



Empowering Tribal Women through Financial Literacy: The Role of Self-Help Groups in Leparada District, Arunachal Pradesh

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Abstract

Financial literacy is a crucial component of women's empowerment, particularly in tribal and geographically marginalized regions where access to formal financial institutions and economic resources remains limited. In Arunachal Pradesh, Self-Help Groups (SHGs) have emerged as an important grassroots mechanism to promote savings, credit access, and financial awareness among tribal women. This study examines the role of SHGs in enhancing financial literacy and economic empowerment of tribal women in Leparada District, Arunachal Pradesh. Using primary data collected from 100 SHG members, the research explores changes in financial knowledge, savings behavior, access to financial services, and confidence in household-level financial decision-making following SHG participation. The study also incorporates secondary sources such as government reports, scholarly articles, and policy documents to contextualize the findings. The analysis reveals that SHGs have significantly contributed to improving women's understanding of savings, credit management, and income utilization, while fostering regular saving habits and increased financial confidence. However, challenges such as limited digital financial access, inadequate entrepreneurship support, and socio-cultural constraints continue to hinder the full realization of economic empowerment. The study underscores the need for strengthening SHG-based interventions through targeted financial education, digital inclusion, and institutional support to ensure sustainable empowerment of tribal women.

Keywords

Financial Literacy; Tribal Women; Self-Help Groups; Women's Empowerment; Leparada District; Arunachal Pradesh

Introduction

Financial literacy has emerged as a critical dimension of women's empowerment, particularly in tribal and geographically remote regions such as Arunachal Pradesh. In districts like Leparada, where traditional livelihoods, subsistence economies, and limited institutional outreach intersect, tribal women often experience structural exclusion from formal financial systems. Historically, economic participation among tribal women has remained informal, household-centered, and mediated through customary practices rather than institutional mechanisms. In this context, Self-Help Groups (SHGs) have been promoted as an inclusive grassroots model aimed at fostering financial awareness, savings behavior, credit access, and collective empowerment.

The present study examines the role of SHGs in enhancing financial literacy among tribal women in Leparada District. Rather than treating empowerment as a purely economic outcome, this research situates financial literacy within broader processes of confidence-building, decision-making autonomy, and everyday economic practices. By drawing on primary survey data collected from SHG members, the study seeks to understand how participation in SHGs reshapes women's financial knowledge, behavior, and perceived economic agency, while also identifying persistent challenges that limit the transformative potential of SHGs.

Research Methodology

The study adopts a descriptive and analytical research design to examine the role of Self-Help Groups in promoting financial literacy and economic empowerment among tribal women in Leparada District of Arunachal Pradesh. Both primary and secondary data sources were used to ensure a comprehensive analysis. Primary data were collected through a structured questionnaire administered to 100 tribal women who are active members of Self-Help Groups, selected using purposive sampling. The questionnaire included closed-ended questions to assess financial knowledge, savings behavior, access to financial services, and confidence in financial decision-making, along with open-ended questions to capture personal experiences and challenges. The primary data were analyzed using simple percentage-based statistical techniques and supported by graphical representation for clarity. Secondary data were collected from government reports, policy documents, academic journals, books, and publications related to financial literacy, Self-Help Groups, and women's empowerment. The study is limited to SHG members in Leparada District and reflects their perceptions and experiences.

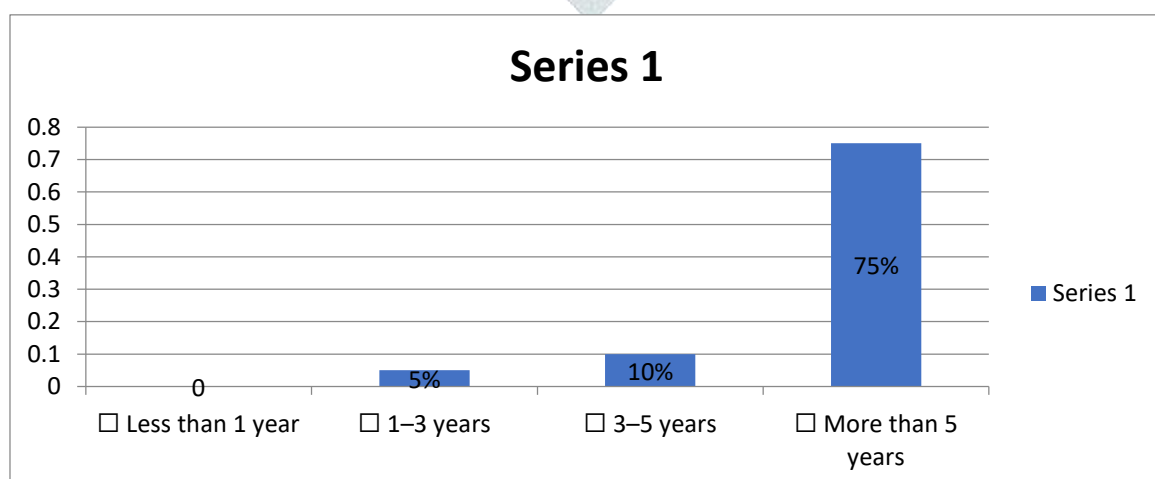
Socio-Economic Context of SHGs in Leparada District

Leparada District is characterized by dispersed settlements, limited banking infrastructure, linguistic diversity, and strong socio-cultural norms that influence women's mobility and economic roles. In such settings, access to formal financial education remains uneven, making SHGs an important intermediary between tribal women and institutional finance. SHGs function not only as savings and credit collectives but also as spaces of social interaction, peer learning, and informal capacity-building.

Membership duration in SHGs varies among respondents, indicating both relatively new entrants and long-term participants. This variation is significant because the depth of financial literacy and confidence often correlates with sustained engagement rather than short-term participation.

Graph-1(showing duration of SHG membership)

At this stage in the draft, the graph visually anchors the diversity of SHG experience and prepares the reader to understand differentiated outcomes among members.



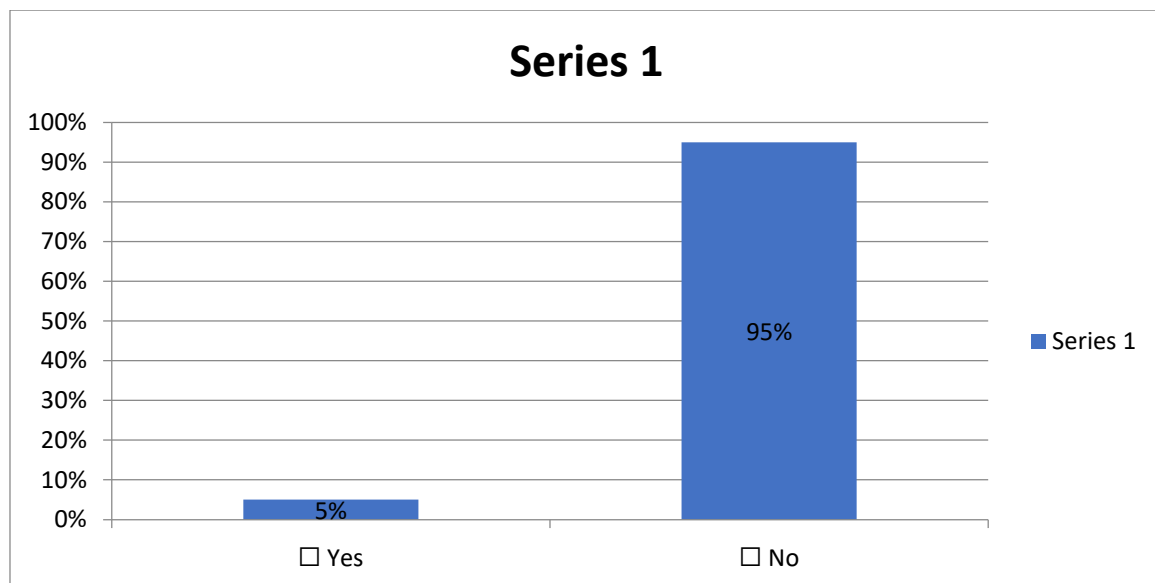
Pre-SHG Financial Awareness and Entry Conditions

Prior to joining SHGs, a substantial proportion of respondents reported limited or no basic knowledge of savings, banking procedures, or formal financial instruments. This lack of awareness reflects broader structural issues such as limited exposure to banking institutions, low levels of formal education, and minimal financial communication in local languages. Financial decision-making before SHG participation was largely confined to immediate household needs, often without systematic budgeting or long-term planning.

The reported absence of financial knowledge before SHG membership highlights the entry-level vulnerability of tribal women within the financial system.

Graph 2 - (depicting prior knowledge of savings and banking)

Placed here, the graph reinforces the argument that SHGs are not merely supplementary institutions but foundational entry points into financial literacy for many women.



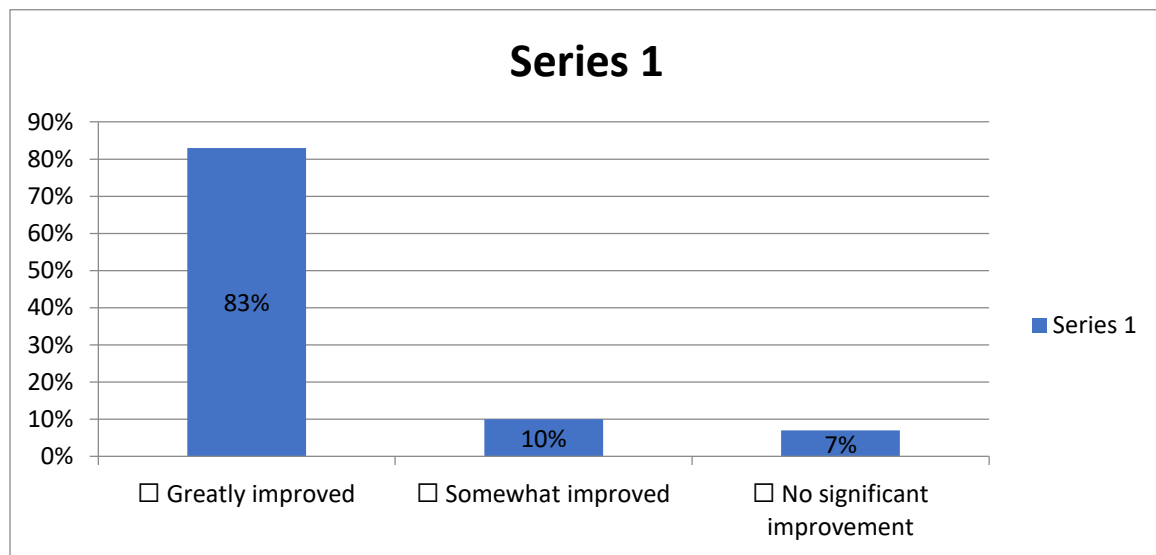
SHGs as Sites of Financial Learning and Capacity Building

Participation in SHGs has had a notable impact on women's understanding of financial concepts such as savings, loans, and interest rates. Regular meetings, collective savings practices, and exposure to group-based credit mechanisms have contributed to incremental learning through practice rather than formal instruction. Women reported that repeated engagement with savings contributions and loan discussions enhanced their familiarity with financial terminology and processes that were previously inaccessible.

This improvement in financial understanding represents a shift from passive economic roles to more informed participation in household and group-level decisions.

Graph 3 - (illustrating improved understanding of financial matters)

The graph is best placed immediately after this discussion to visually substantiate the learning outcomes associated with SHG participation.



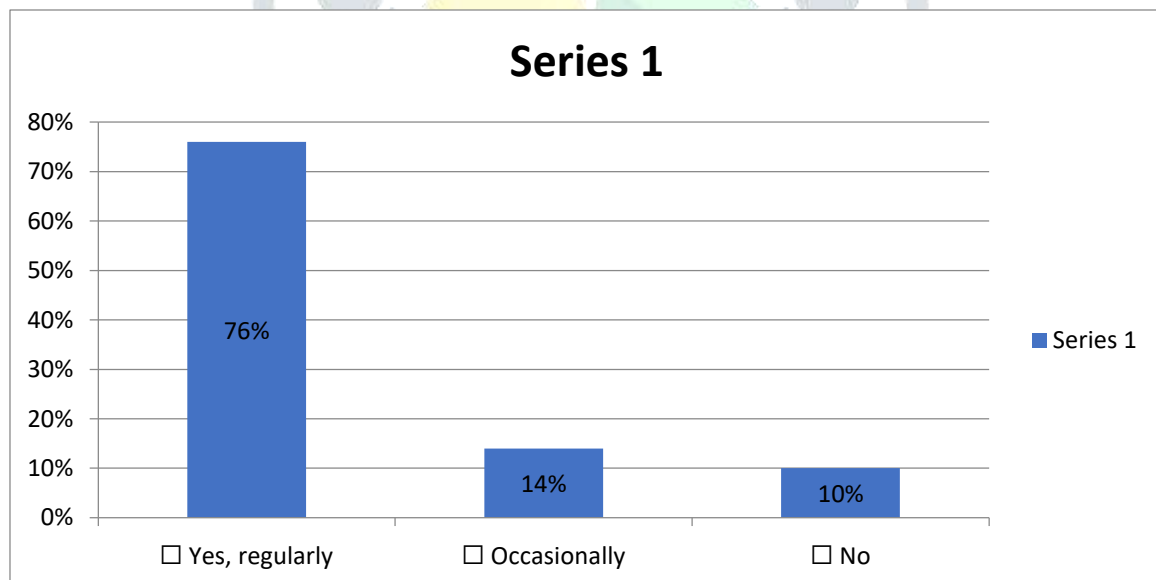
Savings Behaviour and Financial Discipline

One of the most significant behavioral changes observed among SHG members is the adoption of regular saving practices. Saving, which was previously irregular or absent for many respondents, has become institutionalized through SHG norms and peer accountability. This shift indicates the internalization of financial discipline rather than mere compliance with group rules.

Regular savings serve multiple functions: they act as a safety net during emergencies, reduce dependence on informal moneylenders, and cultivate a sense of economic preparedness.

Graph 4 -(showing regular savings through SHGs)

Here, the graph complements the narrative by demonstrating how collective structures translate into individual behavioral change.



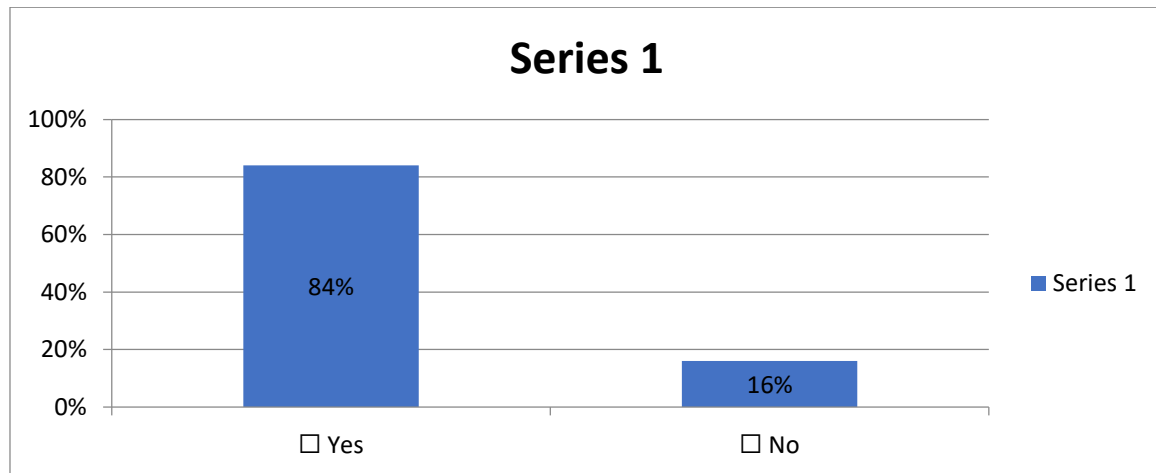
Access to Financial Services through SHGs

Beyond savings, SHGs have facilitated access to formal financial services such as bank accounts, loans, and, in some cases, insurance. For many respondents, SHGs served as intermediaries that reduced institutional barriers, including documentation requirements and procedural complexity. This mediated access is particularly significant in tribal regions where individual engagement with banks can be intimidating or logistically difficult.

Through SHG-linked financial services, women reported increased familiarity with repayment schedules, credit management, and interest obligations.

Graph 5 -(depicting access to financial services via SHGs)

Positioning the graph here reinforces the argument that SHGs function as bridges between informal economies and formal financial systems.



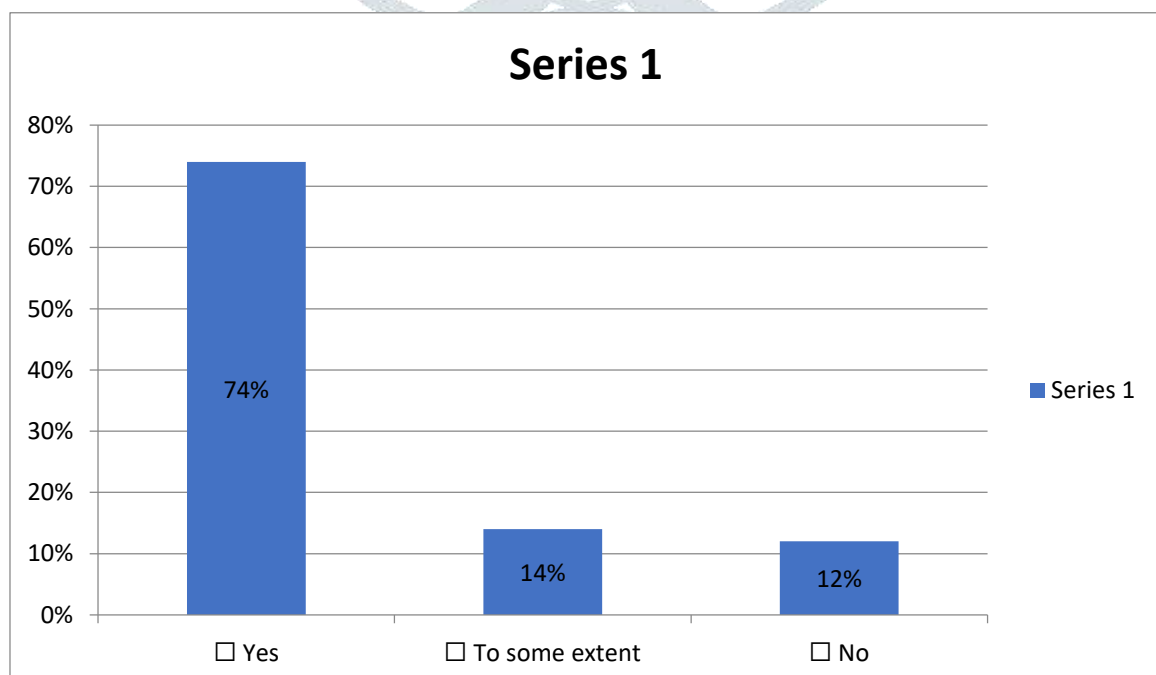
Financial Confidence and Household Decision-Making

An important non-material outcome of SHG participation is the enhancement of women's confidence in handling financial decisions at the household level. Respondents indicated greater involvement in budgeting, expenditure planning, and discussions related to income use. This growing confidence suggests a gradual reconfiguration of intra-household power dynamics, even within traditionally patriarchal settings.

Financial confidence, in this sense, extends beyond numerical literacy to encompass assertiveness, negotiation capacity, and self-perception as economic actors.

Graph 6 here (showing increased confidence in financial decision-making)

Placed after this paragraph, the graph visually strengthens the link between SHG participation and subjective empowerment.



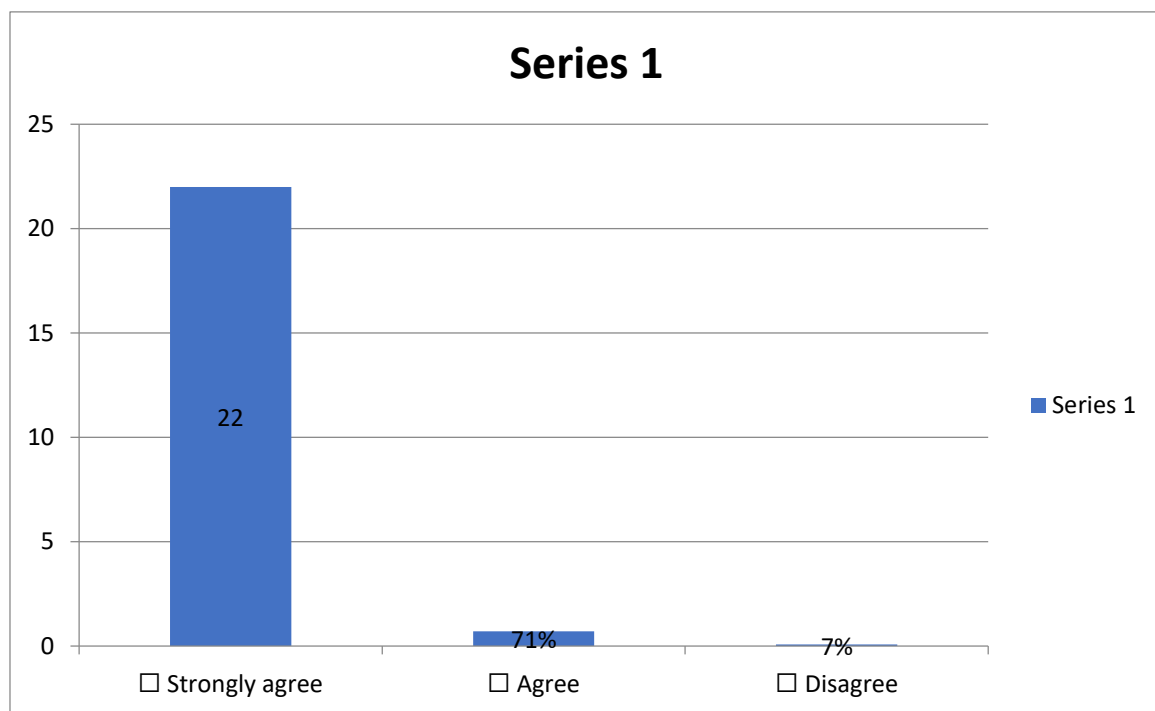
Dimensions of Financial Knowledge Transformation

Open-ended responses reveal that SHG participation has influenced women's financial practices in diverse and layered ways. Improvements were most strongly reported in income management and productive use of money, followed by awareness of credit and repayment practices. Enhanced confidence in decision-making and improved household budgeting further indicate that financial literacy is being translated into daily economic behavior rather than remaining abstract knowledge.

These patterns suggest that SHGs contribute to functional financial literacy—learning that is immediately applied within real-life contexts.

Graph 7 - (illustrating areas of financial knowledge improvement)

The graph should be inserted here to support the qualitative interpretation with proportional clarity.



Persistent Challenges to Financial Empowerment

Despite measurable gains, tribal women in Leparada District continue to face significant challenges in achieving comprehensive financial literacy. Limited access to digital financial services emerged as the most prominent constraint, reflecting infrastructural gaps, low digital literacy, and uneven network connectivity. Additionally, inadequate access to entrepreneurship support and markets restricts the conversion of financial knowledge into income-generating activities.

Social and cultural norms, though reported by a smaller proportion of respondents, continue to shape women's mobility and economic participation, while language and literacy barriers complicate the comprehension of financial information disseminated in non-local languages.

Graph 8 -(showing challenges faced despite SHG participation)

This placement allows the graph to visually underscore the structural constraints discussed in the narrative.

Data	Percentage
• Improved understanding of savings and household budgeting	11%
• Increased confidence in financial decision-making	23%
• Enhanced income management and productive use of money	36%
• Better awareness of credit, loans, and repayment practices	30%

Discussion

The findings of the study indicate that Self-Help Groups have emerged as significant institutional spaces for fostering financial literacy among tribal women in Leparada District, though their impact is shaped by both enabling and constraining factors. The limited financial awareness reported by respondents prior to joining SHGs highlights the structural exclusion of tribal women from formal financial systems. This exclusion is not merely individual but systemic, rooted in geographical isolation, low institutional outreach, and limited exposure to formal banking practices. In this context, SHGs function as an entry point to financial systems rather than as supplementary mechanisms, underscoring their foundational role in rural tribal economies.

The observed improvement in women's understanding of savings, loans, and interest rates suggests that financial literacy is acquired primarily through experiential learning rather than formal instruction. Regular savings practices and participation in group-based credit activities enable women to engage repeatedly with financial processes, thereby normalizing financial decision-making. This form of learning-by-doing is particularly effective in contexts where formal education levels are low, indicating that SHGs compensate for institutional gaps in financial education through collective practice and peer support.

The increase in regular saving behavior reflects a shift from consumption-oriented financial practices toward planned and disciplined financial management. This change should be understood not only as an economic outcome but also as a behavioral transformation. The collective nature of SHGs creates accountability and mutual reinforcement, which reduces the likelihood of financial exclusion and dependency on informal moneylenders. However, the extent of savings remains modest, suggesting that while financial habits have improved, income constraints continue to limit the accumulation of financial assets.

Access to financial services through SHGs further illustrates their intermediary role between tribal women and formal institutions. The ability to open bank accounts and access credit through group mechanisms reduces procedural barriers and psychological resistance toward financial institutions. Nevertheless, the reliance on SHGs as intermediaries also points to the continued absence of women's direct and independent engagement with financial institutions. This dependence raises concerns about the sustainability of financial inclusion once external support or group facilitation weakens.

The enhancement of confidence in household-level financial decision-making represents a critical dimension of empowerment. Financial confidence enables women to participate more actively in budgeting, expenditure planning, and discussions related to income use, thereby gradually challenging traditional gendered divisions of economic authority. However, this empowerment remains largely confined to the household sphere and has not fully translated into broader economic autonomy, such as entrepreneurship or market participation.

Despite these gains, the persistence of challenges such as limited digital financial access and inadequate market support reveals the uneven nature of empowerment through SHGs. The growing importance of digital financial services contrasts sharply with the low levels of digital literacy and infrastructure in tribal areas. Similarly, socio-cultural norms and language barriers, though reported by fewer respondents, continue to exert a subtle but significant influence on women's economic mobility and access to information. These findings suggest that SHGs alone cannot overcome deeply embedded structural constraints without complementary institutional interventions.

Table 9 -Despite these gains, the persistence of challenges such as limited digital financial access and inadequate market support reveals the uneven nature of empowerment through SHGs.”

Data	Percentage
• Limited access to formal financial education and training	23%
• Limited access to digital financial services and technology tools	37%
• Inadequate support for entrepreneurship and access to markets	21%
• Social and cultural norms restricting mobility and economic participation	9%
• Language and literacy barriers in understanding financial information	10%

Conclusion

The study demonstrates that Self-Help Groups play a crucial role in enhancing financial literacy, savings behavior, and financial confidence among tribal women in Leparada District of Arunachal Pradesh. By embedding financial learning within collective practices, SHGs have enabled women to engage with financial systems that were previously inaccessible, thereby contributing to incremental forms of economic empowerment. The findings indicate that financial literacy gained through SHGs is practical and experience-based, leading to meaningful changes in everyday financial behavior and household-level decision-making.

However, the study also reveals that empowerment through SHGs remains partial and context-dependent. While financial awareness and confidence have improved, structural barriers such as limited digital access, weak market linkages, and socio-cultural constraints continue to restrict the full realization of economic autonomy. This suggests that SHGs should be viewed not as standalone solutions but as integral components of a broader development framework.

For financial literacy initiatives to result in sustainable empowerment, SHG-based interventions must be complemented by targeted financial education programs, digital inclusion strategies, and institutional support for livelihood generation and entrepreneurship. Strengthening these linkages would enhance the transformative potential of SHGs and ensure that financial literacy translates into long-term economic security and agency for tribal women. The study thus contributes to the growing discourse on gender, finance, and development by highlighting the contextual realities of financial empowerment in tribal regions.

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