

# Catalysts Of Change: The Financial Landscape Of Tribal Self-Help Group Women

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## **Abstract:**

*Like any other social group, tribal women constitute nearly half of the total tribal population. However, their representation in society is not at par with their male counterparts throughout the nation, and the tribal women of Himachal Pradesh are no exception. Empowering the tribal people in general and tribal women, in particular, is something that barely needs any justification. Sustainable development of tribal areas and especially its women is necessitated due to their primitive lifestyle, economic and social backwardness, geographical barriers, illiteracy and sparse physical infrastructure in these regions. Self-help groups are proving to be great catalysts in bringing socio-economic change in the lives of tribal women. They have emerged as a significant tool to alleviate these women's status and help them secure their rights and inputs like collective savings, financial inclusion, credit access, skill enhancement, entrepreneurial endeavours and other services. Primary data collected through 400 SHG women on some financial indicators of well-being like monthly savings, monthly family income and monthly family expenditure, the most preferred mode of saving and procuring credit pre- and post-joining the SHG have been analysed with the help of simple descriptives and a paired sample t-test to get an insight into the shift brought by the SHGs in the level of economic empowerment of tribal women. The study concludes that following their participation in the SHG, there has been a statistically significant enhancement in all the financial indicators of well-being; however, notably, the rise in their savings stands out in comparison to the changes observed in income and expenditure. Their involvement in these groups has transformed their traditional aversion to saving or saving only meagre sums at home into a preference for institutionalised savings in banks and post offices. Similarly, their reliance on moneylenders, friends, or relatives for credit has markedly declined, with a notable shift towards utilising Self-Help Groups and other formal credit institutions. This study is poised to offer significant utility in understanding the multifaceted role of SHGs as change agents for economic self-sufficiency, fiscal empowerment and sustainable growth among tribal women.*

**Keywords:** *Tribal Women, Self- help Groups, Economic self-sufficiency, Fiscal Empowerment*

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## **I. Introduction**

United Nations recognises women's empowerment as a crucial component of sustainable development and has explicitly addressed it in the United Nations Sustainable Development Goal No. 5, which is dedicated to achieving gender equality and empowering all women and girls. One of the most important components of this goal is empowering women economically, which involves promoting equal opportunities for income generation, entrepreneurship, and participation in the labour market. This contributes to poverty reduction and overall economic development as well. Ensuring women's economic empowerment is essential for sustainable development, fostering growth that benefits the impoverished, and attaining the Millennium Development Goals (MDGs) objectives. Gender equality and empowered women serve as catalysts, amplifying the impact of development endeavours. Investments in gender equality are particularly rewarding, generating the most substantial returns among all development investments.<sup>1</sup> The Sustainable Development Goals report published by the UN in 2022 warns that the world is moving off the track to achieving gender equality by 2030, as envisaged earlier. Historically, the Scheduled Tribes have held the lowest status in the country's social hierarchy. They have faced various disadvantages, deprivations, and oppressions. In the backdrop of exploitative semi-feudal systems prevalent in India, the Scheduled Tribes have long been targets of perpetual exploitation. Despite India declaring itself a secular state, it has endeavoured to advance the well-being of these vulnerable sections through diverse developmental initiatives. In conjunction with these developmental programs, institutional changes were also envisioned aimed at preventing the affluent strata from monopolising the benefits of development.<sup>2</sup> Along similar lines, the concept of SHGs, which is a brainchild of the Grameen Bank of Bangladesh, founded by Prof. Mohammed Yunus of Chittagong University, was adopted by India through NABARD in 1986-87 and was further strengthened by linking these groups with the banks during 1991-92. SHGs work on the principle of channelling the members' collective small savings towards fulfilling the group members' emergency credit needs by providing

them with the facility of collateral-free loans. SHGs have been recognised as useful tools for helping people experiencing poverty by meeting their urgent credit requirements through thrift.<sup>3</sup> Additionally, these groups facilitate market linkages for tribal women, ensuring their products or services reach wider audiences. By advocating for women's rights and entitlements, monitoring progress, and promoting skill development, SHGs act as effective mediators in empowering tribal women economically, contributing to long-term financial sustainability within their community.<sup>4</sup>

While reviewing the existing literature on the fiscal panorama spread across the country and the role of SHGs as a coin of change in the process of tribal women empowerment (Yadav, 2022) unveiled a rise in economic empowerment indicators, accompanied by notable enhancements in communication and leadership skills, administrative proficiency, confidence levels, and awareness of individual rights. Additionally, his study suggests that individuals who have become members of Self-Help Groups (SHGs) have acquired innovative strategies to address unforeseen challenges. (Sihag & Vermani, 2022) also validated the assertions regarding the significant impact of Self-Help Groups (SHGs) on the economic well-being of rural women. A majority of respondents acknowledged improvements in monthly income, increased savings, heightened financial security, and greater participation in entrepreneurial decision-making. However, challenges such as delayed loan disbursement and high-interest rates from Microfinance Institutions (MFIs) create hurdles for SHG members. Moreover, difficulties in accessing product markets, obtaining quality raw materials and lacking team management and administrative skills further impede the effective operation of women-led businesses. The study recommends that the issues faced by these SHG women be attentively addressed and resolved in a timely manner to foster economic growth and sustainable development. However, (Kumar et al., 2021) indicated that there were no significant differences in the level of empowerment between members and non-members. Although membership has led to increased mobility among the participants and a noticeable but modest improvement, the deeply ingrained social norms and gender roles have not been substantially affected by joining the Self-Help Groups. Also, (Tigari & Aishwarya, 2020) underscore the importance of substantial investments in empowering women, emphasising that such efforts can lead to significant transformations and contribute to achieving goals related to regional rural development, gender equity, poverty alleviation, and the overall advancement of women in both rural and urban settings. The active involvement of NGOs at the grassroots level, providing profound insights into women's holistic well-being, is a crucial factor contributing to their sustainable growth and empowerment. Furthermore, (Rathod & Devi, 2019) concluded that the utilisation of micro-finance via self-help groups has cultivated entrepreneurial skills within the rural women's community, enabling them to achieve self-employment. Self-help groups have played a pivotal role in instigating positive changes in various economic indicators, including income, employment generation, asset building, productive investments, and savings. They further suggest that a well-organized SHG has the potential to serve as an effective tool for creating income and employment opportunities in rural and tribal areas.

The study aims to explore the origins of the tribal women in Himachal Pradesh, their present standing in society, and whether their participation in Self-Help Groups (SHGs) has led to noteworthy improvements in the economic circumstances of these historically overlooked women. It investigates whether joining SHGs has positively impacted these women's financial status and has contributed towards their sustainable growth and development by examining and analysing their level of savings, family income, family expenditure, preferred mode of savings and procuring loans before and after joining the Self-Help groups.

## II. Materials And Methods

To comprehend the present status of the tribal women under examination and the potential transformations resulting from their participation in Self-Help Groups (SHGs), this study analyses the primary responses of 400 SHG women selected via multistage purposive sampling hailing from five regions namely Kinnaur, Lahaul, Spiti, Bharmour and Pangi spread across seven different administrative blocks in Himachal Pradesh. These regions are specifically classified as scheduled areas under the fifth schedule of the Indian constitution due to the preponderance of tribal population in these areas. The focus has been on understanding the overall impact and financial upliftment, if any, experienced by these tribal women after joining SHGs.

## III. Results And Discussions

While examining the demographic profile of the participants to gain insights into the socio-economic context of these women, the findings unveil that the majority of respondents are from Kinnaur district, followed by Chamba and Lahaul-Spiti districts in Himachal Pradesh. Additionally, a noteworthy observation is that the highest number of respondents falls within the age range of 35 to 55 years, indicating comparatively lower involvement of younger women.

**Table no 1: Elucidates Demographic Variables of the Tribal SHG Women**

Demographic Variables of the Respondents		Frequency	Percentage
Block Wise Distribution	Nichar	69	18.0

	<b>Kalpa</b>	65	16.8
	<b>PooH</b>	57	14.8
	<b>Lahaul</b>	49	12.6
	<b>Spiti</b>	31	4.2
	<b>Bharmour</b>	92	24.0
	<b>Pangi</b>	37	9.6
<b>Age Wise Distribution</b>	<b>Below 25 years</b>	06	1.5
	<b>25 to 35 years</b>	61	15.3
	<b>35 to 45 years</b>	153	38.3
	<b>45 to 55 years</b>	141	35.3
	<b>55 years or above</b>	39	9.8
<b>Educational Qualification</b>	<b>Illiterate</b>	74	18.5
	<b>Primary School Level</b>	91	22.8
	<b>Middle School Level</b>	95	23.8
	<b>High School Level</b>	65	16.3
	<b>Secondary School Level</b>	66	16.5
<b>Marital Status</b>	<b>Married</b>	378	94.5
	<b>Unmarried</b>	22	5.5
<b>Occupation</b>	<b>Agriculture and Animal Husbandry</b>	337	84.3
	<b>Rural and Cottage Industries</b>	28	7.0
	<b>Small Businesses or Jobs</b>	35	8.8
<b>Monthly Household Income</b>	<b>Less than 10000</b>	244	61
	<b>10000 to 20000</b>	118	29.5
	<b>20000 to 30000</b>	24	6.0
	<b>30000 or more</b>	14	3.5

Source: Primary Probe

Approximately 40% of the tribal participants lack formal education, having either not received any education or only completed primary schooling, primarily due to their regions' remote and challenging terrain, compounded by inadequate transportation facilities. The low participation of unmarried women in Self-Help Groups (SHGs) might be attributed to the prevalent practice of early marriages in tribal society. The predominant occupation among the respondents involves agriculture and animal husbandry, with a minority engaged in entrepreneurship or small-scale jobs. Monthly family income serves as a key metric for gauging financial stability and sustainability within the tribal community. While over half of the tribal SHG members have a monthly household income below 10,000, fewer than 10% of families earn an income exceeding twenty thousand per month.

Saving plays a crucial role in gauging the economic empowerment of tribal women. It serves as a safety net during financial challenges and distress, representing a noteworthy stride towards achieving financial independence. By bolstering financial security and augmenting risk-taking capabilities, saving empowers tribal women. To comprehend the alterations in the saving behaviour of these women, an analysis was conducted on their monthly savings before and after joining the Self-Help Group. The monthly savings were categorised into less than 500, 500-999, 1000-1499, and 1500 and above.

**Table no 2: Examine the Monthly Savings of Members Before and After Joining SHG**

Paired Sample t-Test										
	Mean	S.D	Paired Differences					t	df	Sig. (2-tailed)
			Mean	S.D	Std. Error Mean	95% Confidence Interval				
						Lower	Upper			
<b>Before</b>	1.41	.589	-.948	.544	.027	-1.001	-.894	-34.861	399	.000
<b>After</b>	2.36	.616								

Source: Primary Probe

A paired sample t-test was conducted to evaluate the impact of SHG membership on the members' savings level. The null hypothesis tested was that the members' savings level remained unchanged after joining the SHG. The results show a significant increase in the savings of the members from (M=1.41, SD= .589) to after (M=2.36, SD= .616),  $t(399) = -34.861$ ,  $p < .001$  (two-tailed). The mean increase in the savings was .948, with a 95% confidence interval ranging from -1.001 to -.894. The calculated Cohen's d statistic (1.74) indicates a large effect size. The two means vary by 1.74 times the standard deviation of the data; hence, the mean increase in the monthly savings of the members post-joining SHG is huge and noteworthy (Cohen, 1988). Since the significance value of the paired t-test is .000, which is highly significant at a 5 per cent significance level, we accept the alternate hypothesis that the change in members' savings has been statistically significant.

Family income encompasses the collective earnings of all members within a household, serving as the driving force propelling the family forward. Decisions related to savings, expenditures, debts, and investments are predominantly influenced by this cumulative household income. Consequently, it stands as a pivotal measure of the economic prosperity of tribal women and their families. SHGs play a crucial role as facilitators, fostering entrepreneurship among economically disadvantaged women and contributing to stable incomes for those living in both rural and urban settings. This, in turn, aids in elevating the overall family income of the rural poor. (Chakraborty et al., 2019). For this study, members were classified, namely members whose monthly family income is below 4000, whose family income is 4000 to 8000, whose family income is 8000-12000 and members whose family income is 12000 and above.

**Table no 3: Examines the Monthly Family Income Before and After Joining SHG**

Paired Sample t-Test										
	Mean	S.D	Paired Differences					t	df	Sig. (2-tailed)
			Mean	S.D	Std. Error Mean	95% Confidence Interval				
						Lower	Upper			
Before	2.04	.921	-.070	.255	.013	-.095	-.045	-5.480	399	.000
After	2.11	.948								

Source: Primary Probe

The null hypothesis  $H_0$  = There is no significant change in the monthly family income of the members after joining the SHG has also been tested to estimate the impact of SHG membership on the monthly family income level of the members. The results of the test statistics are shown in Table 3. It offers an increase in the monthly income level of the members from (M=2.04, SD= .921) to after (M=2.11, SD= .948). Mean scores indicate that the average monthly family income of the members before and after joining SHG is slightly more than 8000 Rs. The value of the t statistic for the distribution stands at  $t(399) = 5.480, p < .001$  (two-tailed). The mean increase in the savings is .070, with a 95% confidence interval ranging from -.095 to -.045. Cohen’s d statistic (.27) indicates a small effect size suggesting that the two means differ by only 27% of the standard deviation, which is minor and unimportant. The null hypothesis is rejected since the p-value is highly significant at a 5% significance level. So, there exists a significant difference in the respondents' viewpoints regarding their family income level before and after joining the SHG.

The rise in a tribe's family expenditure can be viewed as a positive indicator of its financial robustness and long-term sustainability. This increase suggests an ability to meet growing needs and aspirations, indicating financial soundness. It may also signify improved economic stability, as the tribe allocates resources to various aspects of life, fostering sustainability in the long run. This increase may also reflect improved income levels within the tribe, allowing for a more comfortable standard of living. For drawing the inferential statistical measures, the family expenditure has been categorised as less than 4000 monthly, 4000-8000, 8000-12000, 12000 and above. The results of the paired sample t-test for monthly family expenditure before and after joining the SHG have been showcased in Table 4.

**Table no 4: Examines the Monthly Family Expenditure Before and After Joining SHG**

Paired Sample t-Test										
	Mean	S.D	Paired Differences					t	df	Sig. (2-tailed)
			Mean	S.D	Std. Error Mean	95% Confidence Interval				
						Lower	Upper			
Before	1.98	.881	-.047	.224	.011	-.070	-.025	-4.233	399	.000
After	2.03	.905								

Source: Primary Probe

Whether joining SHG has brought a significant change in the members' monthly family expenditure level or not has been studied to get an insight into the consumption and expenditure patterns of the members. Table 4 shows an increase in the level of monthly family expenditure of the members from (M=1.98, SD= .881) to after (M=2.03, SD= .905),  $t(399) = 4.233, p < .001$  (two-tailed). The mean increase in the savings is .047 at a 95% confidence interval ranging from -.070 to -.025. The value of Cohen’s d calculated to measure the effect size gave a weight of 0.21, which indicates a small effect size. The difference between the two means is only 21% of the standard deviation, which is trivial and unimportant. However, the null hypothesis for the change in family expenditure post-joining SHG is rejected, as the p-value is statistically significant at a 5% significance level.

Saving holds significance for individuals as it serves as a safeguard against financial emergencies, facilitates significant purchases, and mitigates debt accumulation. In essence, it diminishes financial strain and bestows greater financial autonomy upon individuals. Various formal and informal avenues exist for saving money. Contemporary saving methods are favoured over informal ones due to their safety and potential for accruing interest income over time. This study examined diverse saving practices, including utilisation of banks and post offices, involvement in self-help groups, saving at home, and abstaining from saving altogether.

**Table no 5: Examines the Most Preferred Saving Method Before and After Joining SHG**

Method of Saving	Members			
	Before		After	
	N	Per cent	N	Per cent
<b>Banks/ P. O</b>	47	11.8	107	26.8
<b>In SHG</b>	-	-	237	59.2
<b>At Home</b>	118	29.5	38	9.5
<b>No Saving</b>	235	58.7	18	4.5
<b>Total</b>	<b>400</b>	<b>100.0</b>	<b>400</b>	<b>100.0</b>

Source: Primary Probe

To assess the saving habits of the respondents, inquiries were made regarding their saving patterns and preferred saving methods. While over half of the members indicated that they did not save anything before joining the SHG, those who did preferentially saved money at home. Merely a few opted for formal financial institutions like banks or post offices for saving. However, analysis of the aforementioned table reveals a notable decline in the proportion of SHG respondents who continue to save nothing even after joining the group, signifying a significant reduction. Moreover, their most favoured saving medium has shifted from home to SHGs, indicating a growing trust among these women in group-based savings. Additionally, there has been a considerable rise in the number of tribal women who have begun depositing their savings in banks or post offices. Joining these groups has also diminished the priority of saving money at home for these SHG members. Consequently, it can be inferred that SHGs can instil the fundamental habit of saving money among tribal members. Also, in addition to making monthly savings within SHGs, tribal women who have joined SHGs are increasingly opting to deposit their savings in formal institutions like banks and post offices rather than keeping them idle at home.

Loans serve various developmental purposes and can be vital during financial emergencies. Numerous sources are available for obtaining loans, including friends and relatives, moneylenders, banks, and other microfinance institutions. Moreover, a key function of SHGs is to furnish microcredit to their members. SHGs extend collateral-free loans to their members, with repayment terms that are both simple and flexible. This study endeavours to determine the preferred sources of loans among the tribal folks and whether their preferences undergo any changes after joining an SHG.

**Table no 6: Examines the Most Preferred Loan Procurement Method Before and After joining SHG**

Source:

Method of Taking Loan	SHG Members			
	Before		After	
	N	Per cent	N	Per cent
<b>Banks/ P. O/ MFI</b>	31	7.8	70	17.5
<b>Moneylenders</b>	157	39.2	62	15.5
<b>SHG</b>	-	-	167	41.8
<b>Friends/ Relatives</b>	212	53.0	101	25.2
<b>Total</b>	<b>400</b>	<b>100.0</b>	<b>400</b>	<b>100.0</b>

Primary Probe

The study utilises Table 6 to examine the preferred sources for obtaining loans among the SHG members. Before joining the SHG, the highest number of responses indicated a preference for borrowing from friends or relatives, followed by seeking loans from local moneylenders, with the least preference given to formal credit institutions such as banks, post offices, and microfinance institutions. However, after joining these groups, most tribal women now favour obtaining loans from their SHG. The inclination towards seeking loans from friends or relatives and opting for moneylenders has decreased by more than half. Furthermore, there is a noticeable positive shift towards preferring formal institutional credit provided by banks, post offices, and other MFIs among the members post-joining the group.

#### IV. Conclusion

The study concludes that most participants lack formal education or possess minimal educational qualifications, primarily engaging in agricultural, animal husbandry, and related activities. Limited involvement from young and unmarried women is evident, and the majority of members originate from households with lower incomes. Upon comparing their financial indicators before and after joining Self-Help Groups, a noteworthy increase in monthly savings, family income, and family expenditure is observed. Although there is a slight improvement in monthly family income and expenditure post-SHG participation, a significant upturn in the members' monthly savings is particularly conspicuous. Furthermore, their affiliation with these groups has brought about a notable change in their conventional reluctance to save or save only minimal amounts at home, transitioning instead to embracing institutionalised savings in banks and post offices. Similarly, the inclination to borrow from moneylenders, friends, or relatives has significantly diminished in favour of selecting Self-Help Groups and other formal credit institutions as sources of credit. This overall suggests that SHGs play a pivotal role in reshaping the financial landscape for tribal women in Himachal Pradesh through their initiatives and awareness programs, acting as catalysts in their journey toward sustainable economic growth and empowerment.

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