



RESEARCH ARTICLE

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*Case Study of Tezu Block, Lohit District of Arunachal Pradesh*  
**A New Deal for Rural Women of Arunachal:  
Opportunities and Challenges of Self-Help  
Groups**

**ABSTRACT**

The Self-Help Groups of Arunachal Pradesh are a new experiment of recent origin. While numerous studies have been conducted on women's empowerment in the context of the role of SHGs across India, the topic is under-studied as it relates to Arunachal. This case study of SHGs illustrates the comprehensive development of women occurring on multiple fronts, alongside the challenges they encounter. They are an informal association of individuals, predominantly comprising women, who mutually uplift each other socially, politically and economically. To put it into perspective, among 131 countries, India ranks 120th in female labor force participation rates, while the incidence of gender-based violence remains unacceptably high. This paper, largely based on primary data collected during a field study carried out in 2021, aims to understand how SHGs impact tribal women economically and how these

groups help raise their economic awareness. It studies the National Rural Livelihoods Mission (NRLM), a poverty alleviation initiative of the government of India launched in 2011 that strives to mobilize impoverished rural households into SHGs to enhance their capacities to manage and enhance their livelihoods, as well as the Arunachal Pradesh State Rural Livelihoods Mission (ArSRLM), an autonomous body that serves as the nodal agency for implementing the central government's NRLM/Aajeevika schemes in the state. The present study improves our understanding of the extent to which the NRLM's philosophy is mirrored in one of the rural societies of Arunachal Pradesh.

**Keywords:** Women, Economic Empowerment, Self-Help Groups, Arunachal Pradesh

Empowerment can be defined as a “multi-dimensional social process that helps people gain control over their own lives. It is a process that fosters power (that is, the capacity to implement) in people, for use in their own lives, their communities, and in their society, by acting on issues that they define as important.”<sup>1</sup> The United Nations Population Fund defines women’s economic empowerment through five major components: women’s sense of self-worth; their right to have and determine choices; their right to have access to opportunities and resources; their right to have the power to control their own lives, both within and outside the home; and their ability to influence the direction of social change to create a more just social and economic order, nationally and internationally. These five components are particularly applicable to the economic sphere, where women’s economic

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<sup>1</sup> Nanette Page and Cheryl E. Czuba, “Empowerment: What is it?,” *Journal of Extension* 37, no. 5 (1999): 1-5.

empowerment can be achieved by targeting initiatives to expand women's economic opportunity, strengthen their legal status and rights, and ensure their voice, inclusion and participation in economic decision-making.<sup>2</sup>

In India, a serious attempt was made by the government in the direction of eradicating poverty and achieving the goals of economic empowerment in the 1970s. A general realization was made that the true goals of socio-economic empowerment of women could be achieved only after addressing the issues of poverty. The Planning Commission of India in its Fourth five-year plan (1969-1974) mainly aimed at reducing the existing forms of inequalities in income distribution and achieving social justice with a spirit of equality. Further, the Fifth five-year plan (1974-1979) was based on the theme of "removal of poverty" also known as "Garibi Hatao." The Sixth five-year plan was carried out in 1980-1985, based on similar objectives to elevate the status of the weaker sections of society and to eliminate unemployment.<sup>3</sup>

Given the enormity and unprecedented nature of the prevailing situation at the time, a large number of poverty alleviation programs were initiated by the government based on the perspective of the Planning Commission. The Integrated Rural Development Programme, introduced in 1980-81, was the first major self-employment scheme that continued till April 1, 1999. It was then restructured as the Swarnjayanti Gram Swarozgar Yojana (SWGY) which aimed at self-employment of the rural poor as a holistic program covering all aspects of self-employment,

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<sup>2</sup> "UNDP Annual Report 2022, United Nations Development Programme," UNDP, accessed October 18, 2020, <https://www.undp.org/publications/undp-annual-report-2022>

<sup>3</sup> India.gov.in, National Portal of India, accessed October 18, 2020, <https://www.india.gov.in/>

including organization of rural poor, training, participatory approach to planning of self-employment ventures, and provision of infrastructure facilities, technology, credit and marketing arrangements.<sup>4</sup> The SWGY program has now been reconstructed as National Rural Livelihood Mission (NRLM) and renamed as Deendayal Upadhyay Antyodaya Yojana. The Self-Help Groups are promoted and supported under this program, enabling the members to avail banking services and gain financial independence, significantly sowing the seeds of women's economic empowerment.

The story of Self-Help Groups began in 1976 with the establishment of Bangladesh Grameen Bank as a means of providing small loans to poor people under the direction of Professor Mohammed Yusuf, who is widely credited for his remarkable initiative to improve the livelihood of the rural population. It was a massive achievement, providing a huge impetus to India's Self-Help Groups' movement. In India, the establishment of Self-Employed Women Association (SEWA) as a trade union in 1972 to provide informal employment to women was the first major development in the promotion of self-help groups. SEWA provided training to its members and ran a bank that gave access to savings and credit for members.<sup>5</sup>

In the 1990s, the National Bank for Agriculture and Rural Development (NABARD) played a crucial role in promoting and strengthening Self-Help Groups in India. NABARD initiated the SHG-Bank Linkage Program in 1992 to provide financial support to SHGs and

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<sup>4</sup> Ministry of Rural Development, Government of India, accessed October 18, 2020, <https://rural.nic.in/en>

<sup>5</sup> "Self-Employed Women's Association," Encyclopedia Britannica, last modified April 28, 2017, accessed October 18, 2020, <https://www.britannica.com/topic/Self-Employed-Womens-Association>

link them with formal banking institutions.<sup>6</sup> Recognizing the potential of SHGs, the Indian government launched the Swarnajayanti Gram Swarozgar Yojana (SGSY) in 1999. This program aimed to alleviate poverty and generate sustainable self-employment opportunities in rural areas by promoting SHGs. Subsequently, other government schemes like the National Rural Livelihoods Mission (NRLM) and Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM) introduced in 2011 further expanded the SHG movement across the country.<sup>7</sup>

The government of Arunachal Pradesh agreed in 2008 to implement Microfinance Vision 2011 with the aim of promoting 5,000 SHGs within three years, till 2011.<sup>8</sup> To carry out the task, the Department of Women and Child Development was established as a nodal department. However, owing to a shortage of support systems, the 2011 vision was unable to achieve its goal of supporting 5,000 SHGs and lost its momentum. Because of a lack of adequate funding and cooperation from different government departments, the Swarnajayanti Gram Swarazagar Yojana (SGSY) scheme, introduced in the state, was unable to achieve the desired results in moving forward the SHG movement. In recent years, there has been a significant shift in the government's attitude and understanding of the promotion of SHGs, especially after the implementation of the National Rural Livelihood Mission Scheme in 2011, which is the world's largest poverty alleviation program.

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<sup>6</sup> National Bank for Agriculture and Rural Development (NABARD) official website, accessed October 18, 2020, <https://www.nabard.org/>

<sup>7</sup> Ministry of Rural Development, Government of India, accessed October 18, 2020, <https://rural.nic.in/en>

<sup>8</sup> Akepi Ehili, "Problems of Self Help Groups with Special Reference to State Micro Finance Vision 2011, Arunachal Pradesh," *International Journal of Research in Commerce, IT & Management*, Volume 3 (2013).

The Arunachal State Rural Livelihood Mission is the nodal agency which is responsible for implementing NRLM/Aajeevika schemes in the state. The NRLM's mission is to reduce poverty by enabling poor households to access gainful self-employment and skilled wage employment opportunities, in order to achieve an appreciable improvement in their livelihood on a sustainable basis, though building a string of grassroots institutions of the poor. It is guided by the following principles:<sup>9</sup>

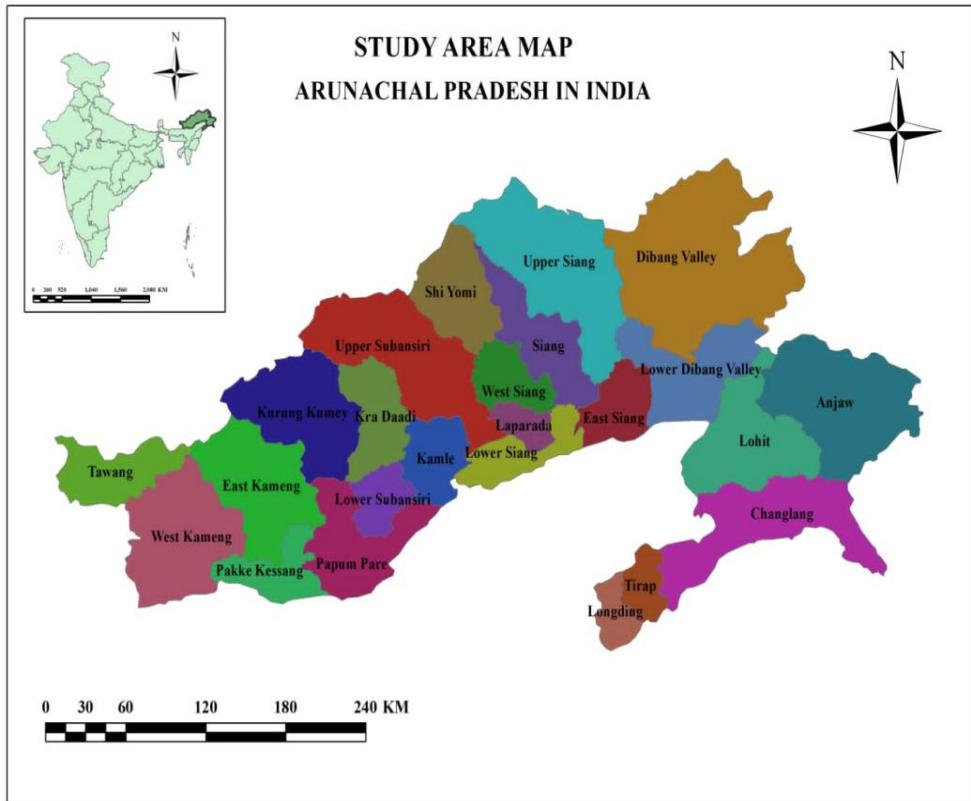
- The poor have a strong desire to come out of poverty, and they have innate capabilities.
- Achieving social mobilization and building strong institutions for the poor is critical for unleashing their innate capabilities.
- An external dedicated and sensitive support structure is required to induce social mobilization, institution building, and the empowerment process.
- Facilitating dissemination of knowledge, skill building, access to credit, access to marketing, and access to other livelihood services underpins the upward mobility.

## **Objectives of the Study**

The objectives of the present study are to understand the work performed by women through SHGs and its impact on economic empowerment of women in rural areas. The study also aims to understand the challenges and opportunities as well as the prospects of SHGs in the economic empowerment of women. The paper offers important recommendations to make the working of SHGs better and efferent.

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<sup>9</sup> Arunachal State Rural Livelihoods Mission, Government of Arunachal Pradesh, accessed October 18, 2020, <http://www.arsrlm.in>



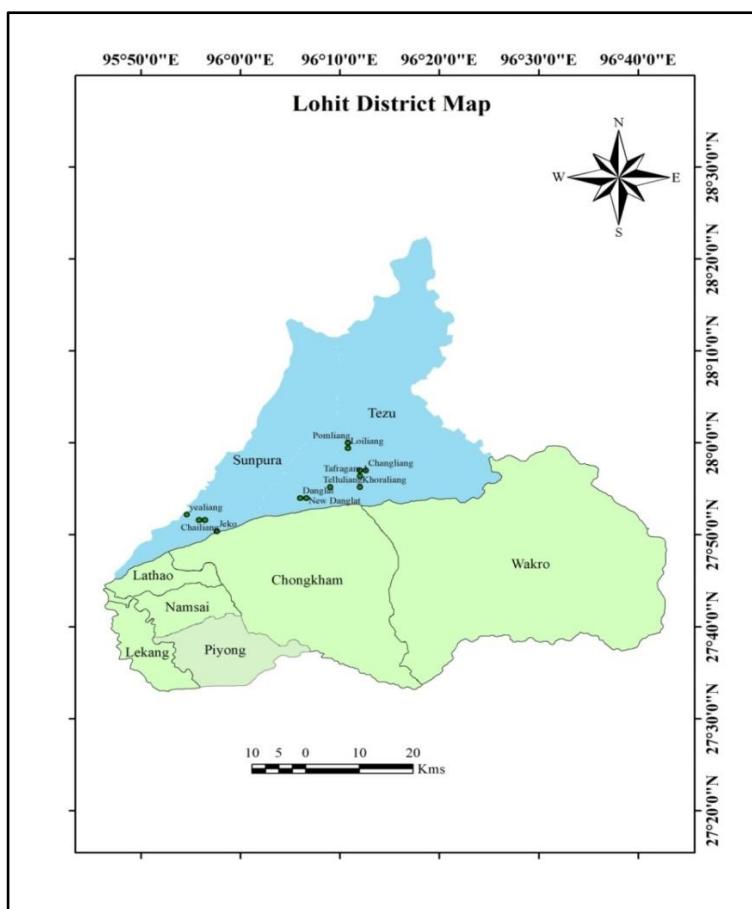
Map of Arunachal Pradesh created by the authors, showing the study area of Lohit district located on the eastern side of the state.

## Methodology

The present study is analytical, descriptive, and empirical in nature, in which the researchers have used both primary and secondary sources. With respect to primary sources, an extensive field survey was conducted in a time bound manner. Interviews using questionnaires were used as a tool of data collection under primary sources. On the other hand, books, journals and research papers were consulted for secondary sources of data collection. There are two blocks in Lohit district of Arunachal Pradesh where SHGs are functional, namely Tezu and Wakro. Tezu block has the highest number of SHGs with 111 active groups with a total of 939

members. Therefore, the researchers selected only Tezu block of Lohit district, based on the largest concentration of SHGs as one of the parameters. It is also necessary to mention that these 111 SHGs are spread over 19 Gram Panchayats of Tezu Block. To serve the purpose of the study, total of 13 SHGs were selected from 13 Gram Panchayat segments, i.e., one SHG from each Gram Panchayat segment by applying a stratified random sampling method based on the population of tribal women. Further, the study is based on a total of 111 respondents which consist of all the members of 13 selected SHGs.

### Map of Tezu Block under Lohit District of Arunachal Pradesh



## **Area of Study**

The present research, as stated above, was conducted at Tezu block in the Lohit district of Arunachal Pradesh. Tezu, one of Arunachal Pradesh's oldest and fifth largest towns, is situated on the banks of the Lohit River at 27.92 N, 96.17 E amid the Mishmi Hills. According to the 2011 census report, it has a population of 18,184 people, with 9,743 males and 8,441 females. It is the administrative headquarters of Lohit district and is surrounded by about 50 villages. The average literacy rate is 83.98 percent, with male literacy of 88.29 percent and female literacy of 78.94 percent. The Sex Ratio of Tezu Circle is 874, denoting that for every 1,000 men there were 874 females in Tezu Circle, according to the 2011 Census. The region is predominantly inhabited by Digaru and Miju-Mishmi tribes of Arunachal Pradesh. The major festival that they celebrate is Tam-ladu. The region is also gifted with scenic beauty and falls under major tourist hotspots in Arunachal Pradesh.

## **Significance of the Study**

The establishment of SHGs holds immense significance for various socio-economic reasons. First, they play a pivotal role in alleviating poverty by fostering a sense of collective empowerment among members, enabling them to pool resources and access financial services for improved economic stability. Second, SHGs contribute to increasing employment opportunities by nurturing entrepreneurship and skill development within their members, thereby enhancing their employability. Third, these groups act as catalysts for accelerating economic growth at the grassroots level, as they stimulate local economic activities and promote small-scale enterprises. Moreover, SHGs offer a pathway for individuals to elevate their social status by providing a platform for participation, leadership, and community

engagement. Lastly, their focus on promoting income-generating activities fosters sustainable livelihoods and contributes to overall economic betterment, thus underscoring their multifaceted importance in establishing inclusive development.



Members of the Suyaa Self-Help Group. Photo by the authors.

## Discussion

In Arunachal Pradesh, like in many other Indian states, there are significant gender disparities, seen in the lack of social and economic security for women who face challenges in finding job opportunities due to the prevalence of occupational stereotyping and cultural expectations that deny them equal treatment with men.<sup>10</sup> Their participation in the

<sup>10</sup> "Arunachal's Tribal Women Are Far from Being Better Off Than Men," accessed November, 13, 2023, <https://thewire.in/women/arunachals-tribal-women-are-far-from-being-better-off-than-men>

political sphere is also limited at both the local and higher levels, which can impact policy decisions and government inclusivity. The participation of women in the workforce in Arunachal Pradesh has been steadily declining from 45.60 percent in 1981 to 37.50 percent in 1991, 36.50 percent in 2001, and down to 35.40 percent in 2011.<sup>11</sup> The consistent downward trend indicates that women face obstacles in finding jobs in the state.

The women of the state have historically confronted numerous barriers in securing good jobs, irrespective of their literacy. Only 59.60 percent of women in Arunachal Pradesh are literate, according to the 2011 census.<sup>12</sup> In contrast, women are more literate in the area of the present research in Tezu block in the Lohit district of Arunachal Pradesh which has an average literacy rate of 83.98 percent, with male literacy of 88.29 percent and female literacy of 78.94 percent, according to the 2011 Census. Despite the better education of Tezu women, they are less literate than men. Literary rates among women vary across the districts of Arunachal Pradesh, with Tezu exhibiting relatively higher literary than other areas.

Eradication of poverty is crucial for socio-economic empowerment and a primary objective of sustainable development goals. In India, where the overall socio-economic status of women has historically been a cause for concern, the statistics have shown low female labor force participation rates and unacceptably high levels of gender-based

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<sup>11</sup> Labour Bureau, Ministry of Labour and Employment, Government of India, *Statistical Profile on Women Labour, 2012–2013*.  
<https://labourbureau.gov.in/statisticalprofileonwomenlabour>

<sup>12</sup> Arunachal Pradesh Population, Sex Ratio, Literacy  
<https://www.census2011.co.in/census/state/arunachal+pradesh.html>

violence. The declining proportion of female work engagement in Arunachal Pradesh indicates limited economic opportunities for women in the state.

The participation of males in SHG activities is almost non-existent because there is limited provision for them, as men are already in a more advantageous position than women in the state. The study, therefore, primarily focuses on women who are underprivileged members of society.

A hierarchy of Self-Help Groups has emerged in the prevailing circumstances. As there were many SHGs in the various villages, the Arunachal Pradesh State Rural Livelihoods Mission, or ArSRLM (an autonomous body registered under the Society Registration Act of 1860 under the aegis of the government of Arunachal Pradesh), clubbed them into the Primary Level Federation or PLF, which consists of several of these groups, usually with ten or more members. Banks often lend money to PLFs, which then loan it to specific SHGs based on their activity. The PLF is the main link for all self-help groups in an area, and there can be several PLFs in one block. Above the PLF is the Community Level Federation, or CLF, representing the highest level of the SHG hierarchy. The CLF serves the same function as the PLF, but it brings together several PLFs to promote collaboration among all SHGs in a specific area.

Some of the key variables taken for the study in order to access the economic empowerment of women through the role of SHGs encompass the following elements: involvement of the members in income generating activities; sources of loans and subsidies of SHGs; economic activism, and market facilities given to the members, as well as the nature of their training on skill development.

**Table 1.1**  
**List of Self-Help Groups with Name, Year of Formation, and Economic Activities**

| No. | Name of SHGs | Economic Activities             | Year of Formation |
|-----|--------------|---------------------------------|-------------------|
| 1   | Sharinke     | Farming                         | 2018              |
| 2   | Mamnumai     | Farming, Weaving and Gardening  | 2017              |
| 3   | Palapphan    | Farming                         | 2018              |
| 4   | Aanaya       | Farming                         | 2019              |
| 5   | Songmann     | Farming, Poultry and Piggery    | 2019              |
| 6   | Jordan       | Farming                         | 2019              |
| 7   | Manumiya     | Farming and Weaving             | 2017              |
| 8   | Suyaa        | Potato farming                  | 2018              |
| 9   | Ringya       | Farming                         | 2018              |
| 10  | Neli         | Farming                         | 2018              |
| 11  | Chidaliang   | Farming                         | 2017              |
| 12  | Ningrujang   | Farming, Weaving and Handicraft | 2018              |
| 13  | Chongkhamai  | Farming                         | 2019              |

Source: Compiled by the Authors based on their field survey.

It is evident that almost all 13 SHGs were formed recently under the Arunachal Pradesh State Rural Livelihood Mission Plan and that they perform more or less similar economic activities, with farming being the most common. Weaving, gardening, poultry, piggery, and handicraft are only done by a few SHGs, namely Mamnumai, Songmaan, Manumiya, Suyaa and Ningrujang.

During the study, it was discovered that there is a variation in the membership of SHGs, with 6, 7, 8, 9, and 10 (corresponding to the names in Table 1.1) comprised entirely of female members. Table 1.2 displays this information. The table depicts the differing numbers of SHG membership, with four SHGs having eight members, three SHGs (ten members), four SHGs (nine members), one SHG (six members), and one SHG (seven members). The reason for the small number of members in the SHGs (no more than 11) can be due to the groups' recent formation.

**Table 1.2**  
**Membership of Self-Help Groups**

| No. | Name of SHGs | Total Members | Males | Females |
|-----|--------------|---------------|-------|---------|
| 1   | Sharinke     | 8             | Nil   | 8       |
| 2   | Mannumai     | 8             | Nil   | 8       |
| 3   | Palapphan    | 10            | Nil   | 10      |
| 4   | Aanaya       | 9             | Nil   | 9       |
| 5   | Songmann     | 7             | Nil   | 7       |
| 6   | Jordan       | 8             | Nil   | 8       |
| 7   | Manumiya     | 8             | Nil   | 8       |
| 8   | Suyaa        | 9             | Nil   | 9       |
| 9   | Ringya       | 6             | Nil   | 6       |
| 10  | Neli         | 9             | Nil   | 9       |
| 11  | Chidaliang   | 10            | Nil   | 10      |
| 12  | Ningrujang   | 9             | Nil   | 9       |
| 13  | Chongkhamai  | 10            | Nil   | 10      |
|     | Total        | 111           | 0     | 111     |

Source: Compiled by the Authors based on their field survey.

SHGs that follow the “Panchasutra” principles—holding frequent meetings, maintaining regular savings, regular “internal loans” and regular recoveries, as well as keeping proper records—are better positioned to take loans from banks (Note: internal loans within SHGs form a major component of their financial operations. Members contribute to establish a common fund, which is then used to grant loans to members for various purposes, such as launching or expanding a small business, or addressing personal financial needs). The internal borrowing system relies on trust and mutual participation. SHG members collectively decide on the terms and conditions for loans, including interest rates, repayment schedules, and the purpose for which the loans can be used. The aim is to provide access to credit for individuals who may not have access to traditional banking services. If an SHG’s books are in good shape, the bank will demonstrate a positive attitude towards providing credit, based on the activeness of the group. Table 1.3 shows the amount of loans sanctioned to the SHGs by the

Arunachal Pradesh Rural Bank (Tezu branch). Out of the 13 SHGs, only 5 SHGs—Mamnummai, Jordan, Suyaa, Ringya, and Chidaliang have received individual loans of Rupees 100,000 each directly from the bank at an annual interest rate of 7 percent, while 4 SHGs, namely, Sharinke, Manumiya, Neli, and Ningrujang have received Rupees 100,000 each as loan through the Primary Level Federation (PLF) at 9 percent interest rate. The remaining 3 SHGs (Palapphan, Aanaya, and Chongkhamai) had not received any loan at press-time. None of the SHGs had received any subsidies from the government. However, on many occasions, the state Agricultural Department had helped the members by providing them necessary agricultural tools and equipment. During the course of our field study, the SHG Suyaa pointed out that a farm school was set up by the Agricultural Department to impart innovative ideas to the members in the effective and efficient use of agricultural techniques.

**Table 1.3**  
**Loan and Subsidy Provided to SHGs**

| No. | Name of SHGs | Amount of Loan and Subsidy         |
|-----|--------------|------------------------------------|
| 1   | Sharinke     | Rs 100,000 PLF loan and no subsidy |
| 2   | Mamnummai    | Rs 100,000 PLF loan and no subsidy |
| 3   | Palapphan    | No loan and subsidy as of now      |
| 4   | Aanaya       | No loan and subsidy as of now      |
| 5   | Songmann     | No loan and subsidy as of now      |
| 6   | Jordan       | Rs 100,000 PLF loan and no subsidy |
| 7   | Manumiya     | Rs 100,000 PLF loan and no subsidy |
| 8   | Suyaa        | Rs 100,000 PLF loan and no subsidy |
| 9   | Ringya       | Rs 100,000 PLF loan and no subsidy |
| 10  | Neli         | Rs 100,000 PLF loan and no subsidy |
| 11  | Chidaliang   | Rs 100,000 PLF loan and no subsidy |
| 12  | Ningrujang   | Rs 100,000 PLF loan and no subsidy |
| 13  | Chongkhamai  | No loan and subsidy as of now      |

Source: Compiled by the Authors based on their field survey.

Their dismal economic performance and their recent origin are the two major reasons why many SHGs have still not been able to avail

financial services. However, there is a positive approach on the part of bank which has recently announced that a Rs 200,000 individual loan shall be provided to the SHGs depending upon the activeness and economic profile of the members. The SHGs have submitted a proposal asking for a reduction of the interest rate on bank loans to 5 percent per annum.

Table 1.4 shows that all the SHGs have raised a good deal of funds to be used mainly for common purposes relating to the domestic needs of the members. Even after receiving a bank loan, the amount of monthly contribution on the part of each SHG has always remained identical ever since their inception. The monthly contribution is a way of saving money regularly, typically done weekly. The money each person puts in goes into a shared account for emergencies. Members can borrow from this account with either a 1 percent or 0 percent interest rate, so they do not have to rely on moneylenders, thus providing both financial and moral support. The highest contributor is Mamnumai with Rs. 3,200 monthly contribution, whereas Jordan is the lowest one with a monthly contribution of only Rs. 640.

**Table 1.4**  
**Savings Amounts of Self-Help Groups**

| No. | Name of SHGs | Before Receiving<br>Loan and Subsidy | After Receiving Loan and<br>Subsidy |
|-----|--------------|--------------------------------------|-------------------------------------|
| 1   | Sharinke     | Rs. 1,600                            | Rs. 1,600                           |
| 2   | Mamnumai     | Rs. 3,200                            | Rs. 3,200                           |
| 3   | Palapphan    | Rs. 2,000                            | Rs. 2,000                           |
| 4   | Aanaya       | Rs. 1,080                            | Rs. 1,080                           |
| 5   | Songmann     | Rs. 1,400                            | Rs. 1,400                           |
| 6   | Jordan       | Rs. 640                              | Rs. 640                             |
| 7   | Manumiya     | Rs. 1,500                            | Rs. 1,500                           |
| 8   | Suyaa        | Rs. 1,080                            | Rs. 1,080                           |
| 9   | Ringya       | Rs. 1,200                            | Rs. 1,200                           |
| 10  | Neli         | Rs. 1,440                            | Rs. 1,440                           |
| 11  | Chidaliang   | Rs. 2,000                            | Rs. 2,000                           |
| 12  | Ningrujang   | Rs. 1,800                            | Rs. 1,800                           |

|    |             |           |           |
|----|-------------|-----------|-----------|
| 13 | Chongkhamai | Rs. 2,000 | Rs. 2,000 |
|----|-------------|-----------|-----------|

Source: Compiled by the Authors based on their field survey.

Table 1.5 shows the prevalence of the practice by all the SHGs to extend internal loans. Out of the total 13 sample SHGs, there is only one SHG—Jordan—that provides loans to both its members and to outsiders. The interest rate for members is 1 percent while there is 10 percent interest rate for outsiders. The remaining 12 SHGs disburse loans among their own members only. The SHGs that have granted loans to their members in the amount ranging from Rs. 5,000 to Rs. 10,000 are Sharinke, Palaphan, Aanaya, Songmann, Jordan, Gaurav, Ringya, Ningruijang, and Chongkhamai, whereas three SHGs (Suyaa, Neli, and Chidaliang) have granted loans to their members in amounts ranging between Rs. 10,000 to Rs. 20,000. The only SHG that has given a loan of up to Rs. 30,000 is Mamnumai. As far as the interest rate is concerned, three SHGs (Palapphan, Jordan, and Ningruijang) are charging 1 percent, and nine SHGs (Sharinke, Mamnumai, Aanaya, Songmann, Manumiya, Suyaa, Ringya, Neli, and Chongkhamai) charge 2 percent. Surprisingly, it was found that Chidaliang did not charge any interest for the grant of an internal loan.

**Table 1.5**  
**Loans to Members of SHGs and to Non-Members**

| No. | Name of SHGs | Loans Granted to Members and Monthly Interest Rate | Loans granted to Non-Members and Monthly Interest Rate |
|-----|--------------|--|--|
| 1   | Sharinke     | Rs. 5,000 to Rs. 10,000 at 2% interest rate        | Nil  |
| 2   | Mamnumai     | Rs. 20,000 to Rs. 30,000 at 2% interest rate       | Nil  |
| 3   | Palapphan    | Rs. 5,000 to Rs. 10,000 at 2% interest rate        | Nil  |
| 4   | Aanaya       | Rs. 5,000 to Rs. 10,000 at 2% interest rate        | Nil  |
| 5   | Songmann     | Rs. 5,000 to Rs. 10,000 at 2% interest rate        | Nil  |

|    |             |   |  |
|----|-------------|---|--|
| 6  | Jordan      | Rs. 5,000 to Rs. 10,000<br>at 2% interest rate  | Rs.5000 to 10000 at<br>10% interest rate |
| 7  | Manumiya    | Rs. 5,000 to Rs. 10,000<br>at 2% interest rate  | Nil                                      |
| 8  | Suyaa       | Rs. 10,000 to Rs. 20,000<br>at 2% interest rate | Nil                                      |
| 9  | Ringya      | Rs. 5,000 to Rs. 10,000<br>at 2% interest rate  | Nil                                      |
| 10 | Neli        | Rs. 5,000 to Rs. 10,000<br>at 2% interest rate  | Nil                                      |
| 11 | Chidaliang  | Rs. 10,000 to Rs. 20,000<br>at 2% interest rate | Nil                                      |
| 12 | Ningrujang  | Rs. 5,000 to Rs. 10,000<br>at 2% interest rate  | Nil                                      |
| 13 | Chongkhamai | Rs. 5,000 to Rs. 10,000<br>at 2% interest rate  | Nil                                      |

Source: Compiled by the Authors based on their field survey.

Table 1.6 shows that all the 13 Self-Help Groups are engaged, more or less, in similar economic activities to generate income and earn their livelihood. Farming is the most common economic activity practiced by all, followed by weaving, which is represented by three SHGs, namely Mamnumai, Manumiya, and Ningrujang. Gardening is also a major economic activity for the Mamnumai SHG. Although poultry and piggery are the two most important economic activities among rural families, there is only one SHG, Songmann, involved in these activities. Again, only the Ningrujang Self-Help Group represents handicraft as an economic activity.

**Table 1.6**  
**Main Sources of Income**

| No. | Name of SHGs | Economic Activities            | Sources of Income  |
|-----|--------------|--------------------------------|--|
| 1   | Sharinke     | Farming                        | Income derived from farming  |
| 2   | Mamnumai     | Farming, Weaving and Gardening | Sale of handloom products in the form of traditional attire at exhibitions, and sale of vegetables at the market, (bamboo pickles, etc.) |

|    |             |                                 |  |
|----|-------------|---------------------------------|--|
| 3  | Palapphan   | Farming                         | Sale of agricultural products at the market                          |
| 4  | Aanaya      | Farming                         | Sale of agricultural products at the market                          |
| 5  | Songmann    | Farming, Poultry and Piggery    | Sale of pigs, chickens, and agricultural products at the market      |
| 6  | Jordan      | Farming                         | Income derived from farming  |
| 7  | Manumiya    | Farming and Weaving             | Sale of agricultural products at the market, and running small shops |
| 8  | Suyaa       | Farming                         | Sale of agricultural products at the market.                         |
| 9  | Ringya      | Farming                         | Sale of agricultural products at the market.                         |
| 10 | Neli        | Farming                         | Income derived from farming  |
| 11 | Chidaliang  | Farming                         | Income derived from farming  |
| 12 | Ningrujang  | Farming, Weaving and Handicraft | Sale of agricultural products and handloom items.                    |
| 13 | Chongkhamai | Farming                         | Sale of agricultural products at the market.                         |

Source: Compiled by the Authors based on their field survey.

**Table 1.7**  
**Average Monthly Income of the Members before Joining SHGs**

| No. | Name of SHGs | No. of Members with Monthly Income less than Rs.1,000 | No. of Members with Monthly Income more than Rs.1,000 | Total Members |
|-----|--------------|---|---|---------------|
| 1   | Sharinke     | 8   | Nil   | 8             |
| 2   | Mamnumai     | 8   | Nil   | 8             |
| 3   | Palapphan    | 10  | Nil   | 10            |
| 4   | Aanaya       | 9   | Nil   | 9             |
| 5   | Songmann     | 7   | Nil   | 7             |
| 6   | Jordan       | 8   | Nil   | 8             |
| 7   | Manumiya     | 8   | Nil   | 8             |
| 8   | Suyaa        | 9   | Nil   | 9             |
| 9   | Ringya       | 6   | Nil   | 6             |
| 10  | Neli         | 9   | Nil   | 9             |
| 11  | Chidaliang   | 10  | Nil   | 10            |
| 12  | Ningrujang   | 9   | Nil   | 9             |
| 13  | Chongkhamai  | 10  | Nil   | 10            |

Source: Compiled by the Authors based on their field survey.

Table 1.7 makes it clear that before becoming a member of an SHG, women were not in a position to support themselves economically with adequate amount of income. Prior to entering Self-Help Groups, all 111 members earned less than Rs. 1,000 per month. Table 1.8 shows members' monthly income since joining the Self-Help Groups. After joining the SHGs, all the members gained many economic opportunities and were able to increase their income from Rs. 2,000 to Rs. 5,000 per month. Out of the total of 111 members, 26 earned up to Rs 2,000, while 70 earned up to Rs 3,000 per month. The remaining 15 members were able to earn about Rs 5,000 per month.

**Table 1.8**  
**Average Monthly Income of the Members after Joining SHGs**

| No. | Name of SHGs | No. of Members with Monthly Income up to Rs.2,000 | No. of Members with Monthly Income up to Rs.3,000 | No. of Members with Monthly Income up to Rs.5,000 | Total Members |
|-----|--------------|---|---|---|---------------|
| 1   | Sharinke     | Nil   | Nil   | 8   | 8             |
| 2   | Mamnumai     | Nil   | 8   | Nil   | 8             |
| 3   | Palapphan    | Nil   | 10  | Nil   | 10            |
| 4   | Aanaya       | Nil   | 9   | Nil   | 9             |
| 5   | Songmann     | Nil   | Nil   | 7   | 7             |
| 6   | Jordan       | 8   | Nil   | Nil   | 8             |
| 7   | Manumiya     | Nil   | 8   | Nil   | 8             |
| 8   | Suyaa        | Nil   | 9   | Nil   | 9             |
| 9   | Ringya       | Nil   | 6   | Nil   | 6             |
| 10  | Neli         | 9   | Nil   | Nil   | 9             |
| 11  | Chidaliang   | Nil   | 10  | Nil   | 10            |
| 12  | Ningrujang   | 9   | Nil   | Nil   | 9             |
| 13  | Chongkhamai  | Nil   | 10  | Nil   | 10            |

Source: Compiled by the Authors based on their field survey.

## Market Facilities

The market is the main channel for the SHGs to sell all types of goods directly to customers. However, there is no well-established market for SHG members where they can easily sell their goods at a reasonable

price. The only market facility given to them is the APMC market near Tezu Airfield, which is used by only a few SHGs such as Mamnumai, Chongkhamai, Songmann, Ringya, and Suyaa. The rest of the members of SHGs sell their agricultural products at local markets in their own villages.

### **Training Facility Provided to the SHG Members**

The SHGs are aware that training involves a process of gaining new knowledge and learning new skills to perform certain tasks in a more efficient and effective manner. The skill development of the people and their overall managerial capacity to a large extent depends upon the effectiveness of training. Since the 13 sample SHGs at Tezu block perform different kinds of functions, they receive training from time to time for a period of two or three days directly from the Arunachal Rural Livelihood Mission Block Mission Management unit in Tezu. There are many other training imparting agencies but the members have not received a considerable degree of training, especially on capacity building and skill development.



Members of the Mamnumai Self-Help Group. Photo by the authors.

## Major Findings

- **Recent Formation of SHGs:** All 13 SHGs were formed recently between 2017 and 2019, under the Arunachal Pradesh State Rural Livelihood Mission Plan. The newness indicates a recent push for economic empowerment at the grassroots level.
- **Homogeneity in Economic Activities:** The SHGs engage in various economic activities, with farming being the most common across all groups. Weaving, gardening, poultry, piggery, and handicraft are also pursued by a few groups. The homogeneity in economic activities suggests a focused effort to enhance livelihoods through agriculture-related endeavors.
- **Female-Dominated Membership:** The membership of SHGs primarily consists of females. Some groups are exclusively composed of female members, indicating an emphasis on women's empowerment and economic inclusion.
- **Small Bank Loan and Financing:** SHGs have access to financial services through a local bank, where loans are provided primarily based on economic performance, the level of savings, and group activity. The loans have been relatively small (up to Rs. 100,000) due to the groups' recent formation. A Primary Level Federation (PLF) has access to higher loans.
- **Limited Subsidies:** While no major subsidies are provided by the banks, the state Agricultural Department offers some economic incentives to SHG members, particularly in the form of tools and equipment to support agricultural activities.
- **Savings and Loan Utilization:** SHGs maintain common bank accounts for savings. Members' contributions remain consistent even after receiving loans, indicating a disciplined savings culture. Loans are used for various purposes such as solving

domestic problems, purchasing agricultural equipment, setting up small businesses, medical expenses, and children's education.

- **Internal Loans and Mutual Trust:** Internal loans among SHG members are common, with very low-interest rates. One SHG operates without charging any interest, reflecting the mutual trust among members. Such an internal lending mechanism helps members during economic crises.
- **Increased Income:** SHGs have significantly increased members' income. Before joining the groups, most members earned less than Rs. 1,000 per month. After joining, members' incomes range from Rs. 2,000 to Rs. 5,000 per month, showcasing the positive impact of SHGs on economic empowerment.
- **Limited Market Facilities:** Limited market facilities are available to SHGs, with only a few groups utilizing the APMC market to sell their goods. The majority sell their products within their villages.
- **Limited Training:** Training programs provided by the Arunachal Rural Livelihood Mission Block Mission Management unit have focused on enhancing members' self-reliance, self-confidence, managerial skills, and agricultural practices. The training duration is around two to three days, contributing to members' skill development and overall well-being.

## Major Problems

- **Limited Access to Finance:** Although the SHGs receive loans from the bank, the loan amounts are relatively small, and not all groups have received loans. The limited access to finance may hinder their ability to invest in larger-scale income-generating activities, purchase necessary equipment, or expand their businesses.

- **Lack of Subsidies:** The absence of subsidies from the bank could be a challenge for SHGs, especially since many of them are engaged in agriculture. Lack of financial support from the bank in the form of subsidies might limit their capacity to adopt modern farming techniques, purchase quality seeds, or invest in other agricultural inputs.
- **Limited Market Access:** Limited access to established markets and market facilities might hinder SHG members from selling their products at competitive prices. This could impact their ability to earn a sustainable income from their economic activities.
- **Limited Skill and Capacity Building:** While training is provided to SHG members, the effectiveness of these training sessions in building long-term skills and capacities might vary. Inadequate training could limit the members' ability to manage their group affairs effectively, adopt modern agricultural practices, or run their businesses efficiently.
- **Lack of Sustainability:** The recent formation of most SHGs might pose a challenge in terms of their long-term sustainability. It takes time for groups to establish strong systems, build trust among members, and develop effective strategies for growth and financial stability.
- **Interest Rates and Loan Burden:** Although the interest rates for loans are relatively low, the burden of loan repayment, along with the interest, might still impact the financial situation of the SHG members, particularly if their income-generating activities do not yield the expected results.
- **Limited Infrastructure and Technology:** Limited access to modern infrastructure and technology might impact the

efficiency of the members' economic activities, particularly in areas like agriculture where technology can significantly enhance productivity.

- **Lack of Awareness:** Some SHG members might lack awareness about government schemes, subsidies, and support available to them, which could result in missed opportunities for growth and development.

## Recommendations

- **Diversification of Economic Activities:** Encourage SHGs to explore a broader range of income-generating activities beyond farming, such as value-added processing of agricultural products, cottage industries, or service-oriented businesses. These measures can help reduce dependency on a single source of income.
- **Capacity-Building Workshops:** Collaborate with specialized organizations to conduct targeted capacity-building workshops that focus on skill enhancement, financial literacy, bookkeeping, and effective management of SHG affairs. The workshops will equip members with the necessary skills to run their businesses efficiently.
- **Market Linkages and Access:** Facilitate better market access for SHG products by organizing regular market days, exhibitions, and fairs. Establish partnerships with local markets, retail chains, and online platforms to help SHG members sell their products at better prices.
- **Technical Training:** Provide technical training in modern farming techniques, livestock management, and product quality enhancement. The training can improve agricultural productivity

and the quality of products, making them more competitive in the market.

- **Access to Financial Services:** Advocate for larger loan amounts from banks and financial institutions to enable SHGs to undertake more substantial economic initiatives. Also, explore opportunities for microfinance programs tailored to SHGs' needs.
- **Subsidy Advocacy:** Collaborate with relevant authorities to explore the possibility of providing subsidies or grants to SHGs, especially those engaged in agriculture. The collaborations can help them invest in improved farming practices, equipment and technologies.
- **Networking and Collaboration:** Facilitate networking among SHGs to encourage knowledge sharing, and collective problem-solving. Strengthening the sense of community can lead to mutual support and growth.
- **Regular Monitoring and Evaluation:** Establish a system for continuous monitoring and evaluation of SHG activities. Regular assessments can help identify challenges, opportunities and areas that require improvement.
- **Government Engagement:** Engage with local government bodies and agricultural departments to advocate for more comprehensive support, training, and access to resources for SHGs. Highlight the positive impact of SHGs on the local economy and community.
- **Entrepreneurship Training:** Provide specialized entrepreneurship training to SHG members to equip them with the skills needed to identify market opportunities, manage finances and make informed business decisions.

- **Infrastructure Development:** Work towards improving infrastructure, such as access to irrigation, storage facilities and transportation to enhance the efficiency and effectiveness of SHG activities.
- **Awareness Campaigns:** Conduct awareness campaigns within local communities to educate them about the benefits of SHGs, available government schemes and the importance of supporting these groups.
- **Advocacy for Interest Rate Reduction:** Collaborate with banks and financial institutions to advocate for reduced interest rates on loans, especially considering the developmental nature of SHGs and their contribution to community development.

## Conclusion

Self-Help Groups in Arunachal Pradesh have taken promising steps towards economic empowerment of rural women. While farming remains a common activity, some SHGs have embraced weaving, gardening, and other income sources. The recent formation of these groups signifies their potential for growth, yet challenges such as limited finance and market access persist. Encouraging diversification, providing targeted training, fostering gender equality, and advocating for better financial support and market opportunities can pave the way for their continued success. With the right support, SHGs can enhance their economic impact, uplift members' incomes and contribute to a more prosperous community.

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