

# SHGs and Women's Economic Agency: Income-Generation, Savings Behaviour and Financial Independence in Lower Dibang Valley District

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*<sup>1</sup>Received: 17 November 2025; Accepted: 26 December 2025; Published: 10 January 2026*

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## Abstract

In order to measure the economic changes that members of SHGs experience, the study analyzes their yearly income levels before and after they join. Improved livelihood options and diverse income sources are the reasons why SHG involvement is associated with a significant increase in yearly family income. Household financial management, access to credit, and savings rates were all rated higher by women. Institutional influences on mobilization and awareness were suggested by the fact that government agencies emerged as the main source of livelihood-related information, with community resource individuals and word of mouth following closely behind. The significance of social trust and peer networks was underscored when women were encouraged to join SHGs by the testimonies of current members and by the advantages that were clearly outlined. This research looks at how Self-Help Groups (SHGs) in the Lower Dibang Valley area of Arunachal Pradesh have helped women become more economically independent, save money, and earn more money. The research shows that SHGs are more than just a place to get microcredit; they are also catalysts for economic change by promoting things like financial education, business growth, and household savings. Women in the district have been more economically empowered via SHG membership, which has improved their control over income, spending choices, and long-term financial planning.

**Keywords:** *Self-Help Group; Women; Economic; Income; Lower Dibang Valley*

## 1. Introduction

Historically, women in North-East India have played important roles in society and often had higher status than in other regions of India. Regardless, there are still gender gaps in healthcare, economic opportunity, political representation, and educational attainment. Among the many tools that have surfaced to support women's empowerment in this setting, Self-Help Groups (SHGs) stand out for their emphasis on collective action, leadership training, financial inclusion, and skill development (Panda & Majumder, 2013). An important step toward women's liberation and the establishment of their rightful position in society has been the rise of female entrepreneurs to prominence in the business world.

The increasing awareness of women's roles and economic standing in society has been slowly but surely altering the latent entrepreneurial abilities of women. There has been a recent uptick in women's self-awareness about their lives, rights, and working conditions. Thanks to the inspiration and support they get from Self Help Group Promoting Institutions, more and more women are taking the entrepreneurial plunge and discovering new ways to become involved in the economy (Shireesha, E. 2019). The strong desire to escape from economic powerlessness is one of the

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<sup>1</sup> *How to cite the article:* Ete R., Kamei D.; SHGs and Women's Economic Agency: Income-Generation, Savings Behaviour and Financial Independence in Lower Dibang Valley District; *International Journal of Advancement of Social Science and Humanity*; Jan-Jun 2026, Vol 21, 1-7

main motivating factors for women to engage in microeconomic enterprise, along with their skill and knowledge, skills, and abilities. Their entrance as entrepreneurs and accomplishments are all the more remarkable when we consider the hardships, disappointments, and obstacles they had to face in the early stages of their firm (Rakesh 2009). A new age of honest corporate practices may be on the horizon if more women were involved in the economy.

### Women Empowerment

A woman is empowered when she is able to make strategic decisions for herself and her life, as well as when she gains authority and control over her own life (Kabeer, 1999). There are many facets to it, including leadership, psychology, economics, society, and politics (Geetha, S., & Babu, S. 2016).

### Self-Help Groups (SHGs)

Women join volunteer groups called Self-Help Groups (SHGs) to solve common socio-economic concerns. Collectively, these organizations help underprivileged people achieve economic autonomy, foster an entrepreneurial spirit, and increase their social agency. Self-Help Groups (SHGs) empower women economically and increase their voice in decision-making by providing resources for education, training, and entrepreneurship (Ghosh, A. 2020; Bariya, M. K., Chandravadia, K., Jadav, N., & Patel, H. 2022). The National Rural Livelihoods Mission (NRLM) and other such programs have helped SHGs rise to prominence as powerful instruments for rural development, women's empowerment, and leadership training (NABARD, 2020).

## 2. Literature Review

**Rahman, et al (2026)** Particularly in regions marked by structural vulnerability, gender inequality, and inadequate livelihood prospects, the contemporary development agenda has designated the economic empowerment of women as an essential concern. There is a perfect chance to investigate community-based policies that empower women in Assam, a state with a mostly rural economy, high rates of natural catastrophes, and significant regional inequality. Included in this category are Self-Help Groups (SHGs), which aim to increase women's participation in economic opportunities, their access to banking services, and their ability to act collectively. Based on secondary data collected from scholarly journals, theses, institutional reports, and policy papers, this research examines SHG-led women's economic empowerment in Assam. In this article, we will look at the ways SHGs help with things like income production, saving habits, getting loans, and being financially included. We will also assess how far SHG programs have progressed in the state, what obstacles have been overcome, and what the policy implications are.

**Natung, et al (2025)** Researchers have looked at the link between self-help organizations and the development of social capital from a variety of angles during the last several decades. Examining publications from 2011 to 2024, this study seeks to comprehend the function of self-help organizations as they pertain to the advancement of social capital. Literature on social capital and self-help groups was sourced using the Scopus database. Researchers will have a better understanding of the concept and its dimensions thanks to this review, practitioners can use the framework to assess and enhance their methods of supporting SHG activities, and policies can be crafted to make SHGs and similar initiatives as effective as possible. This study's results show that SHGs are becoming more important, thus it's crucial that governments, implementing agencies, and NGOs recognize and support SHGs for what they do: build social capital.

**Sang, Lob & Suniya, Pura. (2025)** The purpose of this research is to analyze how Apatani women in Ziro Valley, Arunachal Pradesh, have benefited from Self Help Groups (SHGs) in terms of economic empowerment and financial inclusion. It delves at the ways SHGs impact household economic decision-making, improve financial literacy, and open doors to financing. In addition, the study emphasizes that SHGs help build stronger communities by encouraging leadership development, social cohesiveness, and individual growth. These organizations help women economically and build their resilience and independence via microcredit and pooled savings. This research evaluates SHG members' spending habits using a mixed-methodologies strategy that combines qualitative and quantitative methods. Seventy members of SHGs were chosen using a purposive selection approach, guaranteeing a targeted examination of their financial behaviors and socio-economic changes.

**Karunarathne, Rasika & D, Praveena. (2024)** The purpose of the research "Role of Self-help Groups in Women Empowerment in India" is to examine the effectiveness of SHGs in empowering women across various cultural and socioeconomic contexts in India. To be more specific, we want to know how SHGs help women become economically independent, how they boost women's voice in family and community decision-making, how they help women get access to basic services, what obstacles women encounter while participating in SHGs, and how external support mechanisms can help SHGs thrive. As a whole, the research shows that SHGs are crucial to India's progress toward gender equality and economic prosperity. To overcome obstacles and make the most of SHGs' ability to promote social justice and gender equality, it stresses the necessity of ongoing support and strategic interventions.

**Thakur, Kritika & Pandey, Rajni. (2023)** The self-help groups (SHGs) in the East Champaran District's Darmaha Panchayat are the subject of this research article. Rice, sugar cane, Jute, lentils, and paddy are some of the main crops grown in the area, and farming is the main activity of the people living there. Popular small-scale enterprises in East Champaran include the pearl button industry and fisheries development. The formation of SHGs has sparked an interest in self-sufficiency among rural women. SHGs primarily aim towards achieving financial autonomy. Improvements in health care, family planning, and literacy are just a few of the numerous unintended consequences of achieving financial independence via self-employment. Enhanced health and social standing are additional benefits. Poor and disadvantaged people often lack the skills necessary to find gainful work, so self-help groups (SHGs) step in to assist them develop such skills.

### 3. Methodology

Using a qualitative content analysis of previously published materials, such as scholarly articles, government reports, and non-governmental organization (NGO) publications, this study draws on a secondary research technique. Publications from organizations like NABARD, the Ministry of Rural Development, and local non-governmental organizations (NGOs) are among the sources of data, along with scholarly articles, policy papers, dissertations, and periodicals. North-East Indian studies and comparative studies were the main foci. This research synthesizes the available literature to generate conclusions on the strengths and weaknesses of SHGs as a tool for empowering women and fostering economic independence in the area.

### 4. Results & Discussion

#### 4.1 Demographic profiles

Based on the age distribution of the respondents, 26.7% were under the age of 30 and 73.3% were determined to be over the age of 30, as indicated in table 1. Assumption: SHG members are old enough to make their own decisions on issues like gender equality, money, etc.

**Table 1 Age**

Age	No. of Respondents	Percentage (%)
Below 30 year	13	26.7
Above 30 year	37	73.3
Total	50	100.0

**Sources: Field Survey**

Only 20% of respondents were determined to have not completed high school, according to their educational qualifications (table 2). It is evident that the members possess the necessary qualifications to keep accurate records of their transactions and are familiar with the rules and regulations surrounding SHGs, banking, financial aid, loans, etc., since 80% of the total respondents had completed high school or higher (Sharma, B., & Kashyap, D. 2023).

**Table 2 Qualification**

Qualification	No. of Respondents	Percentage (%)
Below class 10 <sup>th</sup>	10	20
Above class 10 <sup>th</sup>	40	80
Total	50	100

**Sources: Field Survey**

Before joining SHGs, the majority of respondents (33.3%) had yearly incomes between 40,000 and 60,000, while a sizable minority (23.4%) had incomes between 60,000 and 80,000, and a mere 10% had incomes of 80,000 or more.

**Table 3 Annual incomes (Before joining SHGs)**

Annual Income	No. of Respondent	Percentage (%)
Upto 40,000	17	33.3
40,001 – 60,000	17	33.3
60,001 – 80,000	12	23.4
80,001 and above	4	10
Total	50	100

**Sources: Field Survey**

When looking at the respondents' yearly income (after joining SHGs), we find that 26.7% were earning less than 40,000, 16.6% between 40,001 and 60,000, 36.7% between 60,001 and 80,000, and 20% over 90,000. As a result, there was a 57.1% rise for those with an income of \$60,000 to \$80,000 and a 100% increase for those with an income of \$80,000 and above.

**Table 4 On the basis of annual income (After joining SHGs)**

Annual Income	No. of Respondent	Percentage (%)
Upto 40,000	13	26.7
40,001 – 60,000	8	16.6
60,001 – 80,000	18	36.7
80,001 and above	11	20
Total	50	100

**Sources: Field Survey**

#### 4.2 Factors Persuading Consideration to join SHG

Testimonial from a SHG member, encouragement from friends and family, information from community leaders, benefits provided about SHGs, and all of the above are the five distinct reasons that influenced the respondents to join a SHG. To that end, the data shown in table 5 shows that 41% of respondents said that hearing about other people's experiences with SHG was the most influential element in their decision to join. Learning about the advantages of SHGs swayed almost a quarter of the participants (23.5%).

**Table 5 Factors Persuading Consideration to Join SHG**

Factors	No.	%
Testimonial from SHG member	20	41
Encouragement from family/friends	9	18
Information from community leaders	2	5
Benefits explained about SHGs	12	23.5
All of the above	6	12.5
Total	50	100.0

**Sources: Field Survey**

### 4.3 Economic empowerment through SHGs

In table 6, we can see that the respondents' economic empowerment was measured in various ways. These included their ability to save money after joining the SHG, their purchasing power, their living standards, their access to credit, their economic contribution to the household, their skill in managing family finances, their decision-making abilities, and the ease with which their children could attend school. We can improve debt repayment and make medical care more accessible.

Nearly all respondents (99.17 percent) felt that their saving situation had improved after joining the SHG compared to previously. Nearly 93.33% of people who took the survey felt that their ability to spend money had changed since becoming a member of a SHG. When asked if their quality of living has changed as a result of joining SHG, over 90% of respondents said yes. Nearly 90% of respondents were able to get loans from financial institutions, their SHG, or other SHGs after becoming members of a SHG. Following their membership in the SHG, 89.17% of participants engaged in a wide variety of income-generating pursuits, including but not limited to: catering, daily wage labor, selling handmade food items, handlooms, and modest agricultural product businesses. In a survey where 85.83 percent of women said they now feel more empowered to manage their own finances; many said they had little control over their spouse's spending habits before joining the SHG.

Approximately 75.83 percent of participants reported feeling more confident in their decision-making abilities after participating in the research. Roughly 57.50% of those who took the survey felt that their children's scholastic opportunities had improved after they were given new uniforms and school supplies such books, notebooks, pens, pencils, geometry sets, etc. Since they were able to participate in a variety of income-generating activities and gain economic empowerment after joining SHG, about 55.83 percent of respondents believed that there was an improvement in loan repayment after joining. There was an improvement in the accessibility of medical services, according to around 47.50 percent of respondents.

**Table 5 Economic empowerment on specific areas through SHGs**

Changes after joining SHG	No.	%
Saving status after joining SHG	50	99.17
Ability to make overall purchase	47	93.33
Access to credit	45	90.00
Changes in living standard	45	90.00
Economic contribution to household	45	89.17
Changes in handling of finance in the family	43	85.83
Changes in decision making ability	38	75.83
Changes in children's education accessibility	29	57.50
Better repayment	28	55.83
Changes in medical accessibility	24	47.50

**Sources: Field Survey**

### 4.4 Sources of Livelihood-Related Information for SHG Members

Table 7 shows the breakdown of responses according to the SHG Members' sources of livelihood-related information. More than half of the respondents (51.75%) said that they acquire their information from government entities about

livelihoods, according to the investigation shown in the table. After that came recommendations from friends and family (23.25%), community resource individuals (13.5%), and influential members of the community (8%). Another interesting finding is that internet/online platforms and non-governmental organizations (NGOs) both contribute very little, accounting for just 1.25 and 2.25 percent of the total information, respectively (Sharma, S., Thakur, K., & Singh, D. 2020). If SHG Members want to be able to make educated choices about how to create a living, they must have access to reliable information. For information to be presented in a way that SHG Members can access, comprehend, and act upon, it is necessary to have a firm grasp of the main sources. More than half of those who took the survey look to government agencies for answers to their livelihoods, according to the results. This may be an indication of the availability of government initiatives, training, and resources aimed at SHGs and local livelihoods, which in turn implies a substantial impact from the government.

**Table 7 Sources of Livelihood-Related Information for SHG Members**

Sources of Livelihood-Related Information	Frequency	Percentage
Government Bodies	26	51.75
Non-Governmental Organizations (NGOs)	1	2.25
Community Leaders	4	8
Internet/Online Platforms	1	1.25
Community Resource Persons	7	13.5
Word of Mouth	12	23.25
Total	50	100

Sources: Field Survey

## 5. Conclusion

We can conclude that SHGs in Lower Dibang Valley have been instrumental in empowering women economically. By comparing yearly income before and after joining SHGs, we can see that there is a positive upward trend. This suggests that the financial advantages have been realized via collective savings, internal loans, and livelihood activities. In addition to increasing income, SHGs have promoted disciplined saving habits, increased women's access to bank loans, and increased their voice in family financial decisions. Rural empowerment projects greatly benefit from institutional assistance, since government agencies and community-based communication outlets play a significant role in distributing livelihood options. The social capital aspect of SHGs is further shown by the fact that peer testimonies and knowledge of the advantages of SHGs emerged as strong motivators. Research shows that SHGs help women become financially independent by generating revenue, closing the income gap, and acting as a grassroots institution. To secure the long-term viability and growth of women-led businesses in the area, continued capacity development, support for market linkages, and deeper integration with formal financial institutions are essential for sustainable economic success.

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