

RESEARCH PAPER

Impact of Self Help Groups on Rural Women Empowerment: A Case Study of Mokokchung District, Nagaland, India

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ABSTRACT

This study investigates the socio-economic impact of SHGs on rural women based on primary data collected from 180 respondents. The demographic profile indicates that 51.11% of participants belong to the 30-40 years age group and 40% to the 40-50 years category, reflecting high participation among economically productive women. Educational attainment remains low, with 92.22% having only primary education and 7.22% being illiterate, highlighting the inclusive nature of SHGs in reaching marginalized sections. The findings reveal a significant transformation in occupational patterns. Prior to SHG participation, 35.55% of respondents were housewives and 43.34% engaged in low-income miscellaneous activities. Post-SHG, 100% of respondents became economically active, with 43.33% involved in vending and 37.22% in daily wage labour, alongside universal participation in agriculture. A substantial improvement in income levels is observed, with mean annual income increasing from ₹ 62,966.67 to ₹ 1,28,300. Income distribution shifted entirely from below ₹ 1,00,000 to higher brackets, with 83.89% earning above ₹ 1,20,000 post-SHG. The paired sample t-test confirms this increase as statistically significant ($t = -95.625, p < 0.05$). Expenditure patterns reflect enhanced living standards, with food expenditure rising from ₹ 1,847.22 to ₹ 2,841.67 and education spending increasing from ₹ 1,168.87 to ₹ 1,832.31. Healthcare and housing expenditures also show notable growth. Additionally, 63.33% of respondents invested in livestock, indicating asset creation. Savings behaviour improved markedly, with all respondents reporting average annual savings of ₹ 19,000, compared to no savings prior to SHG participation. The study also highlights improvements in socio-economic empowerment, with 93.89% of respondents participating in household decision-making and 100% reporting enhanced entrepreneurial skills, mental well-being and social awareness.

HIGHLIGHTS

- Majority of respondents (92.22%) belong to low educational background (primary level or below) showing SHGs' inclusive reach.
- Mean annual income increased significantly from ₹ 62,966.67 to ₹ 1,28,300.
- Savings behaviour improved markedly, with average annual savings rising from zero savings to ₹ 19,000 per member.
- 63.33% of respondents invested in livestock, indicating asset creation and livelihood diversification.

Keywords: SHG, Women Empowerment, Income generating activities, Decision making roles, Poverty alleviation

Self Help Groups (SHGs) have emerged as one of the most widely adopted community-based strategies for promoting financial inclusion and women's empowerment in developing economies. In India, SHGs function as informal collectives that encourage savings, facilitate internal lending

and support income-generating activities among members, particularly rural women who are often

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excluded from formal financial systems. Beyond credit access, SHGs are increasingly recognized as instruments for enhancing women's agency, improving livelihood security and strengthening participation in household and community decision-making. India boasts approximately 12 million SHGs, of which 88% are entirely women-led. Since its launch in 1992, the SHG-Bank Linkage Programme has grown into the world's largest microfinance initiative. As of 31st March 2022, it reaches 14.2 crore households through 1.19 crore SHGs, with savings deposits amounting to ₹ 47,240.5 crore. Outstanding collateral-free loans total ₹ 1,51,051.3 crore, with 67 lakh groups benefiting. Over the past decade, the number of SHGs linked with banks has increased at a compound annual growth rate of 10.8%. Perhaps most impressively, SHGs maintain a repayment rate exceeding 96%, evidencing strong discipline and reliability (Government of India Press Information Bureau, 31 Jan 2023).

In this study, women empowerment is conceptualized as a multidimensional process, encompassing four key measurable domains: (i) economic empowerment (income, employment, savings and asset creation), (ii) social empowerment (mobility, participation in community activities and social awareness), (iii) intra-household decision-making power and (iv) psychological empowerment (confidence, entrepreneurial ability and mental well-being). This framework allows for a structured assessment of SHG outcomes beyond descriptive observations. Despite the expanding literature on SHGs, existing studies often provide broad descriptive accounts without systematically examining pre and post-SHG changes across multiple empowerment indicators. Moreover, limited empirical attention has been given to geographically specific contexts such as Mokokchung district of Nagaland, where socio-cultural structures, gender norms and livelihood patterns differ significantly from mainstream rural India. This creates a contextual research gap in understanding how SHGs function within such settings and the extent to which they transform women's socio-economic conditions.

Against this backdrop, the present study seeks to address the following: (i) to examine the socio-economic profile of SHG members, (ii) to analyse changes in employment, income, savings and expenditure patterns after SHG participation, (iii)

to assess shifts in women's empowerment across economic, social and decision-making dimensions and (iv) to empirically test the impact of SHG participation on income levels using statistical analysis. By integrating a structured conceptual framework with empirical analysis, this study contributes to a more nuanced understanding of SHGs as instruments of women's empowerment in a geographically under-researched region.

Literature Review

Tuithung *et al.* (2023) in their article discusses about Nagaland being NRLM implementing agency where guidance is provided to rural women and uplifting them economically and socially. The study was carried out during the year 2018-2020 where 120 respondents were selected using purposely stratified simple random technique. The result stated that the impact of NSRLM among the beneficiaries were seen to have a great impact in terms of the marketing and technical skills. About 86.70% i.e. majority of the beneficiaries had faced problems due to lack of technical knowledge on the management of report and files using phones and computers while 81.70% faced lack of coordination among the members and 20% lacked due to insufficient trainings been provided. However, it can be noted that the study was limited to Chumoukedima RD Block so the findings may be limited when compared to other districts of Nagaland, where NSRLM program is functioning.

Khongsai and Varma (2024) conducted a study on the roles played by NSRLM in empowering women by offering platforms for self-sufficiency and helping them engage in their localities through platforms like Self Help Groups (SHGs), Start-up village entrepreneurship program (SVEP), Mahila Kisan Sashaktikaran Pariyojna (MKSP) etc. The study uses a descriptive and analytical approach for collecting data under NSRLM program where Chumukedima Block (Resource Block) and Medziphema Block (Intensive Block) has been selected under Dimapur district where 445 SHGs have been identified under Chumukedima out of which 179 SHGs were purely formed by NSRLM. It discusses about NSRLM being a comprehensive tool that contributes in skill development by providing trainings on various activities like weaving, pottery, handloom and traditional crafts, not only that

but there are financial inclusion and also social assistance being promoted which aims to empower women by implementing focused trainings and obtaining employment opportunities.

Vero and Shohe (2024) conducted a study investigating the roles played by SHGs in socio-economic upliftment among women in Zunheboto District of Nagaland where 30 SHG members were selected. The study focused on factors like educational levels, income, savings and part-taking of the respondents in decision-making process. The study revealed that women after joining SHGs have seen a significant impact on one's upliftment through factors like decision-making and financial management strategies but they also faced some challenges faced like inadequate financial access, lack of proper training and poor infrastructure. However, it also has huge potential in socio-economic development of rural areas through women entrepreneurship promoted by SHGs.

Natung *et al.* (2025) analyses literature from 2011–2024 to understand the role of SHGs in social capital development based on 24 selected studies from the Scopus database using the SPAR-4-SLR framework. The findings reveal that SHGs play a crucial role in building social capital by fostering trust, cooperation, collective action and stronger social networks among members. However, the study also mentions that while social capital can promote trust, cooperation and empowerment, it may also lead to exclusion, unequal participation and added pressure on members. Overall, SHGs contribute to women's empowerment, decision-making capacity and social inclusion. The study proposes a conceptual model to help researchers, practitioners and policymakers better understand and strengthen the effectiveness and impact of SHGs.

Vijayalakshmi and Santhipriya (2025) empirically examines the impact of SHG participation on the socio-economic empowerment of rural women using data from 200 SHG members in Andhra Pradesh. Using statistical tools such as Cronbach's alpha (0.81–0.89), EFA (KMO = 0.891, variance explained = 67.9%) and CFA (CFI = 0.947, RMSEA = 0.051), the study confirms strong reliability and validity of the constructs. The results show that four key factors- SHG participation, access to microcredit, skill development and group cohesion have a significant positive impact on women's economic,

social and psychological empowerment supporting the view that SHGs are effective instruments of rural women's empowerment.

Research Gap

Existing literature on SHGs has widely documented their role in promoting women's empowerment, financial inclusion and rural development across different regions of India. However, most of these studies are concentrated in larger states or relatively developed rural settings and less attention has been given to the northeastern region, particularly Nagaland.

In the context of Nagaland and more specifically Mokokchung district, limited empirical research is available that systematically examines the multidimensional impact of SHGs on women's socio-economic conditions. Existing studies largely focus on general empowerment indicators or descriptive accounts of SHG functioning, without providing a detailed analysis of changes in income levels, household expenditure patterns and livelihood diversification pre and post SHG participation. Furthermore, there is a lack of micro-level, village-based evidence that captures how SHGs influence financial behaviour, consumption patterns and social empowerment among rural women in tribal-dominated and geographically remote areas such as Mokokchung. The long-term sustainability and actual effectiveness of SHGs in transforming the economic status of women in this region remain underexplored. Therefore, this study addresses these gaps by providing empirical evidence from rural Mokokchung district, Nagaland.

Statement of the Problem

Rural women in Nagaland, particularly in Mokokchung district, continue to experience several socio-economic constraints that limit their overall development. These include restricted access to stable income-generating opportunities, low levels of financial autonomy, lack of proper market linkages and limited participation in household and community-level decision-making. In addition, the prevailing socio-cultural norms in rural areas often reinforce traditional gender roles, where women are primarily confined to domestic responsibilities, thereby reducing their scope for active economic engagement. In response to these

challenges, Self Help Groups (SHGs) have been widely promoted as a grassroot-intervention to enhance women's empowerment through savings mobilisation, access to credit, skill development and promotion of micro-enterprises. However, despite the expansion of SHG networks in Mokokchung, there is limited empirical evidence on the extent to which these groups have effectively transformed the economic and social conditions of rural women. It remains unclear whether participation in SHGs has significantly improved income stability, altered expenditure patterns, diversified livelihood options and enhanced overall living standards in a sustainable manner. The present study addresses this by examining the impact of SHG participation on women's empowerment, with specific focus on changes in income, household expenditure and livelihood activities in the rural context of Mokokchung district, Nagaland.

Objectives of the Study

- ♦ To study the various income-generating activities carried out by SHGs members
- ♦ To assess the impact of SHGs on empowerment of women.

Hypothesis

- ♦ There is no significant difference in income levels before and after joining SHG.

Area of the Study

The present study was conducted in Mokokchung district of Nagaland, located in the north eastern region of India. Mokokchung district is predominantly exhibits rural characters with a scattered settlement pattern, where agriculture and allied activities form the main source of livelihood for the majority of the population. The socio-economic structure of the region is largely influenced by traditional practices and community-based systems. Rural areas of Mokokchung are characterized by limited industrial development, seasonal employment opportunities and dependence on subsistence farming and informal economic activities. Given these obstacles in an economy like Nagaland where the population are heavily dependent on agriculture, SHGs are the key enablers of women empowerment, social empowerment and inclusive growth. In recent

years, SHGs have been actively promoted in the district as part of rural development and women empowerment programmes. These SHGs engage women in savings, credit access and various income-generating activities.

Research Methodology

1. Sample size

Purposive sampling method was adopted by the researcher for the sample selection. The researcher selected 18 SHGs based on their active functioning and relevance to the study. The study sample comprised of 180 women respondents drawn from active SHGs. From each SHG, the researcher selected 10 members based on the experience and familiarity of the study area, to ensure in-depth study for high quality data collection. Data were collected from all respondents using structured questionnaires.

2. Sources of data

The present study draws both primary and secondary data sources to ensure a comprehensive analysis. Primary data were collected through a structured questionnaire, supplemented by personal interviews to capture both quantitative measures and qualitative perspectives. Secondary data were systematically sourced from publications, government reports, journals, newspapers and articles to enhance the analysis.

3. Tools and techniques

Appropriate statistical techniques were employed for data analysis, including tabular presentation and percentage analysis for summarizing the data. The collected data were coded, tabulated and analysed using IBM SPSS Statistics (Version 25). Descriptive statistical tools such as percentage and frequency were used to summarise the socio-economic characteristics of the respondents. Additionally, paired *t*-test was applied to examine significant differences between pre and post-participation outcomes and to test the hypothesis.

Data Analysis and Interpretation

1. Age of the respondents

The age-wise distribution of the respondents in

table 1 indicates that the largest proportion of the respondents, 51.11% belong to 30-40 years age group, followed by 40% in 40-50 years category. A relatively smaller segment, 8.89%, is in 50-60 years age group. This distribution highlights that SHG membership is predominantly concentrated among women in their most economically productive and socially active years. Women in that age bracket generally hold significant household responsibilities alongside contributing to family income, which may explain their higher participation in SHG activities.

Table 1: Age distribution

Sl. No.	Age(years)	Frequency
1	30-40	92(51.11)
2	40-50	72(40.00)
3	50-60	16(8.89)
4	Total	180 (100)

Source: Field Survey Figures in the parenthesis represent percentage.

In contrast, the comparatively lower representation of women aged between 50-60 years may be attributed to factors such as declining physical capacity, reduced mobility, health-related constraints and lesser engagement in income-generating activities. Additionally, cultural and families roles at this stage of life limits their active participation in SHG-related entrepreneurial ventures. The observed pattern suggests that SHGs in the study region are largely driven by women within the productive working age group, reinforcing their role for promoting socio-economic empowerment among rural women.

2. Occupational profile

Table 2: Occupational distribution of the respondents

Sl. No.	Occupation	Pre-SHG	Post-SHG
		Frequency	Frequency
1	Self-employed business	62 (34.44)	127 (70.56)
2	Wage labour	34 (18.89)	11 (6.11)
3	Agricultural workers	84 (46.67)	42 (23.33)
4	Total	180 (100)	180 (100)

Source: Field Survey Figures in the parenthesis represent percentage.

The occupational distribution of respondents pre and post joining SHGs in table 2 reflects that respondents are engaged in diversified income-generating economic activities. Prior to SHG

participation, the majority of respondents were engaged as agricultural workers (46.67%), followed by self-employed business activities (34.44%) and wage labour (18.89%). This distribution reflects a predominantly informal and agriculture-dependent livelihood structure, characterized by limited diversification and relatively low-income stability. Post-SHG participation, a substantial transformation is observed. The proportion of respondents engaged in self-employed business activities increased markedly from 34.44% to 70.56%, indicating a strong shift towards entrepreneurship and micro-enterprise development. In contrast, dependence on agricultural work declined significantly from 46.67% to 23.33%, while wage labour reduced sharply from 18.89% to 6.11%. This shift suggests that SHG interventions have played a crucial role in promoting livelihood diversification and enhancing entrepreneurial engagement among members. The increased participation in self-employment may be attributed to improved access to microcredit and institutional support facilitated through SHGs. These mechanisms likely enabled members to transition away from unstable wage-based and agricultural occupations towards more sustainable income-generating activities.

3. Educational Qualification

Table 3: Educational Qualification of the respondents

Sl. No.	Educational Qualification	Frequency
1	Illiterate	13 (7.22)
2	Primary	166 (92.22)
3	High school	1 (0.56)
4	Total	180 (100)

Source: Field Survey Figures in the parenthesis represent percentage.

The educational profile of the respondents in table 3 indicates that the majority possess only basic levels of formal education. A predominant proportion of 92.22% have attained primary-level education, while we observe that 7.22% of the respondents are illiterate. Only a negligible fraction, 0.56% has completed education up to the high school. This distribution highlights that SHG members in the study area are largely drawn from educationally disadvantaged backgrounds, with very limited access to higher levels of formal schooling. The dominance of primary education suggests that most

respondents have basic literacy skills sufficient to participate in SHG activities but may lack advanced educational qualifications. The presence of a small proportion of illiterate members further underscores the inclusive nature of SHGs in accommodating women irrespective of educational attainment. It displays that SHGs serve as an important platform for economic participation among women with low educational backgrounds, thereby bridging gaps in access to livelihood opportunities.

4. Income generating activities undertaken by SHGs

Table 4: SHG activities distribution

Sl. No.	Income generating activities	Frequency
1	Preparation and selling of street food	6 (3.33)
2	Fruit/vegetable vending	18 (10.00)
3	Embroidering	5 (2.78)
4	Pickle / jam / papad preparation and sales	3 (1.67)
5	Soap & detergent preparation and sales	12 (6.67)
6	Bakery items	13 (7.22)
7	Handicraft	18 (10.00)
8	Others	15 (8.33)

Source: Field Survey Figures in the parenthesis represent percentage.

Note: As SHGs engage in multiple activities, the allocation across categories is not mutually exclusive, resulting in overlapping in table 4; consequently, the aggregated percentages do not sum to 100%.

The distribution of SHGs across various income-generating activities in table 4 indicates a diverse range of livelihood engagements within the study area. Among the listed activities, fruit and vegetable vending and handicrafts emerge as the most widely practiced, with all SHGs engaged in these sectors, highlighting their accessibility and relevance to local skills and market demand. The respondents stated that although fruit/vegetable vending involves extended hours of sitting at street corners, it is deemed more convenient due to its time flexibility as this activity can be undertaken during the day when their children are at school, allowing them to return home in the evening and attend to their family duties. A considerable number of SHGs are also involved in bakery production (7.22%) and the preparation and sale of soap and detergent (6.67%), suggesting a growing inclination towards small-scale enterprise development. Participation

in activities such as preparation and sale of street food (3.33%) and processing of pickles/jam and papad (1.67%) remains comparatively limited as it requires additional effort in cooking and packaging food prior to venturing out to sell. Embroidering constitutes only (2.78%) as respondents indicated that it requires considerable time and attention to detail, along with specialized tools, materials, fabric, equipment and demands specific skills prior to engaging in market-oriented production. Additionally, 8.33 per cent of SHGs are engaged in “others” category which includes miscellaneous activities such as cleaning services, poultry rearing, food caterings etc, reflecting diversification based on local opportunities and individual group preferences. Nevertheless, the activities undertaken by the group members are not predetermined or assigned by the President or anyone of the group rather, each member is granted the freedom and flexibility to select any activity based on her individual skill set, interests and personal convenience. This approach also helps to facilitate a work environment where members can participate at their own convenience, without the obligation or undue pressure to take on tasks that fall beyond their areas of proficiency or health issues.

5. Impact of SHGs on women empowerment

Table 5: Shows the Average annual employment Pre and Post joining SHGs

Sl. No.	Average working days per annum (Pre SHG)	Average working days per annum apart from SHG (Post SHG)	Average working days per annum from SHG (Post SHG)
1	253.63	152.01	108.67

Source: Field Survey.

The data on average working days per annum in table 5 indicates a notable shift in the pattern of employment following participation in SHGs. Prior to joining SHGs, respondents recorded an average of 253.63 working days per year, reflecting their engagement in traditional or existing livelihood activities. In the post-SHG phase, the average number of working days in activities apart from SHGs declined to 152.01 days per annum. However, this reduction is offset by an additional 108.67 average working days generated

through SHG-related activities. This indicates that while respondents have reduced their dependence on traditional forms of employment, they have simultaneously gained access to new employment opportunities through SHG initiatives. The observed decline in pre-existing working days does not imply unemployment but rather reflects a shift in labour allocation towards SHG based income-generating activities. These activities, often more organized and skill-oriented, have expanded the employment base and provided alternative livelihood options. Consequently, SHGs have played a crucial role in creating supplementary employment, enhancing income stability and diversifying occupational engagement among rural women.

6. Average annual income head of the respondent's pre and post SHG

The data in table 6 presents a clear shift in the distribution of respondents' average annual income following their participation in SHGs, indicating a substantial improvement in economic status. Prior to SHG involvement, the majority of respondents were concentrated in the lower income brackets. Specifically, 52.78% of the respondents reported an annual income between ₹ 40,000-60,000, while 42.78% earned between ₹ 60,000-80,000. Only a marginal proportion (4.44%) fell within the ₹ 80,000-1,00,000 category and none of the respondents' reported incomes above ₹ 1,00,000. This distribution highlights a predominantly low-income profile among participants before joining SHGs. In contrast, the post-SHG income distribution reveals a marked upward mobility. Notably, none of the respondents remained in the lower income categories below ₹ 1,00,000. Instead, 40% of respondents reported

annual incomes between ₹ 1,00,000-1,20,000 followed by 43.89% in the ₹ 1,20,000-1,40,000 range and 16.11% in the ₹ 1,40,000-1,60,000 category. This indicates that the entire sample transitioned into higher income brackets after SHG participation.

The substantial increase in annual income indicates improved access to financial resources through SHG participation. By facilitating microcredit, savings mobilization and internal lending practices, SHGs enable women to initiate or expand income-generating activities such as small enterprises, agriculture-based ventures and allied occupations. The shift of 83.89% of respondents into income brackets above ₹ 1,20,000 in the post-SHG phase reflects enhanced productivity and diversification of livelihood options, which are critical indicators of economic empowerment. The complete elimination of respondents from lower income groups and their redistribution into higher income categories suggest improved livelihood opportunities, increased earning capacity and enhanced financial stability. These findings underscore the effectiveness of SHGs as a mechanism for socio-economic empowerment and poverty alleviation among the participants. The evidence strongly supports that SHG participation has played a transformative role in improving the income levels of the respondents, making it a viable strategy for inclusive economic development and women empowerment.

7. Average monthly expenditure of the respondents

The comparative analysis in table 7 of pre and post-SHG monthly expenditure patterns provides important insights into the changing consumption behaviour and socio-economic empowerment

Table 6: Shows the average annual income pre and post joining SHG

Pre-SHG			Post-SHG		
Sl. No.	Average annual income (in ₹)	Frequency	Sl. No.	Average annual income (in ₹)	Frequency
1	₹ 40-60,000	95(52.78)	1	₹ 40-60,000	0
2	₹ 60-80,000	77(42.78)	2	₹ 60-80,000	0
3	₹ 80-1,00,000	8(4.44)	3	₹ 80-1,00,000	0
4	₹ 1,00,000-1,20,000	0	4	₹ 1,00,000-1,20,000	72(40)
5	₹ 1,20,000-1,40,000	0	5	₹ 1,20,000-1,40,000	79(43.89)
6	₹ 1,40,000-1,60,000	0	6	₹ 1,40,000-1,60,000	29(16.11)
7	Total	180 (100)	7	Total	180(100)

Source: Field Survey Figures in the parenthesis represent percentage.

Table 7: Shows the Average monthly expenditure pre and post joining SHG

Sl. No.	Particulars	Pre-SHG		Post-SHG	
		Frequency	Average monthly expenditure (in ₹)	Frequency	Average monthly expenditure (in ₹)
1	Food items	180 (100)	₹ 1847.22	180 (100)	₹ 2841.67
2	Children's education	151 (83.89)	₹ 1168.87	164 (91.11)	₹ 1832.31
3	Clothing	74 (41.11)	₹ 500	153 (85.00)	₹ 506.53
4	Health	98 (54.44)	₹ 673.47	132 (73.33)	₹ 958.33
5	Rent	180 (100)	₹ 1094.44	180 (100)	₹ 3208.33
6	Livestock	0	0	114 (63.33)	₹ 728.07
7	Repayment of loans	180 (100)	₹ 3208.33	180 (100)	₹ 2733.33
8	Fuel	0	0	4 (2.22)	₹ 1000

Source: Field Survey Figures in the parenthesis represent percentage.

of rural women following their participation in SHGs. At the outset, expenditure on food items remained universal (100%) in both periods, however, the average monthly spending increased significantly from ₹ 1847.22 to ₹ 2841.67. This rise indicates an improvement in household food security, dietary intake and possibly nutritional quality. The increase reflects enhanced purchasing power and prioritization of basic needs which is a fundamental aspect of economic well-being. The respondents were of the opinion that the relatively lower expenditure on food items is attributed to the respondents' practice of cultivating vegetables in their home gardens, as well as receiving surplus produce from landowners at their workplaces which collectively reduces their overall spending on food. Expenditure on children's education shows both an increase in participation and spending. The proportion of households allocating resources to education rose from 83.89% to 91.11%, while the average monthly expenditure increased from ₹ 1168.87 to ₹ 1832.31. This suggests a growing awareness among rural women regarding the importance of education, facilitated by improved income and financial stability through SHGs. It also indicates a shift toward long-term human capital investment. A notable change is observed in clothing expenditure, where the proportion of respondents spending on clothing increased sharply from 41.11% to 85%, although the average expenditure shows only a marginal rise (₹ 500 to ₹ 506.53). This implies that while more households are now able to afford clothing, spending remains controlled possibly reflecting improved access rather than increased consumption intensity. Similarly, expenditure on

healthcare increased both in coverage (from 54.44% to 73.33%) and in average spending (₹ 673.47 to ₹ 958.33). This indicates improved access to medical services and a greater willingness to invest in health, which is often associated with enhanced awareness and financial capability among SHG members. A striking shift is evident in the case of rent expenditure, which increased substantially from ₹ 1094.44 to ₹ 3208.33. This increase suggests improved housing conditions and better housing facilities. Importantly, new categories of expenditure emerged in the post-SHG period. Investment in livestock was reported by 63.33% of respondents, with an average monthly expenditure of ₹ 728.07. This reflects diversification of livelihood activities and asset creation, which are key indicators of sustainable economic empowerment. Similarly, although minimal, expenditure on fuel (2.22%, ₹ 1000) suggests gradual adoption of alternative energy sources and improved living standards. Expenditure on loan repayment remained universal, however, the average monthly amount decreased from ₹ 3208.33 to ₹ 2733.33. This decline indicates improved debt management and reduced dependence on high-interest informal borrowing, which the respondents also claimed to have improved their mental wellbeing. Overall, the data clearly demonstrate that SHG participation has led to a positive transformation in expenditure patterns among rural women. There is a visible shift from basic survival-oriented spending towards enhanced investment in education, health and productive assets. These changes signify not only improved economic capacity but also greater financial autonomy, decision-making ability and long-term

planning among women. Thus, enabling rural women to improve household welfare, invest in future opportunities and achieve a higher standard of living.

8. Average annual savings of the respondents

Table 8: Shows the Average annual savings of SHGs members

Sl. No.	Particulars	Pre-SHG		Post-SHG	
		Average savings (annually)	Frequency	Average annual savings (in ₹)	
1	SHG	nil	180 (100)	₹ 19000	

Source: Field Survey Figures in the parenthesis represent percentage.

The table 8 presents a clear comparison of respondents' savings behaviour pre and post joining SHGs, highlighting a significant transformation in financial discipline and inclusion. Before joining SHGs, the respondents reported no formal savings, indicating an absence of systematic saving practices and a high level of financial vulnerability. This reflects the typical condition of rural households where income is often consumed entirely to meet immediate needs, leaving little or no scope for structured savings. In contrast, after joining SHGs, all respondents (100%) reported an average annual savings of ₹ 19,000. This shift from zero savings to a substantial and consistent savings pattern demonstrates a strong behavioural and institutional change induced by SHG participation. This transformation can be attributed to the compulsory and structured savings mechanism embedded within SHG functioning. Regular weekly or monthly contributions, peer monitoring and collective accountability encourage members to develop disciplined saving habits. Moreover, SHGs provide a secure and accessible platform for pooling small savings, which would otherwise be difficult for individual households to accumulate.

9. Opinions of the sample respondents

The findings presented in the table 9 indicate a markedly positive shift in respondents' socio-economic and psychological outcomes following their membership in SHGs. Notably, universal affirmation (100%) was observed across several key dimensions, including involvement in community

problem-solving, overall mental well-being, entrepreneurial competency, access to resources, participation in decision-making processes and knowledge of self-employability.

Table 9: Represents the opinions of the respondents post SHG membership

Sl. No.	Particulars	Post - SHG Frequency	
		Yes	No
1	Do you have any involvement in solving the problems faced by other people in your surroundings?	180 (100)	0
2	Your overall mental health was healthy	180 (100)	0
3	Have satisfactory entrepreneurial skills	180 (100)	0
4	Play a role of decision making in your family	169 (93.89)	11 (6.11)
5	Stimulate your power over resources and in decision making process	180 (100)	0
6	Knowledge on self-employability	180 (100)	0

Source: Field Survey Figures in the parenthesis represent percentage.

This suggests that SHG participation has played a transformative role in enhancing both individual agency and collective social responsibility among members. Specifically, all respondents reported active engagement in addressing community-level issues, reflecting strengthened social capital and civic participation. Similarly, the unanimous perception of improved mental health points toward the psychosocial benefits of SHG involvement, potentially attributable to peer support, financial stability and increased self-confidence. The acquisition of entrepreneurial skills and self-employability knowledge by all participants further underscores the effectiveness of SHGs as platforms for capacity building and economic empowerment. However, a marginal variation is observed in the domain of intra-household decision-making, where 93.89% of respondents reported active participation, while 6.11% indicated otherwise. Although the proportion of non-participation is relatively small, it highlights the persistence of certain structural or cultural constraints that may limit full empowerment within the household context. The results strongly affirm that SHGs function as effective instruments for fostering empowerment, enhancing

decision-making capabilities and promoting socio-economic development. The near-universal positive responses from rural women respondents across indicators demonstrate the significant role of SHGs in advancing both individual well-being and community engagement, while also pointing to the need for targeted interventions to address residual gaps in household-level empowerment.

Hypothesis Testing

Statement: There is no significant difference in income level before and after joining SHG.

Average annual income pre and post joining SHG

Table 10: Paired Samples Statistics

	Mean	N	Std. Deviation	Std. Error Mean
Pre joining SHG	62966.6667	180	10097.79001	752.64483
Post joining SHG	128300.0000	180	12448.73286	927.87376

Table 11: Paired Samples Correlations

	N	Correlation	Sig.
Pre and Post SHG	180	.688	.000

Paired Samples Test

Table 12: Paired Differences

	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
				Lower	Upper			
Pre and Post SHG	-65333.33333	9166.37040	683.22091	-66681.53687	-63985.12980	-95.625	179	.001

The paired samples statistics in table 10 indicate a substantial increase in mean annual income from ₹ 62,966.67 in the pre-SHG period to ₹ 1,28,300.00 in the post-SHG period. This sharp rise of approximately ₹ 65,333 reflects a considerable enhancement in earning capacity among the respondents. The relatively moderate standard deviations in both periods (₹ 10,097.79 pre-SHG and ₹ 12,448.73 post-

SHG) suggest a reasonable level of consistency in income distribution across the sample. The paired samples correlation in table 11 shows a strong positive relationship ($r=0.688$) between pre and post-SHG incomes, which is statistically significant at the 1% level ($p=0.000$). This implies that while income levels have increased, the relative positions of respondents within the income distribution have been somewhat maintained, indicating a uniform impact of SHGs across participants. Further, the paired samples t-test in table 12 confirms that the observed difference in income is statistically significant. The mean difference between pre and post-SHG income is -65,333.33, with a t-value of -95.625 and a significance level of $p = 0.001$ (< 0.05). The 95% confidence interval of the difference ranges from -66,681.54 to -63,985.13, which does not include zero, thereby reinforcing the statistical significance of the results. These findings clearly reject the null hypothesis of no difference in income before and after joining SHGs. The large magnitude of the t-value further indicates that the increase in income is not only statistically significant but also economically meaningful. In conclusion, the analysis strongly supports the assertion that participation in SHGs has led to a significant and positive impact on the annual income of respondents. This income enhancement serves as a key indicator of economic empowerment, validating the effectiveness of SHGs as instruments for improving livelihoods and promoting financial inclusion among rural women.

Distribution of Respondents by Source of Family-related Challenges after Joining SHGs

Table 13: Challenges faced by respondents

Sl. No.	Particulars	Frequency
1	Husband	76 (42.22)
2	In-laws	5 (2.78)
3	Both	99 (55.00)

Source: Field Survey Figures in the parenthesis represent percentage.

The total percentage in table 13 does not sum to 100% because some respondents reported experiencing challenges from both their spouses and in-laws, therefore, the categories are not mutually exclusive and overlap. The data highlights the significant influence of household dynamics on women's participation in SHG activities. A majority of respondents, 55% reported facing resistance

from both husbands and in-laws, indicating that opposition is often not limited to a single family member but is embedded within the broader household structure. Additionally, 42.22% identified their husbands as the primary source of constraint, while a relatively small proportion, 2.78% reported challenges arising solely from in-laws. These findings underscore the persistence of patriarchal norms and traditional expectations that restrict women's mobility and economic engagement even after joining SHGs. The relatively higher proportion of combined resistance suggests that collective familial attitudes play a crucial role in shaping women's participation in such initiatives. Despite these constraints, the continued involvement of women in SHGs reflects their resilience and the growing acceptance of women's economic roles over time. However, there is need for greater awareness and sensitization starting at household levels to foster supportive environments for women's empowerment through SHGs.

Suggestions

1. SHGs in rural areas of Mokokchung still lack proper digital connectivity or awareness of modern banking, online marketing, e-commerce opportunities etc. Organizing programs where basic digital knowledge is provided would be beneficial.
2. Simplifying the loan procedures especially in rural areas, by providing clear and easy to understand guidelines and only essential paperwork demanded. Assistance should also be provided at the grassroots level through community agents or village leaders to ensure easy accessibility.
3. The findings indicate strong entrepreneurial potential among SHG members. Therefore, more targeted support for women-led micro and small enterprises, including subsidies, incubation support and start-up assistance should be provided to scale up successful initiatives.

Scope for Future Studies

- ♦ *Effectiveness of Government Schemes Integration:* Future studies may analyse how convergence between SHGs and government rural

development schemes influences sustainability, scalability and economic outcomes.

- ♦ *Sector Specific Analysis:* Research can also focus on specific livelihood activities such as agriculture, livestock, handicrafts or micro-enterprises to identify the most productive sectors for SHG members in the region.

RESULTS AND DISCUSSION

1. Socio-Demographic Profile and Structural Positioning

The present study found that the majority of SHG members, that is nearly 91% of participants were concentrated within the 30-50 years age group. This pattern reflects the dominance of economically active, middle-aged women in SHG participation. Similar findings have been reported in recent SHG-based research, where membership is consistently concentrated among women in their productive and household-management years. A recent study by Pandhare *et al.* (2024) examining SHGs in rural India reported that SHG participation is highest among women aged 25-50 years, as this age group is more actively engaged in household decision-making and income-generating activities. Further, evidence from World Development (2021) indicates that SHG participation significantly enhances women's agency and collective action, with membership largely concentrated among working-age women due to their greater involvement in financial decision-making and group-based activities.

The present study also revealed that a vast majority of SHG members had only primary education (92.22%), followed by illiterates (7.22%) and a very small proportion with secondary education (0.56%). This indicates that SHGs in the study area are predominantly composed of women with low educational attainment. This finding aligns with the core structural design of SHG programmes in India, which primarily target socially and economically marginalized women with limited formal education. A 2024 systematic review by Yadav *et al.* found that SHGs in India largely comprise women with low educational levels, as SHGs function as inclusive financial institutions aimed at bringing marginalized rural women into formal credit and livelihood systems. Similarly, Pandhare *et al.* (2024) reported that SHG membership is strongly associated with

low-income and low-education populations, as microfinance interventions are designed to enhance financial inclusion among disadvantaged groups. Studies such as Swain and Wallentin (2021) and recent SHG evaluations in more developed rural clusters indicate that increasing exposure to SHG programmes is gradually improving literacy, financial awareness and participation in decision-making activities among women members. This suggests that while SHGs currently predominantly include low-education women, they also function as a transformative platform that may improve socio-economic outcomes over time.

2. Occupational Transformation as a Function of Social Capital

The present study demonstrates a significant occupational shift among SHG members. Prior to SHG involvement, majority of respondents were engaged as agricultural workers (46.67%), followed by self-employed business activities (34.44%) and wage labour (18.89%). However, post-SHG participation revealed a marked restructuring of livelihood patterns, with self-employment increasing substantially to 70.56%, agricultural work declining to 23.33% and wage labour reducing to 6.11%. This indicates a clear transition from primarily informal and low-return agricultural and wage-based employment toward more diversified and self-managed entrepreneurial activities.

This pattern is strongly supported by recent SHG literature, a systematic review by Brody *et al.* (2021), covering evidence from multiple low and middle-income countries, reported that SHG participation increases the likelihood of women engaging in self-employment by 20-35%, primarily due to improved access to credit, savings and enhanced social capital. This aligns closely with the present study, where self-employment increased by 36.12 percentage points (from 34.44% to 70.56%), indicating a substantial shift toward entrepreneurship. Similarly, Swain and Wallentin (2021), in their longitudinal study of SHGs in India, found that participation in SHGs significantly reduces dependence on wage labour and agricultural casual work, while increasing engagement in micro-enterprises and small business activities. Their findings reported a 25-30% reduction in wage labour dependency, which is consistent with the present study, where wage

labour declined from 18.89% to 6.11% (a reduction of 12.78 percentage points). Pandhare *et al.* (2024) also reported that SHG-linked microfinance programs in India enable rural women to diversify income sources, with many transitioning from seasonal agricultural labour to small-scale trading, livestock rearing and home-based enterprises. Their study found that approximately 40-60% of SHG members transition out of primary agricultural labour within 3-5 years, depending on credit availability and market. Overall, the findings indicate that SHG participation plays a transformative role in reshaping occupational structure, with a strong shift toward self-employment and reduced dependence on agricultural and wage-based labour.

3. Income Enhancement and Financial Capability Expansion

The present study demonstrates a substantial improvement in the annual income following their participation in SHG activities. Prior to SHG, majority of respondents earned between ₹ 40,000-60,000 per annum (52.78%), followed by ₹ 60,000-80,000 (42.78%) and ₹ 80,000-1,00,000 (4.44%). However, post-SHG participation revealed a complete upward shift in income distribution, with no respondents remaining in the lower income categories. Instead, majority, 43.89% earned ₹ 1,20,000-1,40,000 annually. This reflects a clear and substantial increase in household income levels following SHG engagement. This finding is strongly supported by recent SHG literature, a systematic review by Pandhare *et al.* (2024), reported that SHG participation in rural India led to an average monthly income increase of ₹ 3,000-₹ 6,000 per household, primarily through micro-enterprise development and entrepreneurial activities. When annualized, this translates to an estimated ₹ 36,000-₹ 72,000 increase per year, which is consistent with the upward shift observed in the present study. Yadav *et al.* (2024) emphasized that SHGs contribute to long-term income sustainability by enabling women to transition from low-return agricultural and wage labour to micro-enterprise-based livelihoods. Their systematic review reported that SHG members commonly experience income doubling within 2-5 years of sustained participation, particularly in rural settings with strong entrepreneurial support systems. This pattern closely mirrors the findings

of the present study. Another study by Brody *et al.* (2021), covering 54 studies across South Asia and Africa, reported SHG participation is associated with average income increase ranging from 15% to 40%, depending on program intensity and credit linkage. The complete elimination of respondents in the lower income categories after SHG participation in the present study aligns with findings by Swain and Wallentin (2021), who demonstrated that SHG participation significantly improves women's economic agency and household income through collective savings, peer monitoring and microcredit access. Their study further emphasized that income gains are not merely incremental but can represent structural shifts in household economic status when SHGs are effectively linked to financial institutions.

4. Expenditure Behaviour

The present study demonstrates a significant transformation in household expenditure patterns of the respondents, indicating improved economic stability and reallocation of resources toward both consumption and productive investment. The increase in average monthly food expenditure from ₹ 1847.22 to ₹ 2841.67 indicates improved household food security and dietary diversification. This finding is consistent with Ghosh *et al.* (2023), who reported that SHG participation in rural India leads to a 22-35% increase in household consumption expenditure, with food being the most dominant component of increased spending. Similarly, Alrefaei *et al.* (2022) found that SHG households exhibit significantly higher consumption stability, with food expenditure increasing by approximately 25% after SHG participation, reflecting improved purchasing power and reduced vulnerability to income shocks.

The rise in education expenditure from ₹ 1168.87 to ₹ 1832.31, along with increased coverage (83.89% to 91.11%), reflects stronger investment in children's education. This aligns with findings from Gupta and Singh (2023), who reported that SHG participation increases educational spending by 28-40%, as households shift priorities toward long-term human capital formation. Health expenditure increased from ₹ 673.47 to ₹ 958.33, with coverage rising from 54.44% to 73.33%. This is consistent with Survase and Gohil (2024), who observed that SHG members show a 30% higher likelihood of

spending on healthcare services compared to non-members, primarily due to improved financial inclusion and access to emergency funds. The emergence of livestock expenditure (63.33%; ₹ 728.07) post-SHG reflects a shift toward productive asset creation. This is strongly supported by Ghosh *et al.* (2023), who reported that 38-55% of SHG households invest in livestock or micro-enterprises after program participation. Livestock investment is widely recognized as a key pathway for income diversification and long-term financial resilience in rural SHG models. The reduction in loan repayment expenditure from ₹ 3208.33 to ₹ 2733.33 suggests improved financial restructuring and reduced dependence on high-interest informal borrowing. Survase and Gohil (2024) found that SHG participation reduces reliance on informal credit by nearly 20-30%, replacing it with structured microcredit repayment systems, which improves household financial discipline. Therefore, the present study demonstrates that SHG participation leads to a systematic and multidimensional reallocation of household expenditure, shifting from subsistence-oriented spending toward human capital development and productive investment.

5. Empowerment as Agency Expansion

The present study demonstrates a remarkably high level of empowerment outcomes among the respondents. All respondents (100%) reported active involvement in solving problems faced by people in their surroundings, improved mental health, satisfactory entrepreneurial skills, enhanced power over resources and decision-making processes, and increased knowledge of self-employability. Additionally, 93.89% of respondents reported active participation in family decision-making, while only 6.11% did not report such involvement. These findings indicate a strong association between SHG participation and multidimensional empowerment outcomes, including psychological, social, economic and decision-making dimensions. The finding that all respondents reported improved mental health is consistent with Swain and Wallentin (2021), found that SHG participation significantly reduces psychological stress and enhances subjective well-being due to increased financial security, peer support and social inclusion. Their study reported improvements in self-confidence and emotional

well-being among a majority of SHG members, particularly in rural India where social isolation and financial insecurity are common. Similarly, the present study revealed that 100% of respondents reported satisfactory entrepreneurial skills and knowledge on self-employability. This is strongly supported by Pandhare *et al.* (2024), who reported that SHG-linked training and microfinance access significantly enhance entrepreneurial capabilities, with approximately 85% of SHG members acquiring basic entrepreneurial and financial management skills after program participation. Overall, the results indicate that SHG participation is associated with near-universal improvements across multiple dimensions of empowerment, including psychological well-being, social participation, entrepreneurial capability and economic decision-making.

CONCLUSION

The present study examined the socio-economic empowerment of rural women through Self-Help Groups (SHGs) in Mokokchung district, Nagaland focusing on income, expenditure, savings and empowerment indicators. Beyond economic gains, SHGs promote broader empowerment through collective agency, peer learning and access to resources. This enhances women's bargaining power and supports behavioural change within households. The study also adds a context-specific dimension by showing that in rural Nagaland, SHG participation not only enhances income but also contributes to a marked shift in social attitudes, particularly in rejecting gender-based discrimination and harmful social practices. The

reduction in expenditure on liabilities such as loan repayment, coupled with diversification into productive activities like livestock rearing, further highlights a shift from survival-based consumption to asset-building behaviour. In sum, the study confirms that SHGs in Mokokchung district serve as an effective institutional mechanism for multidimensional empowerment by integrating economic advancement with social transformation. The findings underscore that the impact of SHGs is not merely an outcome of increased access to credit but a result of sustained group-based interaction, capacity building and evolving social norms. Therefore, SHGs should be understood as dynamic empowerment institutions that generate both material and non-material changes in women's lives.

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