As a part of their effort to raise the common group fund, some SHGs in the study area undertake collective activities to generate additional income. These include providing harvesting services in the paddy fields of fellow members and engaging in weaving activities. In the latter, members collectively purchase yarn and weave traditional coats and wraps which are subsequently sold to generate revenue. The earnings generated from these activities are added to the common group fund, thereby strengthening the overall financial stability of the SHGs.

**Contribution of SHGs towards Sustainable Livelihoods and Women Empowerment**

In rural areas, Self-Help Groups are playing a very crucial role in creating sustainable livelihood opportunities and promoting women's empowerment, particularly among the rural women. These include:

**Access to credit and financial inclusion:** As far the study area is concerned, Self-Help Groups (SHGs) have facilitated access to credit for their members at minimal interest rate of just 1% per month on the amount borrowed. There is no ceiling fixed limit on the amount of credit that members can borrow. This enables the members to meet their financial needs, especially during emergencies, without depending on moneylenders who may charge exorbitant interest rates. Moreover, it encourages the members to adopt savings and borrowing habits and enhances their participation in the formal financial inclusion process. Similar findings were reported by Manjula (2026) who had studied the role of SHGs in women's socio-economic empowerment.

**Economic independence:** The regular income generated through SHG activities has contributed significantly towards enhancing the economic independence of the members. The income accumulated by the groups is distributed among the members once every three years in equal proportions. This periodic distribution of income provides members with financial resources of their own, thereby

strengthening their economic stability and reducing their financial dependence on their spouses or partners.

**Social participation:** Self-Help Groups (SHGs) are playing a significant role in enhancing the social participation of women in the study area. The regular group meetings, collective activities and interactions with other members has enhanced their confidence, communication skills and awareness of various social issues and finally encouraged them to participate more actively in community programmes and village-level activities.

**Decision-making:** The active participation in group activities and financial transactions has enhanced the confidence and ability of the members in making independent decisions concerning household management, children's education, healthcare and other needs.

**Leadership:** The present study reveals that Self-Help Groups (SHGs) provide valuable leadership opportunities to members by allowing them to take up leadership roles and responsibilities within the group. Such experiences help enhance their leadership qualities, decision-making abilities and self-confidence.

**Confidence and Self-reliant:** It is also observed that members are provided with opportunities to attend various training programmes aimed at enhancing their skills, knowledge and expertise in different commercially viable activities such as pickle making, mushroom cultivating, poultry and livestock farming, etc. Such training programmes help build their confidence, promote self-reliance, and enable them to undertake income-generating activities independently.

**Financial Security and stability:** Self-Help Groups (SHGs) contribute to the financial security of their members by enabling them to become regular participants and beneficiaries of the funds created and maintained by the group through regular savings, internal lending, and access to group funds during the hour of needs.

**Promotion of self-employment:** SHGs promote self-employment among their members by providing access to savings, credit, and financial supports, enabling members to carry out income-generating activities and thereby strengthening their livelihoods.

**Challenges Faced by SHG Members**

**Limited income and savings:** The present study reveals the income generated by the SHGs is relatively low and insufficient to meet the financial expectations and needs of their members, particularly when compared with other high income-generating opportunities available through other economically viable business activities. Moreover, the savings accumulated by the members are also minimal, as their monthly contributions generally rage from Rs. 500 to Rs. 600 per member based on weekly savings of approximately Rs. 100.

**Financial constraints and Irregularity in Weekly Contributions:** It is sometimes difficult for certain members to contribute Rs. 100 per week towards their SHG. Such financial constraints may result in the accumulation of unpaid contributions, as members are also required to pay a penalty of Rs. 50 for each default. This additional burden may further worsen the difficulties and create an unfriendly atmosphere among members, thereby affecting mutual understanding, cooperation and group harmony.

**Members leaving the Group due to time paucity:** It is observed that some members are compelled to leave their respective SHGs due to paucity of time. Women, particularly those engaged in household responsibilities, often find it difficult to devote sufficient time to SHG activities and consequently, they are sometimes left with no option but to withdraw from the group in order to prioritise their household

and family obligations. Furthermore, the monetary benefits received by members after completing three years of group membership are also found to be insufficient in many cases. In fact, the financial returns do not always appear adequate to compensate for the time, effort and regular contributions made by the members.

**Lack of education and financial literacy among the members:** Education and financial literacy are essential prerequisites for the effective functioning of SHGs. Although the literacy rate in the study area is not particularly low, there is still considerable scope for improvement in the educational and financial awareness of the members. Inadequate financial literacy, especially regarding savings, credit management, interest calculations, repayment schedules and proper maintenance of financial records sometimes creates confusion and misunderstanding among members while handling group activities involving financial transactions. Such misunderstanding sometimes affects transparency, mutual trust and the smooth functioning of the group.

**Lack of leadership:** Lack of leadership is in fact, one of the major and common challenges faced by almost all the SHGs in the study area. It has been observed that members of then hesitate to take up leadership responsibilities, resulting in a leadership vacuum within the groups. Although, the concerned officials regularly monitor the activities of the SHGs and provide necessary guidance at different stages, the absence of capable and proactive leaders continues to hinder their effective functioning. As a result, the groups are often unable to perform to their full potential and achieve the objectives for which they were established.

**Lack of market access and institutional support:** The lack of market access and inadequate institutional support are among the major challenges faced by the SHGs in almost every part of the district in particular and the state as a whole. Due to limited access to proper marketing channels and suitable marketplace, SHGs often find it difficult to sell their products at reasonable prices. Similarly, institutional support for SHGs is found to be inadequate in certain areas, particularly in terms facilitating production, marketing and expansion of their economic activities. Although the concerned department officials extend necessary assistance and guidance to these groups, certain gaps still persist in the delivery of institutional support. Strengthening institutional mechanisms, improving market linkages and providing continuous assistance could significantly enhance the productive capacity, marketing opportunities and overall performance of SHGs.

The aforementioned challenges represent some of the major areas where the concerned officials and departmental authorities can intervene to bridge the existing gaps and strengthen the functioning of SHGs in the study area in particular and the state in general. Addressing these challenges through appropriate institutional interventions, continuous guidance, improved market linkages and necessary support mechanisms would enable SHGs to overcome their existing limitations and perform more effectively and consequently help the groups achieve their objectives.

## Conclusion

The present study reveals that Self-Help Groups (SHGs) are playing a significant role in strengthening rural livelihoods by enabling rural women to engage in various income-generating activities. These activities not only enhance their economic capabilities but also contribute to their empowerment in social life. SHGs are not merely instruments for sustaining rural livelihoods, rather, they provide an effective platform for women to achieve greater economic independence, social participation, and self-reliance.

The growing presence of SHGs has made rural women increasingly active, confident, and productive, especially in managing their households and [participating in economic activities. Their involvement in SHGs has also enhanced their ability to contribute to household decision-making and the wider socio-economic development of their communities. Thus, SHGs have emerged as an important source of support and empowerment for rural women, while simultaneously serving as catalysts for transforming the rural economy through various socio-economic mechanisms.

Despite their significant contributions, SHGs continue to face certain challenges which include limited market access, inadequate institutional support, difficulties in regular financial contributions, and other operational constraints. Addressing theses challenges through appropriate institutional interventions, capacity-building programmes, and improved market linkages would further strengthen their effectiveness and sustainability. Therefore, greater support and coordinated efforts from the concerned departments and other stakeholders are essential to enable SHGs to realise their full potential in promoting sustainable rural livelihoods and women empowerment.

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