

Original Article

THE ROLE OF SELF-HELP GROUPS IN ADVANCING WOMEN'S EMPOWERMENT IN RURAL ARUNACHAL PRADESH

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ABSTRACT

In recent years, uplifting women in various spheres has become a key priority in both developed and developing nations. As a result, the governments of different countries have placed a strong emphasis on women's empowerment. Since women constitute half of the population, their potential to significantly contribute to national development cannot be overlooked. India has adopted the Bangladesh model of Self-help Groups (SHGs), and it's prominently operating in different parts of India, including the Northeastern states.

The core principle of Self-Help Groups (SHGs) is to empower women by enhancing their skills, promoting sustainable income generation, and providing access to microcredit, yet in the state's patriarchal structure, the condition of women remains similar to that in the rest of the country, and Arunachal is no different. Women's concerns on various issues affecting them and society as a whole have not received adequate attention. At present, only 5 out of 60 seats in the State Legislative Assembly of Arunachal are held by women, making up a very low 5% representation in state politics. Furthermore, it is widely recognized that the first step to empowering women is economic independence, which will eventually lead to social and political empowerment, which is missing in this situation. This paper will attempt to examine the contribution of SHGs in bridging the gap of gender inequalities in rural areas of Arunachal Pradesh.

Keywords: Self-help Group, Women empowerment, Rural Area, poverty

INTRODUCTION

In recent years, women's empowerment has become a key priority for both developed and developing nations. As women comprise nearly half of the population, their contribution to national development is indispensable. Recognizing this, governments worldwide have placed strong emphasis on policies and programs that promote women's empowerment.

In general, empowerment refers to as process that involves gaining the freedom to make independent choices and decisions without fear of violence or societal constraints. It ensures dignity, self-respect, and the ability to actively participate in shaping one's life and society. In particular, women's empowerment signifies a state where women can exercise their rights in practice, not just in principle. This process expands opportunities, enhances financial and social access, and enables greater control over personal and collective decisions.

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India has ratified several international conventions advocating for women's rights, including the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). Despite these commitments, a gap persists between policy objectives and real-world outcomes. To bridge this gap, the Government of India has launched various community development initiatives aimed at improving women's socio-economic status and reducing their vulnerability to poverty. One of the most impactful initiatives has been the establishment of Self-Help Groups (SHGs). The primary goal of Self-Help Groups (SHGs) is to address issues related to women, particularly those in poor rural areas. Initially, the growth of SHGs was slow. However, in 1990, the National Bank for Agriculture and Rural Development (NABARD) launched a unique pilot project to promote financial inclusion for SHGs. Under this initiative, known as the SHG-Bank Linkage Programme, NABARD encouraged SHGs to open bank accounts and recommended that all commercial banks provide credit support to these groups. As a result, SHGs are widely supported by non-governmental organizations (NGOs) and financial institutions.¹ The SHG model draws inspiration from the Grameen Bank in Bangladesh, founded in 1975 under the guidance of Professor Muhammad Yunus, a pioneer in microfinance.

SHGs typically comprise 10 to 20 women from similar socio-economic backgrounds who pool their savings into a common fund. Initially, SHGs were established to provide financial access to poor rural women excluded from formal banking systems. SHGs have evolved into platforms for economic self-reliance, social awareness, and community engagement. Today, both government and non-governmental agencies utilise SHGs to promote rural livelihoods, enhance women's agency, improve access to public entitlements, and disseminate crucial information on health and nutrition.² Beyond economic empowerment, SHGs play a vital role in developing self-confidence, encouraging savings, increasing income levels, and strengthening women's decision-making power.

As one of the most effective models for women's empowerment, SHGs function as both financial and social institutions. They facilitate access to savings, credits, and banking linkages while also encouraging women to actively participate in activities related to promoting rural development and community participation. By organizing women into collectives, SHGs provide a platform for self-expression, advocacy, and grassroots leadership.³ Their primary objective is to cultivate self-reliance, remove barriers to decision-making, and enhance agency in both household and community settings.

EMERGENCE OF SHGS IN INDIA

In India, similar features of SHGs were first noticed when Ela Bhatt introduced the Self-Employed Women's Association (SEWA) in 1972. The main aim of SEWA was to provide low-income and independent women workers from the unorganized sector such as potters, hawkers, weavers, and others with training in a variety of skills to enhance their revenue-generating activities, this was the first initiative established by the Government of India after independence to enhance women's economic independence through SEWA.

The main development of Self-Help Groups gained momentum due to the efforts of the civil organization called the Mysore Resettlement and Area Development Department (MYRADA). It was responsible for launching the first SHG movement in India. MYRADA implemented a range of initiatives and schemes to promote SHGs in different regions of India, ultimately facilitating the establishment of 300 Self-Help Groups during the years 1986-87. The organization offered guidance and advice to Self-Help Groups on various subjects such as meeting organization, program development, record maintenance, and accounting practices. Particularly since the establishment of the National Agricultural and Rural Development Bank (NABARD) and the Self-Help Groups Bank Linkage program under NABARD in 1992, when the Reserve Bank of India and NABARD recognized the importance of Self-Help Groups (SHGs) and permitted them to open savings accounts in banks, there was a notable increase in SHG participation. This trend remarkably demonstrates the growing significance of SHGs in formal financial institutions.

In 1991, the Reserve Bank of India issued a notification advising all commercial banks to participate in the pilot project started under NABARD. It extended loans to Self-Help Groups.⁴ These initiatives served as a driving force behind the formation of Self-Help Groups. Consequently, the government's approach underwent a strategic change, resulting in the reorganization of self-employment programs into the Swarna Jayanti Gram Swarozgar Yojana (SGSY) in 1999.⁵ SGSY was a group-based initiative under this programme, rural poor women formed Self-Help Groups to raise their standard of living and fight poverty. The previous Swarnjayanti Gram Swarozgar Yojana (SGSY) was restructured and given the new name Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM), which was officially launched in June 2011. The main objective of this programme was to eradicate rural

¹ Nithyanandhana, S. Hemavathy, and Norma Mansor, "Self Help Groups and Women's Empowerment." *Journal of Economic Literature, JEL Classification*, Volume 7, Issue 2, 2014, p. 3.

² Kumar, Neha, et al., 'Social networks, mobility, and political participation: The potential for women's self-help groups to improve access and use of public entitlement schemes in India' 2019, p. 28.

³ Mohammad, Yasmin, *Empowerment of urban women through self-help groups a study with reference to Visakhapatnam city*, p. 120.

⁴ Kar. S. S., and Mohanty. S., *Self-help groups mean to women empowerment*, N. B. Publications, Ghaziabad, India, p. 60.

⁵ Pandey, Ajay Kumar, and Punyo Yarang "The Role of Self-Help Group in the Political Empowerment of Women: A Study of Lohit District of Arunachal Pradesh," *Emerging Researcher*, vol. 9, no. 1, 2022, p. 25.

poverty by utilizing knowledge gathered from various community-based projects throughout several states. At present, Self-Help Groups (SHGs) act as India's largest microfinance institution.

In Arunachal Pradesh, Self-Help Groups (SHGs) started to gain traction in 2008 when the government launched the Microfinance Vision 2011. This initiative aimed to establish 5,000 SHGs within three years. The Department of Women and Child Development was designated as the Nodal Department to oversee this effort. However, the vision fell short by 2011, struggling to maintain the target of 5,000 SHGs due to inadequate infrastructure. Additionally, the launch of the Swarnajayanti Gram Swarozgar Yojana (SGSY) scheme did not successfully promote the SHG movement as intended, primarily because of insufficient funding and a lack of support among various government ministries. However, when the National Rural Livelihood Mission (NRLM) Scheme was introduced in 2011, the attitude of the government of the state substantially changed. In 2016, the Arunachal State Rural Livelihood Mission (ArSRLM) took full operational responsibility and expanded its scope to include a total of 15 blocks, which comprised 8 new resource blocks and 7 existing ones. This expansion aimed to provide comprehensive support to Self-Help Groups (SHGs) and ensure the effective implementation of various programs designed to empower women in the state. Currently, the mission has been expanded to 87 fully functional blocks, covering 4,285 villages across 3,278 Gram Panchayats. There are now 11,268 registered SHGs with a total membership of 93,383 spread across 25 districts. [Roley et al. \(2024\)](#). Since Self-Help Groups (SHGs) were introduced in the state, they have had a profound impact on the lives of poor rural women by enhancing their social and political empowerment, as well as their financial stability.

These groups encourage women in tribal communities to adopt saving habits. Previously, saving was not a common practice among the indigenous population before SHGs and banks were established in rural areas. However, through the collaborative efforts of SHGs, women have successfully fostered a culture of saving. As a result, women now find it easy to access formal financial institutions, owing to the group dynamic, which helps them save a modest amount of money for unexpected expenses or future advantages. Furthermore, the influence of self-help groups extends beyond their ability to provide financial empowerment. It has made a significant contribution to the establishment of resilient livelihoods, the reduction of household vulnerability, and the advancement of community development. The well-being of households has improved, and women's decision-making responsibilities have improved. The empowerment that has taken place within households and led to broader societal changes is partially responsible for the state's decline in gender inequality. Additionally, women have been able to interact with society at large, achieve their inherent potential, and foster inclusivity by participating in Self-Help group activities.

As SHGs expanded across the state, they led to the formation of SHG Federations, which provide a more complex organisational structure. In this system, multiple SHGs merge to form Village Organizations (VOs) or Cluster Federations, which further evolve into higher-level federations collectively known as SHG Federations. While SHGs function as informal groups, SHG Federations operate as formal institutions. At present, SHG federations have produced many significant advantages, such as:

- Strengthening collective bargaining power and representation in policymaking
- Facilitating mutual learning and skill development among members.
- Reducing costs and increasing efficiency through collective efforts.
- Expanding financial opportunities through pooled resources and institutional support.(Reddy & Manak, n.d.)

OBJECTIVE OF THE STUDY

The main objective of this paper is to examine the contribution of SHGs in bridging the gap of gender inequalities in rural areas of Arunachal Pradesh.

METHODOLOGY

The study is exploratory, aiming to provide clear guidance for empirical research. It is also descriptive, focusing on factual investigation with appropriate interpretation. For this purpose, secondary data have been collected. The secondary data is from various sources, including articles, books, journals, government records, and research publications.

SIGNIFICANCE OF THE STUDY

In Arunachal Pradesh, the status of women remains similar to that in other parts of India, with gender issues receiving limited attention. The state is geographically isolated, lacks major industries, and continues to be a male-dominated society. Women's participation in political and social decision-making is minimal, as reflected in their low political representation—only five out of sixty seats (5%) in the Arunachal Pradesh Legislative Assembly are held by women. Economic independence is widely recognized as the foundation of empowerment, leading to broader social and political participation. However, economic opportunities for women remain limited. In this context, SHGs have emerged as key institutions for financial inclusion, providing rural women with access to credit and fostering entrepreneurship. Recognized as powerful tools for socio-economic upliftment, SHGs contribute significantly to women's empowerment by strengthening financial independence, decision-making abilities, and community participation.

DISCUSSION

Self-help Groups (SHGs) have been referred to and recognized in several research studies as practical, beneficial organizations that play a key role in empowering women on the social, political, and economic fronts. [Aggarwal et al. \(2021\)](#). The studies on SHGs have been carried out in various districts of the state at different times to examine and assess the role, functions and factors which contribute to women's upliftment. It has been demonstrated that Self-Help Groups (SHGs) have become an effective instrument for empowering rural women. These groups have provided capacity-building programmes by government and non-governmental organisations (NGOs), which help them participate in politics, social recognition, and financial independence.

ECONOMIC EMPOWERMENT AND FINANCIAL INCLUSION

In Arunachal Pradesh, Self-Help Groups (SHGs) actively engage in agriculture, weaving, gardening, poultry farming, pig rearing, and handicrafts, generating economic benefits that provide financial security to members during hardships.

Access to financial aid is a crucial aspect of SHG operations. While some groups secure bank loans of up to ₹100,000, many do not receive external financial support. However, consistent savings and internal lending at low interest rates have enabled members to meet their financial needs, with some groups even offering interest-free loans. As a result, many women have seen their monthly income rise from less than ₹1,000 to as much as ₹5,000 [Pandey et al. \(2024\)](#).

Despite these advantages, market access and infrastructure challenges hinder the financial growth of SHGs. Many groups rely on local village markets, limiting their profitability. Additionally, inadequate irrigation, storage, and transportation facilities reduce productivity and restrict market competitiveness.

SOCIAL AND PERSONAL EMPOWERMENT

SHGs have significantly contributed to enhancing women's confidence and self-identity. A study revealed that member of SHG have reduced financial dependence on their husbands, gained greater control over household finances and attained increased freedom to attend social events. Also improved their understanding of societal norms and gender roles.

However, despite these advances, only 7% of women had the freedom to participate in traditional decision-making institutions, highlighting the need for further efforts toward social empowerment. [Kabak and Mandal \(2016\)](#).

POLITICAL EMPOWERMENT AND LEADERSHIP

Self-help groups (SHGs) have played a crucial role in enhancing women's political awareness and engagement. A significant number of SHG members are familiar with their local MLA and political party affiliations, which have positively influenced their political participation. This growing awareness stems from their active involvement in SHG activities. Many SHG members have even contested Panchayat elections, showcasing their increased political confidence [Pandey and Yarang \(2022\)](#). However, despite these gains, several barriers continue to hinder women's active participation in governance, including a lack of formal political training, Household responsibilities and family constraints. Low literacy rates and limited access to political information.

CHALLENGES FACED BY SHGS IN ARUNACHAL PRADESH

Although self-help groups (SHGs) have a positive impact, they encounter several challenges that limit their effectiveness.

- **Limited Financial Resources:** Many Self-Help Groups (SHGs) do not receive sufficient funding, and the burden of loan repayments continues to be a challenge.
- **Restricted Market Access:** Most SHG members sold their products in local village markets at lower prices because of limited access to larger markets.
- **Lack of Advanced Training:** Existing training programs are short (2-3 days) and only cover basic skills. There is a significant need for advanced training in financial literacy, entrepreneurship, and technology use.
- **Infrastructure Limitations:** Inadequate transportation, irrigation, and storage facilities hinder productivity and reduce profitability.
- **Social and Political Barriers:** Many women encounter challenges due to insufficient formal education and face obstacles from their dual responsibilities when trying to participate in Self-Help Group activities or political processes.

RECOMMENDATIONS FOR STRENGTHENING SHGS

To enhance the impact of SHGs on women's empowerment, the following measures are recommended:

- **Boost Financial Assistance:** Offer larger loans and financial grants to Self-Help Groups (SHGs) to assist in the expansion of their businesses.
- **Improve Market Connectivity:** Create links with urban markets and encourage the use of online selling platforms.
- **Broaden Training Initiatives:** Implement long-term training sessions that focus on financial management, entrepreneurship, and the use of technology in their daily life.
- **Improve Infrastructure Development:** Allocate resources for better transportation, storage, and irrigation facilities for SHG participants.
- **Promote Male Involvement:** Initiate awareness campaigns aimed at increasing male participation and support for women's empowerment.
- **Augment Political Education:** Connect SHGs with governance bodies and provide programs for leadership development.

CONCLUSION

In Arunachal Pradesh, Self-Help Groups (SHGs) have significantly improved the economic condition of women. Before the SHG movement, the culture of saving was not widely practised among women. However, the introduction of this program has had a profound impact on their financial management by encouraging savings and enhancing economic empowerment. Moreover, women's political consciousness, social status, and financial independence. Even while SHGs have given women more opportunities in many areas, there are existing issues to address with political involvement, market opportunities, and financial access among women cohort in the state. SHGs can play an effective role in empowering rural women and promoting sustainable development in the area if they are strengthened with increased funding, advanced training, and improved infrastructure.

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