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Role of Self-Help Groups in Financial Empowerment of Tribal Women in Jharkhand

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Abstract: *The financial empowerment of tribal women plays a vital role in achieving inclusive and sustainable development in India. In states such as Jharkhand, where Scheduled Tribes constitute a substantial share of the population, women continue to face deep-rooted structural challenges, including limited access to formal financial systems, low levels of literacy, and restricted livelihood opportunities. This paper examines the role of SHGs in enhancing the financial empowerment of tribal women in Jharkhand. The study adopts a descriptive and exploratory research design based on secondary data drawn from government reports, academic literature, and institutional publications. The findings indicate that SHGs have made a significant contribution to improving income levels, and strengthening the overall socio-economic status of tribal women. The study concludes by emphasizing the need for sustained policy support, targeted capacity-building initiatives, and institutional strengthening to further enhance SHGs' effectiveness in promoting financial empowerment among tribal women.*

Key Words: *Self-Help Groups, Tribal Women, Financial Empowerment, Jharkhand, Rural Development.*

1. INTRODUCTION:

Jharkhand is one of India's tribal-dominated states, with nearly one-fourth of its population belonging to Scheduled Tribes. Despite its rich natural resources and vibrant cultural heritage, tribal communities in the state continue to face persistent socio-economic disadvantages. Tribal women, in particular, experience multiple layers of marginalization arising from poverty, limited educational opportunities, and restricted access to formal financial institutions. Traditionally, their economic roles have largely remained confined to subsistence agriculture, forest-based livelihoods, and informal labour.

Against this backdrop, Self-Help Groups (SHGs) have emerged as a powerful instrument for promoting financial inclusion and empowering women. SHGs are small, informal collectives of women who voluntarily come together to cultivate regular savings and access credit on a collective basis. Supported by national initiatives such as the National Rural Livelihood Mission (NRLM) and various state-level programmes, SHGs in Jharkhand have expanded rapidly, particularly across tribal regions. Beyond providing financial services, these groups seek to strengthen women's confidence, enhance their decision-making capacities, and encourage active participation in community development.

2. LITERATURE REVIEW:

- **Concept of Financial Empowerment:**
  Financial empowerment refers to a process through which women gain control over financial resources, actively participate in economic decision-making, and work towards achieving economic independence. Kabeer (1999) conceptualizes empowerment as the expansion of individuals' ability to make strategic life choices, particularly in situations where such choices were previously constrained or denied. In the context of tribal women, financial empowerment is closely associated with access to savings, credit facilities, and sustainable livelihood opportunities (Das, 2012). Several studies emphasize that financial empowerment is not limited to access to financial resources alone but also requires the capability to utilize these resources effectively (Mayoux, 2001). In this regard, Self-Help Groups (SHGs) offer a supportive and participatory environment where women can acquire basic financial management skills, develop regular savings habits, and collectively negotiate access to credit and financial services.

- **Role of SHGs in Women's Empowerment:**

  A substantial body of literature highlights the positive role of SHGs in improving the economic and social status of women. Swain and Wallentin (2009) observed that participation in SHGs contributes to increased income levels, enhanced self-confidence, and greater involvement of women in household decision-making processes. Additionally, SHGs facilitate access to institutional finance, thereby reducing women's dependence on informal moneylenders and exploitative credit sources (Sanyal, 2014). However, women SHGs represents a form of intervention that is a radical departure from most current programmes. They are an effective strategy for poverty reduction, women development and social empowerment (S Thakur & BS Patel, 2014)

  According to NABARD (2022), SHGs play a crucial role in linking rural women with formal banking institutions and promoting micro-enterprise development. Regular meetings and collective activities within SHGs help women develop leadership abilities, strengthen social networks, and increase awareness about various government welfare schemes and development programmes. Also, self-help groups are instrumental in empowering tribal women as they provide a platform for collective action, economic self-reliance, and community support. (P Verma & V.K Sharma, 2024).
- **SHGs and Tribal Women in Jharkhand:**
  In Jharkhand, SHGs have been actively promoted across tribal-dominated districts under the National Rural Livelihood Mission (NRLM) and various state-level livelihood initiatives. The Ministry of Rural Development (2021) reports that SHGs have significantly facilitated bank linkages and livelihood diversification among tribal women in the state. Recent data indicate that approximately 2.67 lakh SHGs in Jharkhand have been linked with banks, enabling a credit flow exceeding ₹13,659 crore to rural women (as per NRLM/JSLPS). These developments underline the growing role of SHGs in strengthening financial inclusion among tribal women.
- **Market Linkages and Institutional Support**
  While quantitative figures related to SHG coverage and credit linkage are frequently reported in government briefings and institutional summaries, existing studies caution that the impact of SHG varies across regions depending on infrastructure, market access, and capacity of implementing agencies. However, existing studies also point to persistent challenges, such as limited financial literacy, inadequate infrastructure, and market constraints, which continue to affect the long-term sustainability and effectiveness of SHGs (Kumar & Prasad, 2019).

3. OBJECTIVES:

The objectives of the study are:

- To examine the role of Self-Help Groups in promoting financial empowerment of tribal women in Jharkhand.
- To assess the socio-economic impact of SHG participation on tribal women.
- To identify challenges and barriers in the effective functioning of SHGs.
- To suggest measures for strengthening SHG-led financial empowerment.

4. RESEARCH METHODOLOGY:

The present study adopts a descriptive and exploratory research design to develop a clear and contextual understanding of the role played by Self-Help Groups (SHGs) in promoting the financial empowerment of tribal women in Jharkhand. The research is based entirely on secondary data collected from a range of credible sources, including government reports, academic journals, policy documents, and published news articles. By synthesizing evidence from multiple sources, the study is able to present a balanced and realistic assessment of SHG-led empowerment initiatives. This methodological approach enables a comprehensive analysis of existing knowledge and policy outcomes without undertaking direct field investigation.

5. CURRENT STATUS OF SELF-HELP GROUPS IN JHARKHAND:

The Self-Help Group (SHG) movement in Jharkhand has emerged as one of the most significant grassroots institutional developments aimed at promoting financial inclusion and women's empowerment, particularly among tribal communities. Over time, SHGs in the state have evolved from small, informal savings collectives into structured socio-economic institutions that facilitate access to credit, livelihood opportunities, and social capital for marginalized women. The present status of SHGs in Jharkhand reflects a combination of substantial progress alongside persistent structural challenges.

Growth and Spatial Spread of SHGs

Jharkhand has witnessed a steady and widespread expansion of SHGs, particularly following the implementation of large-scale livelihood missions. The formation of SHGs has been especially prominent in tribal-dominated districts, where poverty levels are high and access to formal institutions has historically remained limited. According to recent estimates, nearly 2.9 lakh SHGs are currently operational across the state, covering a significant proportion of rural households. The collective and participatory structure of SHGs aligns closely with the social fabric of tribal communities, where cooperation, mutual support, and collective decision-making have traditionally played an important role in community life.

Institutional Framework and Programmatic Support

The expansion and functioning of SHGs in Jharkhand are closely linked to the institutional support provided under the National Rural Livelihood Mission (NRLM). Within this framework, women from poor and vulnerable households are mobilized into SHGs and offered systematic support in the form of capacity building, financial linkages, and livelihood promotion initiatives.

Government agencies, district rural development authorities, and block-level functionaries play a critical role in facilitating SHG formation, monitoring activities, and ensuring programme implementation. In addition, civil society organizations and community resource persons provide essential handholding support, particularly in tribal areas where literacy levels are low. This multi-layered institutional ecosystem has contributed to strengthening the legitimacy, outreach, and sustainability of SHGs across the state.

Financial Inclusion and Bank Linkages

One of the key indicators of the current status of SHGs in Jharkhand is the extent of their integration with formal financial institutions. A large proportion of SHGs have been linked with banks, enabling them to open group savings accounts and access institutional credit. Estimates suggest that more than 2.5 lakh SHGs in the state have established bank linkages, resulting in a substantial flow of credit to rural women.

These linkages have played a crucial role in reducing tribal women's dependence on informal moneylenders, who often charge high interest rates and engage in exploitative practices. Regular interaction with banks has also improved women's familiarity with financial procedures, documentation requirements, and repayment discipline. Reports by NABARD consistently highlight Jharkhand as an active and growing participant in the SHG–Bank Linkage Programme.

Livelihood Activities and Economic Diversification

Beyond savings and credit activities, SHGs in Jharkhand are actively involved in a wide range of livelihood initiatives. These livelihood options are largely shaped by local resource availability, traditional skills, and emerging market demand. Common activities undertaken by SHG members include agriculture and allied activities, animal husbandry, tailoring, handicrafts, leaf-plate making, and the collection and processing of minor forest produce.

For tribal women, forest-based livelihoods hold particular economic and cultural significance. SHGs engaged in forest-produce collection and processing enable women to add value to raw materials and secure better market prices. Such initiatives not only enhance household income but also strengthen women's control over traditional livelihood resources.

Emergence of SHG Federations and Collective Strength

A notable development in the current status of SHGs in Jharkhand is the emergence of cluster-level and block-level federations. These federations bring together multiple SHGs and function as higher-order institutions that enhance collective bargaining power. Federations facilitate access to larger volumes of credit, support coordinated marketing efforts, and enable participation in government procurement and value-chain development initiatives.

The formation of federations represents a transition from isolated group-level functioning to network-based collective action. This institutional evolution enhances sustainability and enables SHGs to address challenges that are difficult to manage at the individual group level.

Capacity Building and Skill Development

Capacity-building initiatives constitute a crucial component of SHG strengthening in Jharkhand. Training programmes focus on financial literacy, bookkeeping, leadership development, enterprise management, and the use of digital financial services. These interventions aim to build women's confidence and managerial capabilities, thereby enabling them to utilize financial resources more effectively.

However, the impact of training programmes varies across regions. In remote tribal areas, factors such as language barriers, low literacy levels, and limited exposure continue to affect learning outcomes. This highlights the need for context-specific, participatory, and culturally sensitive training approaches.

Digital Integration and Technological Transition
In recent years, efforts have been made to integrate digital technologies into SHG functioning. Some groups have begun adopting mobile banking, digital payment systems, and electronic record-keeping practices. Digital integration holds considerable potential for improving transparency, reducing transaction costs, and enhancing access to financial services.

Nevertheless, the adoption of digital technologies remains uneven across the state due to infrastructural constraints such as poor internet connectivity, limited access to smartphones, and low levels of digital literacy among SHG members. Addressing these gaps is essential for effectively leveraging technology as a tool for empowerment.

Summary Table 1: Current Status of SHGs in Jharkhand

Dimension	Current Status
Number of SHGs	Approx. 2.9 lakh
Bank-linked SHGs	Over 2.5 lakh
Major Focus Areas	Savings, credit, livelihoods
Key Livelihood Activities	Agriculture, dairy, handicrafts, forest produce
Institutional Support	NRLM, banks, NGOs
Emerging Trends	Federations, digital finance
Key Challenges	Financial literacy, infrastructure, market access

Overall Assessment:
Overall, the current status of SHGs in Jharkhand reflects a dynamic and evolving movement that has made significant contributions to financial inclusion and women's empowerment. SHGs have expanded access to institutional finance, promoted livelihood diversification, and strengthened collective agency among tribal women. At the same time, persistent challenges related to capacity building, infrastructure, and socio-cultural norms underline the need for continued policy attention and sustained institutional support to deepen and sustain the impact of SHGs in the state.

6. FINDINGS:

The analysis of available data and secondary reports clearly indicates that Self-Help Groups (SHGs) have brought visible and meaningful changes in the financial as well as social lives of tribal women in Jharkhand. The outcomes of SHG participation extend beyond direct monetary benefits and reflect gradual yet significant improvements in confidence, social participation, and livelihood security among women members.

Table 2: Growth of Self-Help Groups in Jharkhand

Indicator	Status
Total SHGs (Approx.)	2.91 lakh
Credit-Linked SHGs	2.50 lakh+
Total Credit Disbursed	₹13,659 crore
Major Livelihood Activities	Agriculture, dairy, handicrafts, tailoring

Source: Government reports and NRLM data

Socio-Economic Impact
The findings of the study indicate that SHGs have significantly improved tribal women's access to formal financial services. Regular savings practices and the availability of microcredit have enabled women to initiate small enterprises, diversify their sources of income, and reduce overall economic vulnerability. Participation in SHGs has also contributed to enhanced confidence, leadership capabilities, and greater awareness of various government welfare schemes.

Table 2: Socio-Economic Impact of SHGs on Tribal Women

Impact Area	Observed Outcome
Income Level	Increase in supplementary household income

Impact Area	Observed Outcome
Savings Habit	Regular monthly savings established
Credit Access	Reduced dependence on moneylenders
Social Status	Improved participation in household decisions

Financial Inclusion and Income Enhancement: One of the most visible outcomes of SHG participation is the improvement in access to formal financial services. Prior to joining SHGs, most tribal women depended heavily on informal sources of credit, particularly local moneylenders, who often charged exorbitant interest rates. SHG membership has enabled women to cultivate regular savings habits and access microcredit through bank linkages. As a result, their dependence on informal lending has been significantly reduced, and their ability to manage household expenses and respond to emergencies has improved. Access to institutional credit has also facilitated the initiation of small income-generating activities such as dairy farming, poultry rearing, tailoring, leaf-plate making, and forest-produce processing. In many instances, women have reinvested their earnings into these enterprises, leading to gradual and sustained income growth.

Improvement in Savings Behaviour and Financial Discipline:
Regular savings form a core component of SHG functioning. The practice of saving small amounts on a weekly or monthly basis has helped instill financial discipline among tribal women. These savings serve not only as a safety net during times of crisis but also strengthen women's sense of financial responsibility and independence. The collective nature of savings within SHGs promotes mutual accountability and reduces the likelihood of loan default.

Social and Psychological Empowerment
Beyond economic outcomes, SHGs have made a significant contribution to the social and psychological empowerment of tribal women. Participation in group meetings and collective decision-making processes has enhanced women's confidence, communication skills, and leadership abilities. Many women who were previously hesitant to speak in public now actively engage in discussions and negotiations with banks, government officials, and local institutions.
Increased income contribution and improved financial awareness have also strengthened women's position within their households. SHG members are increasingly involved in household decision-making related to expenditure, children's education, and healthcare. These changes point towards a gradual shift in traditional gender roles within tribal families.

Challenges and Barriers
Despite the positive outcomes, the findings also highlight several challenges that continue to affect the effectiveness of SHGs in tribal areas. Limited financial literacy remains a major concern, as many women face difficulties in maintaining records, understanding loan terms, and planning long-term investments. This sometimes results in underutilization of credit or delays in loan repayment.

Infrastructure-related constraints, such as poor road connectivity, limited banking facilities, and irregular access to markets, pose additional barriers, particularly in remote tribal regions. Furthermore, socio-cultural factors, including traditional gender roles and household responsibilities, often restrict women's ability to participate fully in SHG meetings and training programmes. These challenges suggest that while SHGs have made substantial progress, sustained support and targeted interventions are essential to ensure long-term and inclusive empowerment.

7. DISCUSSION:

The success of SHGs in Jharkhand can largely be attributed to their community-based approach, which aligns closely with the collective traditions and social organization of tribal societies. Group-based savings and credit mechanisms foster trust, cooperation, and shared responsibility, making financial inclusion more accessible for women with limited literacy levels and economic resources. Additionally, SHGs serve as an important entry point for tribal women to engage with formal institutions such as banks and government agencies, thereby helping bridge the gap between marginalized communities and mainstream development processes. Thus, although SHGs have demonstrated considerable potential as instruments of women's empowerment, their long-term effectiveness depends on continuous capacity-building efforts, supportive and inclusive policy frameworks, and a context-sensitive approach that addresses the specific socio-economic realities and needs of tribal women.

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8. CONCLUSION:

The study concludes that Self-Help Groups (SHGs) have played a significant and transformative role in advancing the financial empowerment of tribal women in Jharkhand. Beyond economic gains, SHGs have contributed to noticeable improvements in women's confidence, social participation, and decision-making capacities. These changes indicate a gradual shift in traditional gender roles and greater recognition of women's contributions to household welfare and community development. At the same time, the study emphasizes that empowerment is a continuous process rather than a one-time outcome. Persistent challenges related to financial literacy, market access, and socio-cultural norms continue to constrain the full potential of SHGs. Addressing these challenges through sustained policy support, institutional strengthening, and targeted capacity-building initiatives is essential to ensure long-term and inclusive empowerment.

9. LIMITATIONS OF THE STUDY:

Despite its analytical value, the present study is subject to certain limitations that need to be acknowledged. Recognizing these limitations helps in interpreting the findings more realistically and also provides direction for future research.

- **Dependence on Secondary Data Sources:** The study is primarily based on secondary data collected from government reports and academic journals, they may not fully capture ground-level realities and the lived experiences of tribal women.
- **Absence of Primary Field Investigation:** The absence of primary data restricts deeper insights into the lived experiences and personal narratives of tribal women.
- **State-Level Generalization:** The analysis has been conducted at the state level, treating Jharkhand as a single unit of study. As a result, the impact and effectiveness of SHGs may vary significantly across districts and blocks, and the findings may not uniformly represent all tribal areas.
- **Socio-Cultural Factors Not Examined in Depth**
  Although the study acknowledges the influence of socio-cultural norms and gender roles on women's participation in SHGs, these factors have not been explored in depth.
- **Time-Bound Nature of Available Data**
  The study relies on data available up to recent reporting periods, which may not fully capture ongoing policy changes or recent improvements in SHG functioning.

Despite these limitations, the study offers meaningful insights into the role of Self-Help Groups in promoting financial empowerment among tribal women in Jharkhand and provides a strong foundation for future empirical research.

10. RECOMMENDATIONS:

Based on the findings of the study, several key recommendations are proposed to strengthen SHG-led financial empowerment among tribal women.

First, there is a critical need to enhance financial literacy and capacity-building initiatives. Regular training programmes focusing on basic accounting, digital banking, loan management, and enterprise planning can significantly improve women's ability to utilize credit effectively and sustainably.

Second, improving last-mile banking access and digital infrastructure is essential. The establishment of mobile banking units, strengthening the role of banking correspondents, and promoting user-friendly digital platforms can help reduce access barriers in remote tribal regions.

Third, greater emphasis should be placed on strengthening market linkages and value-chain development. Expanding initiatives related to collective marketing, branding, and packaging support can help SHG products reach wider markets and secure better prices. Partnerships with cooperatives, private sector organizations, and e-commerce platforms can further enhance income-generating opportunities.

Finally, policy interventions should adopt a gender-sensitive and region-specific approach. Recognizing the socio-cultural realities of tribal communities and encouraging family and community support for women's participation can create a more enabling environment for empowerment.

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