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UNDERSTANDING RURAL WOMEN'S PARTICIPATION IN SELF-HELP GROUPS (SHGs): EVIDENCE FROM ARUNACHAL PRADESH

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ABSTRACT

Self-Help Groups (SHGs) have emerged as a pivotal mechanism for empowering rural women in India, particularly through financial inclusion, social networking, and skill development. SHGs play a major contribution to poverty reduction and women empowerment. This paper attempts to find the socio-economic characteristics of the respondents and the various reasons for rural women's participation in SHGs. The review of existing literatures suggests that members get benefits in different aspects by joining. The information required for the study has been collected from both primary and secondary data. The SHG members were interviewed with the help of a structured interview schedule from Papumpare and Lower Subansiri districts of Arunachal Pradesh. The members were asked to prioritize the specific reasons for joining the group. For this study random sampling method was followed. The study is limited to the SHG members registered under Arunachal Pradesh State Rural Livelihood Mission (ArSRLM) only.

KEYWORDS - *Rural women, Self-Help Groups, Rural Development.*

INTRODUCTION

Self Help Group (SHG) is a group of women that usually consists of 10-20 members who belong to similar socio economic background. SHGs are created with the purpose of generating saving and credit organization with the logical concept of uplifting socio economic status of rural poor women. In 1975, Prof. Mohammed Yunus of Bangladesh made an experiment with micro-credit creation and women SHGs, whereby, the concept of Self Help Groups gained much significance. SHGs movements was initiated by NABARD in India in the year 1986-87, by adopting the Bangladesh model but in a modified form as a tool for poverty eradication and empowerment of the women. With the emergence of microfinance as a powerful instrument in the new economy, hence the movement of Self Help Groups and credit management thus widely spread out in India. The real take off point for SHGs movement was considered to be during the year 1992-93 when NABARD started the promotion of SHG at large scale. And the major boost to the SHGs movement was, when Reserve Bank of India allowed SHGs to open their accounts in the banks for availing the benefits of bank services in the year 1993.

With the introduction of NRLM, Self Help Groups movement gained popularity. This scheme has currently reached more than 100 million Indian rural household with more than 12 million SHGs linked to bank (NABARD, 2025). This scheme is focused on promoting self-employment and organization of rural poor. The idea behind this programme is to organize the rural poor into SHGs and make them capable for self-employment. This is one of the largest world's initiatives to improve the livelihood of poor. This programme was launched with the budget of $5.1 billion and is one of the flagship programmes of Ministry of Rural Development. This programme is supported by World Bank with credit of $ 1 Billion (www. nrlm.gov.in). With the objective of sustainable livelihood approach and upholding inclusive rural development, this scheme has emerged as the world's largest scheme towards poverty alleviation. And poverty eradication is crucial for achieving socio-economic empowerment and sustainable development.

Arunachal Pradesh State Rural Livelihood Mission or ArSRLM (an autonomous body registered under the Society Registration Act of 1860 under the aegis of government of Arunachal Pradesh) is the nodal agency responsible for implementing DAY-NRLM Scheme in our state (www.arsrlm.in).

REVIEW OF EXISTING LITERATURES

The SHG platform is one of the solution to promote the quality of life which accelerate the socio-economic development and reduce the rural poverty considerably and hence empowerment.

Reddy & Manak (2005) concluded that the SHGs federations are emerging as community owned dominant form of microfinance institutions, so there is a need for significant investment in providing institutional building support.

Anjugam & Ramasamy (2007) conducted a study to identify key factors influencing women's decisions to join SHG-based microfinance programs, findings revealed that social backwardness (ST, SC or marginalized groups) or socially disadvantaged women participate more. Households with prior indebtedness who are already trapped in high-cost debt seek SHG alternatives. And presence of other microcredit programs and demonstration effects of SHG encourage joining. Study also proved that older women and better-off households participate less.

Ballem et al. (2012) it was found in the study, that the reason behind not joining SHGs are that staff did not approach as they do not want to raise their burden of managing new groups, newlyweds who are advised to stay indoors, lack of awareness and not knowing the process to join, migration and temporary stay for employment and in some cases existing SHG members did not agree because they do not want to share their profit with new members. And the reason for dropout include migration after marriage or for employment, defaulters are removed from group to evade penalty, group conflict, no proper book keeping and inconvenience related to attending frequent meetings and visiting the federation office.

Das (2016) concluded that more of psychological and social empowerment was brought by SHGs than economic empowerment. In bringing confidence, courage, skill development and empowerment in women, the role of SHG is appreciable.

Hussain et al (2017) found that social impact of SHG programs increased the involvement of women in decision-making; awareness about various programs and organizations encourages the rural women to participate in different developmental programme of the government.

Singh et al. (2018) revealed the main reason of goat farmers joining SHGs were found to be the extension services available after joining SHGs, veterinary outreach and livelihood programs in animal husbandry. Among the key reasons include easy credit access, technical knowledge on goat farming, market linkages, group support for disease management, vaccination, saving mobilization and various social benefits.

Pradeep & Rakshitha (2019) pointed out that SHGs are proved to be an effective means for empowerment of women and addressing their interest, to facilitate rural development, socio-economic betterment of the poor. Just as working women are being respected by the household members and the society, Now a days the women in the SHGs also get respected, as they are financially far more independent than before and they are contributing to household income, savings and expenditure just as working women do.

Singh et al. (2020) in their study, the members were found to be understanding the importance of the marketing and its related activities making it an important factor. SHG were found to be facilitating the formation of social capital where people learn to work together for common purpose in a group. Thus, group activity also becomes a major factor for joining. Banking, easy credit access, finance management and saving related activities also form a major factor for members to join SHGs.

Meena (2020) tried to address a pertinent topic in rural development and poverty alleviation, where access to formal credit remains limited and exploitation by moneylenders is common. By examining members opinion on why they joined SHGs, the primary reasons cited by them were better family support, easy availability of loans, increased savings for future needs and support for establishing small businesses.

Rathwa & Patel (2023) in their study reveal a typical profile, 45% were in the middle age group, 32.22% had secondary education, 82.25% were engaged in agriculture and animal husbandry, 83.33% were married, and most families had 5-8 members with annual income below Rs 50,000 (62.80%). Study revealed that respondents have low mass media exposure. Main reason reported in the study was to supplement their family income, to meet family expenses and easy access to credit.

OBJECTIVES OF STUDY

To identify the various reasons determining rural women’s participation in Self-Help Groups.

DATA SOURCE & METHODOLOGY

The present study used both primary and secondary data for analysis considering the objective of study. The study was conducted in Papumpare and Lower Subansiri districts of Arunachal Pradesh considering its high participation rate in terms of Self-Help Groups. 10 SHGs from each district were randomly selected, making 20 SHGs in total as the sample this for study. Interviews with structured questionnaire were used for collecting primary data and for secondary data books, journals, research papers & various internet sources were accessed. Data analysis and interpretation has been done with the help of simple statistical tools. Total members interviewed were 198 from 20 SHGs from two sample districts.

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RESULTS AND DISCUSSION

To understand the reasons for women joining SHGs, researcher tried to analysed the socio-economic profile of the sample respondents. For this study, several key variables were considered, including age, educational qualification, marital status, family size and type, head of the family, occupation of the respondents as well as of their spouses, household income and other related factors.

Table 1- Socio-Economic Profile of SHG Members (N=198)

Sl.no.	Variables	Categories	Frequency	Percentage
1	Age (in years)	Below 30	08	4.04
		30-40	72	36.36
		40-50	68	34.34
		50 and above	50	25.26
2	Educational Qualification	Illiterate	27	13.64
		Primary	10	5.05
		Secondary	56	28.28
		High School	68	34.34
		Graduate	22	11.11
		Post Graduate and above	15	7.58
3	Marital status	Married	155	78.28
		Unmarried	13	6.57
		Widow	30	15.15
4	Family Size	Small (1-3)	19	9.60
		Medium (4-6)	124	62.63
		Large (more than 6)	55	27.77
5	Family Type	Joint	64	32.32
		Nuclear	134	67.68
6	Head of the family	Husband	159	80.30
		Self	31	15.66
		Parents-in-law	08	4.04
7	Occupation	Housewife	10	5.05
		Farmer	115	58.08
		Labour	03	1.51
		Business	52	26.26
		Service	18	9.09
8	Occupation of Spouse	Unemployed	02	1.01
		Farmer	79	39.89
		Labour	09	4.55
		Livestock	05	2.53
		Business	61	30.80
		Service	42	21.22
9	Annual Household Income	Below 1 lakh	34	17.17
		1-2 lakhs	81	40.91
		2-3 lakhs	69	34.84
		3 lakhs above	14	7.07

(Source-Primary Data, 2023)

Key findings from the socio-economic profile (Table-1) are as follows:

1. Most respondents belong to the age group of 30-40 years (36.4%), followed by 40-50 years (34.3%). Together, these two groups constitute 70.7% of the total respondents.
2. In terms of education, the largest proportion of respondents have completed High school (34.3%), followed by secondary schooling (28.3%).
3. Majority of respondents are married (78.28%).
4. Most respondents belong to medium sized family (62.63%), with nuclear family being dominant (67.68%).
5. In most households, husbands are still considered the head of the family (80.3%). However 15.66% of respondents reported themselves as the head of the family.
6. With regard to occupation, the largest group comprises of farmers (58.08%) followed by those engaged in business (26.3%). Spouses of respondents are largely engaged in farming (39.89%) or business (30.80%). Notably, only 1% are unemployed, indicating high economic participation among spouses.
7. Most households have an annual income between Rs 1-2 lakhs (40.91%) followed by Rs 2-3 lakhs (34.85%). This income distribution suggests that there is no extreme poverty among the sample households.

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Various possible reasons considered for this study

The following indicators were used in this study to know various reasons for joining SHG by the members:

1. To improve social status-
   Builds leadership, decision-making skills and voice in family and community as well through active participation in social and political causes
2. To improve economic status –
   SHG bridge the gap between rural poor and formal financial institutions, offering easy micro-loans at lower, flexible rates compared to traditional money lenders. Therefore, easy access to credit has been considered one of the reasons.
3. To promote saving habit-
   Members are encouraged to save small, regular amounts, building a common fund for emergency needs and future stability.
4. To initiate group activities-
   SHGs offer a platform to collectively address social issues like domestic violence, alcoholism, community health, and literacy, poverty alleviation
5. To promote skill development-
   Members receive training and exposure to enhance their capabilities, which can lead to better employment opportunities, decision making, leadership quality, entrepreneurship ideas.
6. To improve family well-being-
   The loans that SHG members receive intended to improve their livelihoods with greater and steadier flow of cash. Leads to better education, healthcare for children through increased control over resources.
7. To repay old debt-
   To repay old debt with high interest rate, SHGs offer internal as well as external loan at very low interest rates (often 1-2% per month) from group savings, then access to bank loans at 7-12% annually (subsidized under government schemes). These saves thousands in interest and prevents debt traps.
8. To improve awareness-
   Rural women are often deprived of the knowledge and awareness on health, education, women & child rights because of illiteracy, social structural, limited exposure and ignorance So, SHG becomes an ideal platform for improving necessary awareness among women.

Table 2- Descriptive statistics showing reasons of joining SHGs (N=198)

Reasons	Mean	SD	Min	Max	Rank
To improve saving habits	4.708	0.5929	1	5	I
To improve economic status	4.387	0.7416	1	5	II
To initiate group activities	4.208	0.5671	1	5	III
To repay old debt	4.143	0.7282	1	5	IV
To improve family well-being	3.934	0.6578	1	5	V
To Improve social status	3.934	0.4787	1	5	VI
To promote skill development	3.791	0.7247	1	5	VII
Awareness	3.767	0.8403	1	5	VIII

(Source: Primary Data)

Table 2 ranks the reasons for joining SHGs based on mean scores obtained from a 5 point Likert scale (1=strongly disagree to 5= strongly agree). With Cronbach's alpha= 0.8100 showing good internal consistency and reliability, the above table reveals that the most dominant reason for the surveyed women to join SHGs was 'to improve saving habits' with highest mean score of 4.708 and SD= 0.5929. This was followed by the reason 'to improve economic status' with mean score of 4.387 with SD = 0.7416, which may be attributed to better access to credit. The next important reason was to 'initiate group activities' with mean score of 4.208 (rank III), leading to self-employment and women empowerment. The reason to 'repay the old debt' also recorded high mean score of 4.143, indicating its significance among the listed options. This may be because the interest rate of SHG borrowings is lower than the debt from other sources. Hence the factors mentioned above have high mean score, highlighting their importance to the surveyed members. It can therefore be concluded that improving saving habits is the most significant reason for rural women to join SHGs. In contrast, reasons such as to improve social status and awareness recorded lowest mean score of 3.93 almost neutral, indicating that these factors were the least significant among all the listed reasons.

The standard deviation (SD) values in this table indicate the variation or dispersion of the responses around the mean for each reason of joining SHGs. A low SD indicates higher agreement or consistency among respondents, while a high SD indicates greater variability in opinions. To improve saving habits has SD 0.592 (close to the scale maximum of 5, low variation) and the highest mean 4.708, indicating a strong consensus among respondents that improving saving is the primary reason for joining SHGs, with little variations in their ratings. In contrast, awareness has the lowest mean score 0.376 with highest SD=0.84, suggesting the widest spread of opinions and relatively low importance compared to other factors.

MAJOR FINDINGS

Researcher summarize the finding by cross referencing motives with Socio-Economic profile and reasons for joining SHGs-

1. Strong financial motives-
   The dominant reasons (savings, economic status and debt repayment) reflect pressing financial needs. This is consistent with the annual household income (table-1) where 40.91% of households fall in the moderate range of 1-2 lakhs per year, indicating resource constrained but not extreme poverty. These families have sufficient income to save and repay loans but still face credit gaps and debt repayment pressures.
   Again, the occupational profile of members (58.08% farmers and 26.26% business, table-1) and occupation of spouses (39.89% farmers and 30.8% business, table-1) show heavy reliance on agriculture and small-scale entrepreneurship. Livelihoods of sample respondents are characterized by seasonal cash flow from farming leading respondents vulnerable to debt and decent earning from business. Joining SHGs for savings and economic improvement address these realities.
2. Married, middle aged women in nuclear families with greater autonomy and responsibility-
   The overwhelming majority are married i.e., 78.28% (table-1) and middle aged 70.7% ranging from 30-50 years, living in nuclear families (67.68%, table-1) of medium size (62.63%, table-1). This age bracket have greater household responsibilities, time availability and motivation for economic participation.
   In nuclear set ups, married women often bear primary responsibility for household financial management and child care. This increases the need for personal savings discipline, credit access and debt reduction explaining why 'to improve saving habits' and 'to improve family well-being' rank so highly. Nuclear family structures likely grants them more decision-making autonomy to join SHGs independently, unlike joint families where pooled resources might reduce individual motivation.
3. Moderate education supports practical financial engagement-
   Education levels are moderate (28.3% secondary and 34.3% higher secondary combining both 62.6% in total) sufficient for basic SHG record keeping, saving disciplines and understanding group activities/ credit terms. This aligns with the high ranking of 'improve saving habits' and 'initiate group activities', women with secondary education are capable of active participation but still seek economic upliftment, as higher education (only 9%) might reduce urgency for basic financial tools.

SUGGESTIONS

a. Campaigns may be organized to generate awareness to non-members local people regarding scope and benefits of SHGs, focusing particularly on saving discipline, credit access and collective economic empowerment.
b. Enhanced extension support and training to maximize SHG benefits may be encouraged.

CONCLUSION

The study reveals that women's participation in SHGs is primarily driven by strong financial motives, including the need for savings, debt repayment and economic upliftment. The majority of respondents households belong to the moderate annual income category i.e., 1-2 lakhs, with livelihood heavily dependent on agriculture and small-scale business. Seasonal cash flows from farming often create credit gaps and debt pressures. Demographically, the participants are predominantly married, middle-aged women (30-50 years) living in nuclear families of medium size. These women shoulder significant household financial responsibilities and child care duties, which further motivates them to seek personal saving and economic autonomy through SHGs. Their moderate education level (mostly secondary or higher secondary) equips them with sufficient skills for basic record-keeping, understanding credit terms and active group participation, while still maintain a strong need for economic improvement. In essence, joining SHGs serves as a practical strategy for these women to address pressing financial needs, enhance family well-being and gain greater decision-making autonomy so now they are becoming the better self of themselves.

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