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# Empowering Communities: Exploring the Impact of Self-Help Groups on Rural Development in Kiphire Sadar and Seyochung Circle of Kiphire District, Nagaland

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**Abstract**

*This study delves into the transformative potential of Self-Help Groups (SHGs) in fostering rural development within the Kiphire Sadar and Seyochung Circle of Kiphire District, Nagaland. Empowering Communities is at the heart of this investigation, seeking to unravel the intricate dynamics between SHGs and rural development outcomes. Through a mixed-method approach, combining both primary and secondary data sources, this research aims to shed light on the tangible impacts of SHGs on various facets of rural life, including economic, social, and institutional dimensions. Utilizing a purposive sampling technique, a selection of villages from the aforementioned circles served as the focal points for data collection. Extensive field surveys, supplemented by informal interviews with SHG members and key stakeholders, formed the basis of data acquisition. The subsequent analysis employs a range of statistical tools and techniques to discern patterns, challenges, and opportunities associated with SHG interventions. By examining the role of SHGs in enhancing livelihoods, fostering social cohesion, and catalyzing community-driven initiatives, this study endeavors to contribute to a deeper understanding of grassroots empowerment strategies in the context of rural Nagaland.*

**Keywords: Self-Help Groups (SHGs), Rural Development, Empowerment, Communities and Exploration**

**Introduction**

In the pursuit of fostering sustainable rural development, Self-Help Groups (SHGs) have emerged as a significant grassroots mechanism worldwide, particularly in developing countries. These groups, typically comprising individuals from similar socio-economic backgrounds, come together to address common issues and improve their collective well-being through mutual support and resource pooling. The efficacy of SHGs in promoting rural development has been widely acknowledged, with numerous studies highlighting their role in enhancing access to finance, building social capital, and empowering marginalized communities. However, the impact of SHGs on rural development outcomes is not uniform and is influenced by various contextual factors, including geographical location, cultural norms, and institutional arrangements.

Nestled in the northeastern region of India, Nagaland presents a unique socio-cultural landscape characterized by diverse ethnicities, traditional livelihood practices, and geographic remoteness.

Within Nagaland, Kiphire District stands as a microcosm of rural life, grappling with socio-economic challenges such as limited infrastructure, inadequate access to basic services, and reliance on subsistence agriculture. Against this backdrop, SHGs have emerged as an integral component of community development initiatives in Kiphire District, offering a platform for collective action and empowerment among rural residents.

Despite the growing prevalence of SHGs in Kiphire District, there remains a dearth of empirical research examining their impact on rural development outcomes. Existing studies often provide fragmented insights or focus solely on specific aspects of SHG functioning, thereby overlooking the holistic understanding of their contributions to rural development. Therefore, there is a compelling need to conduct a comprehensive investigation into the role of SHGs in fostering rural development in Kiphire District, Nagaland.

This study seeks to address this research gap by undertaking a rigorous exploration of the impact of SHGs on various dimensions of rural development in Kiphire District. By employing a mixed-methods approach, encompassing quantitative surveys and qualitative interviews, this research endeavors to unravel the multifaceted dynamics shaping the functioning and effectiveness of SHGs in empowering communities and driving sustainable rural development in the region. Through this endeavor, valuable insights will be generated to inform policy interventions, strengthen institutional support mechanisms, and enhance the efficacy of SHGs as catalysts for positive change in Kiphire District and beyond.

### **Statement of the Problem**

Despite the widespread proliferation of Self-Help Groups (SHGs) as vehicles for rural development across India, there exists a notable research gap regarding their impact on rural development outcomes in specific regions, such as Kiphire District, Nagaland. While SHGs have been lauded for their potential to empower marginalized communities and foster socio-economic progress,

empirical evidence regarding their effectiveness and contributions within the unique socio-cultural context of Kiphire District remains scarce. Existing studies predominantly focus on broader national or state-level analyses, overlooking the nuanced dynamics and challenges confronting SHGs at the local level. Furthermore, the literature often lacks comprehensive investigations into the multifaceted dimensions of SHG impact on rural development, particularly in regions characterized by geographical remoteness, ethnic diversity, and traditional livelihood practices, as observed in Kiphire District.

### **Significance of the Study**

A more complex understanding of the potential and difficulties faced by SHGs in a particular sociocultural context is made possible by this local focus. In a place like Kiphire District which is marked by ethnic variety and geographic remoteness, the study contributes to efforts aimed at fostering inclusive development and reducing socio-economic inequities by examining the impact of SHGs in empowering marginalized groups. This study highlights the significance of community participation and engagement in development processes by examining the dynamics of Self-Help Groups (SHGs) and their effects on rural communities. SHGs can promote a sense of ownership and sustainability in rural development initiatives by actively involving community people in decision-making and development activities. Overall, the study's significance lies in its potential to inform policies, empower communities, and advance understanding of grassroots development efforts in the unique context of Kiphire District, Nagaland.

### **Objective of the Study**

This study's main goal is to thoroughly investigate how Self-Help Groups (SHGs) affect rural development in the distinctive sociocultural setting of Kiphire District, Nagaland.

To research the government initiatives aimed at advancing Self-Help Groups' (SHGs) savings, credit, and promotion.

To assess Self-Help Groups' (SHGs) socioeconomic status in relation to rural development.

To investigate how the study area's Self-Help Groups (SHGs) affect rural development.

### Research Methodology

The primary sources of information used in this study are both primary and secondary data sources. The sample used for the original data collection consisted of three villages from each of the two circles Kiphire Sadar and Seyochung Circles. The study covered every Self-Help Group (SHG) in these chosen villages. A thorough field survey was carried

out according to a predetermined schedule, with the addition of unstructured interviews with every SHG group in the sample villages and talks with the District Micro-Finance NERLP, Kiphire. Analysis was then carried out utilizing fundamental statistical methods and instruments.

### Findings and Discussion

The table 1 presents data on the convergence of Self-Help Groups (SHGs) with the National Rural Livelihoods Mission (NSRLM) and other government programs supporting SHGs across different districts in Nagaland.

**Table 1 Convergence with NSRLM and Other Government Programmes Supporting SHG**

S.No	District	No of SHG	Newly Formed	Revived	Pre- NRLM	Members
1	Dimapur	314	61	22	231	3206
2	Kiphire	122	57	0	65	1224
3	Kohima	184	113	4	67	1839
4	Longleng	196	89	15	92	2044
5	Mokokchung	118	54	2	62	1146
6	Mon	228	100	90	38	2316
7	Phek	152	69	17	66	1531
8	Wokha	100	53	10	37	922
9	Zunheboto	106	36	4	66	1104
Total		1520	632	164	724	15332

The total number of SHGs across all districts is 1520, with Dimapur having the highest number of SHGs (314) and Wokha the lowest (100). In terms of newly formed SHGs, Mon district leads with 100, followed by Kohima with 113. Dimapur district also leads in terms of SHG revival, with 22 SHGs revived. Pre-NSRLM SHGs, which are existed before the implementation of the National Rural Livelihoods Mission, are highest in Dimapur (231) and lowest in Wokha (37). The total number of SHG members across all districts is 15,332, with Mon district having the highest number of members (2316) and Wokha

the lowest (922). Overall, the data reflects significant engagement and participation of SHGs in government programs aimed at rural development, with varying levels of activity observed across different districts. The data underscores the importance of SHGs as key stakeholders in the promotion of rural livelihoods and community development initiatives. The potential for the promotion and savings linking of Self-Help Groups (SHGs) in Kiphire District is broken down block-by-block in Table 2. With a potential of 497, the Kiphire block has the greatest overall for SHG promotion, followed by Pungro with 234 potentials.

**Table 2 Block Wise Details of Potential Available for Promotion and Savings Linkage of SHGs**

S.No	Name of the Block	Total Potential for Promotion of SHGs	No. of SHGs Savings linked as on 31st March 2020	Balance Potential as on 31st March 2020	No. of SHGs to be promoted and Savings linked during 2020-21	No. of SHGs to be promoted and Savings linked during 2021-22
1	Kiphire	497	340	157	20	15
2	Pungro	234	202	32	20	15
3	Sitimi	210	120	90	20	15
4	Longmatra	67	53	14	20	15
5	Khonsa	128	92	36	20	15
Total		1136	807	329	100	75

Regarding savings linkage, Kiphire block also leads with 340 SHGs linked as of March 31st, 2020, while Longmatra has the lowest number with 53 SHGs. The balance potential as of March 31st, 2020, indicates the remaining potential for SHG promotion and savings linkage, with Sitimi having the highest balance potential of 90. The table outlines the projected number of SHGs to be promoted and savings linked during the fiscal years 2020-21 and 2021-22. For instance, Kiphire block plans to promote and link savings for 20 SHGs in both 2020-21 and 2021-22. The district total summarizes the aggregated potential and activities across all blocks in Kiphire District, indicating a total potential of

1136, with 807 SHGs already linked to savings as of March 31st, 2020, and a balanced potential of 329. This data underscores the district's efforts to promote SHGs and facilitate savings linkage, highlighting the targeted strategies and goals set for enhancing financial inclusion and community empowerment within the Kiphire District.

Table 3 presents the block-wise potential for credit linkage of Self-Help Groups (SHGs) in Kiphire District, focusing on credit linkage activities planned for the fiscal year 2020-21. As of March 31st, 2020, only the Kiphire block had SHGs credit linked, with a total of 12 SHGs linked to credit.

**Table 3 Block Wise Potential for Credit Linkage of SHGs**

S. No	Name of the Block	No of SHGs (Credit linked) as on 31st March, 2020	SHGs to be credit linked during 2020-21			
			Fresh		Repeat	
			No	Amount	No	Amount
1	Kiphire	12	10	5.00	5	2.50
2	Pungro	NA	10	5.00	5	2.50
3	Sitimi	NA	10	5.00	5	2.50
4	Longmatra	NA	10	5.00	5	2.50
5	Khonsa	NA	10	5.00	5	2.50
Total		12	50	25.00	25	12.50

The table outlines the planned credit linkage activities for the fiscal year 2020-21, including both fresh and repeat credit linkages. For instance, Kiphire block plans to credit link 5 fresh SHGs with a total amount of 5.00 and 5 repeat SHGs with a total amount of 2.50. Similarly, other blocks like Pungro, Sitimi, Longmatra, and Khonsa also have planned credit linkage activities for the same fiscal year, with a consistent approach of linking both fresh and repeat SHGs to credit. The district total summarizes

the aggregated credit linkage activities across all blocks in Kiphire District, with a planned credit linkage of 50 SHGs, totaling 25.00 in fresh credit and 25 SHGs totaling 12.50 in repeat credit. This data highlights the district's efforts to facilitate credit access for SHGs, emphasizing the importance of financial inclusion and access to credit in promoting rural livelihoods and economic development within the Kiphire District.

Table 4 presents the age distribution and literary levels of respondents surveyed, indicating a correlation between age groups and educational attainment. Among respondents aged 18 to 20 years, a significant portion, comprising 44 individuals (36.67%), are classified as illiterate, while only 12 respondents (10.00%) fall within this age bracket. Conversely, the age group of 21 to 24 years shows a higher representation in the primary education category, with 36 individuals (30.00%) compared to 24 respondents (20.00%).

**Table 4 Age and Literary Level of the Respondents**

S. No	Age	N	Level of Education	N
1	18-20 years	12 (10.00)	Illiterate	44 (36.67)
2	21-24 years	24 (20.00)	Primary	36 (30.00)
3	25-30 years	20 (16.67)	Secondary	32 (26.67)
4	31-45 years	36 (30.00)	Graduate	8 (6.66)
5	Above 45 years	28 (23.33)	Post Graduate	0 (0.00)
Total		120 (100)	Total	120 (100)

As age progresses, there's a noticeable shift towards higher educational levels. For instance, respondents aged 31 to 45 years predominantly hold graduate degrees, constituting 36 individuals (30.00%), while only 8 respondents (6.66%) in this age bracket are categorized as graduate. Interestingly, no respondents above 45 years old are classified as having education levels post graduate, indicating a possible plateau in educational attainment beyond a certain age threshold. Overall, the data suggests a positive association between age and educational achievement, with younger respondents tending to have lower educational levels compared to older age groups.

Table 5 illustrates the occupational backgrounds and corresponding income levels of the surveyed respondents, shedding light on the economic landscape within the studied demographic.

**Table 5 Occupational Background and Income of the Respondents**

S. No	Occupation	N	Monthly Income	N
1	Agriculture Labour	44 (36.67)	2,000-3,000	56 (46.67)
2	Agriculture	40 (33.33)	3,001-7,000	52 (43.33)
3	Small Business Activities	24 (20.00)	7,001-10,000	4 (3.33)
4	Service	12 (10.00)	Above 10,000	8 (6.67)
Total		120 (100)	Total	120 (100)

The majority of respondents, constituting 44 individuals (36.67%), are engaged in agricultural labor, with a significant proportion of them, 56 individuals (46.67%), earning a monthly income ranging between 2,000 and 3,000 units. Similarly, another substantial portion of respondents, totaling 40 individuals (33.33%), are involved directly in agriculture, with 52 individuals (43.33%) reporting monthly incomes falling within the range of 3,001 to 7,000 units. A smaller but notable fraction of respondents, comprising 24 individuals (20.00%), are engaged in small business activities, albeit with a limited representation in higher income brackets, as only 4 individuals (3.33%) report earning between 7,001 and 10,000 units monthly. Comparatively, a minority of respondents, totaling 12 individuals (10.00%), are involved in the service sector, with 8 individuals (6.67%) reporting incomes exceeding 10,000 units monthly. The data underscores the prevalence of agricultural occupations within the surveyed population and the correlation between occupation type and income level.

**Table 6 Purpose of the Loan given by the SHGs**

S.No	Purpose	No of the Respondents
1	Agriculture	20 (16.67)
2	Education	28 (23.33)
3	Housing	24 (20.00)
4	Small Business	28 (23.33)
5	Health	20 (16.63)
Total		120 (100)

Among the surveyed respondents, the most prevalent purpose for obtaining loans from SHGs is education, with 28 individuals (23.33%) indicating this as their primary reason. Following closely, small business ventures also emerge as a significant motive, with an identical number of respondents, again 28 individuals (23.33%), seeking financial assistance for entrepreneurial endeavors. Housing and agriculture represent other prominent categories, with 24 individuals (20.00%) and 20 individuals (16.67%) respectively, utilizing SHG loans for these purposes. Additionally, health-related expenses constitute a notable but slightly smaller proportion, with 20 individuals (16.63%) utilizing SHG loans to address healthcare needs. The data highlights the multifaceted role of SHGs in facilitating access to financial resources for diverse socioeconomic endeavors, spanning education, entrepreneurship, housing, agriculture, and healthcare.

Table 7 outlines the distribution of respondents based on their participation in various training skill activities and their subsequent impact.

**Table 7 Training Skill Activities in the Impact of the Respondents**

S. No	Activities	No of the Respondents
1	Coasters – making	6 (5.00)
2	Containers – making	5 (4.16)
3	Carry bags – making	9 (7.50)
4	Storage bins – making	4 (3.34)
5	Fruit baskets – making	7 (5.84)
6	Hand looms	26 (21.66)
7	Handicrafts	20 (16.67)
8	Jewelry	5 (4.16)
9	Tailoring	13 (10.84)
10	Cultivation Practices (Green Pea, Tomato, Mushroom, Pineapple, Mulching Practices)	25 (20.83)
Total		120 (100)

Among the activities listed, hand looms emerge as the most popular skill development activity, with 26 respondents (21.66%) engaging in this craft. Handicrafts follow closely behind, with 20 respondents (16.67%) involved in this artisanal pursuit. Other activities such as tailoring (13

respondents, 10.84%) and cultivation practices including Green Pea, Tomato, Mushroom, Pineapple, and Mulching Practices (25 respondents, 20.83%) also garner notable participation rates among the surveyed individuals. In contrast, activities like coaster-making, container-making, and jewelry crafting show relatively lower participation rates, with 6 respondents (5.00%), 5 respondents (4.16%), and 5 respondents (4.16%) respectively. The data underscores the diverse range of skill development opportunities available to the respondents, with varying levels of participation across different activities.

### Suggestions and Conclusion

- Self-Help Groups (SHGs) can empower members with the skills and information needed to handle their finances successfully by implementing focused financial literacy programmes, which will promote greater economic independence and sustainability.
- Funding for capacity-building programmes, such as training courses and workshops, can provide SHG members with the tools and resources they need to improve their overall socioeconomic standing and diversify their sources of income.
- By facilitating SHGs' access to markets and value chains, communities can benefit from improved economic growth and development as these groups are better equipped to market their products and earn higher earnings.
- Promoting gender parity in Self-Help Groups (SHGs) by means of focused interventions and awareness-building campaigns can enable women to have an active role in decision-making and make significant contributions to rural development projects.
- Fostering networking and cooperation between SHGs, governmental organizations, and other interested parties can increase the efficacy of rural development initiatives by fostering knowledge sharing and the creation of synergies.

In the Kiphire Sadar and Seyochung Circle of Kiphire District, Nagaland, Self-Help Groups (SHGs) have the ability to significantly improve rural development. This has been demonstrated by the study. The study has demonstrated the important

contributions that SHG interventions make to community cohesion, grassroots development initiatives, and socioeconomic empowerment through a thorough assessment of these interventions. SHGs have become effective tools for promoting inclusive growth and good change in rural regions by utilizing the power and resiliency of their members as a community. The full realization of SHGs' potential influence is still hampered by issues including gender inequality, poor market connections, and restricted access to financial resources. It is crucial to build on the results of this study going forward and carry out focused interventions meant to address these issues. We can unleash the full potential of SHGs as catalysts for rural development and enable communities to forge their own path toward wealth and sustainable growth by boosting market connections, gender inclusivity, and financial literacy.

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