

Role of Self-Help Groups in Agriculture and Sustainable Development in India

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Article Info	ABSTRACT
<p>Article History: Received: 17th Sep 2025 Accepted: 01st Oct 2025 Published: 15th Oct 2025</p> <p>Keywords: Self-Help Groups (SHGs), Agriculture, Sustainable Development, Microfinance, Women Empowerment</p>	<p>Self-Help Groups (SHGs) have emerged as vital instruments for rural transformation in India by fostering collective self-reliance, social inclusion, and sustainable livelihood development. Originating from grassroots initiatives and institutionalized through the NABARD-linked microfinance movement, SHGs have empowered millions of rural households, especially women, through credit access, entrepreneurship, and community participation. This study explores the multifaceted role of SHGs in enhancing agricultural productivity, technology adoption, input accessibility, and market linkages while promoting environmental sustainability and climate resilience. The findings reveal that SHG participation significantly improves income diversification, soil and water management, crop rotation, and biodiversity conservation, aligning with national priorities such as the National Rural Livelihoods Mission (NRLM) and the Sustainable Development Goals (SDGs). Moreover, SHGs have contributed to women's empowerment, improved decision-making, and strengthened social capital in rural communities. Despite persistent financial and institutional challenges, the SHG model remains a cornerstone for achieving inclusive growth and sustainable agricultural development in India.</p>

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Introduction

India's Self-Help Groups (SHGs) contribute to agricultural development and promote sustainable practices among members. SHGs are autonomous, informal associations of people united for a socio-economic purpose. Focused primarily on microfinance, they constitute a vehicle for poverty alleviation and women's empowerment. Sustainable development links economic progress, social justice, and environmental integrity across generations. Sustainable agriculture maintains productivity without degrading the natural resource base. Self-Help Groups impact sustainable agricultural practices directly and indirectly. Membership enlarges farmer outreach to agricultural extension, enhancing technology adoption, input access, marketing opportunities, and credit availability. Collectively members become eligible for enhanced support, time savings, and networking with like-minded individuals. Sustainability improvements encompass soil fertility and crop diversification, risk management, water and biodiversity management, and value addition.

SHGs form an integral part of India's rural development strategy poised to regenerate agriculture, raise farm incomes, and rejuvenate rural life. They align with national priorities for: boosting agriculture and rural development; generating self-employment and increasing family incomes; improving the standard of living of rural households through assured bank credit and self-generation of supplementary income; empowering women through community action; and expanding the rural micro-finance delivery system. They convene women, Dalits, Scheduled Castes, and Scheduled Tribes for capacity building, skills development, entrepreneurship, income and employment generation, and welfare activities.

Background and Definitions

Self-Help Groups (SHGs) in India emerged during the late 1970s and 1980s. Government efforts aimed at disseminating useful technologies to rural people were met with little success. The idea of forming groups for self-help was considered a remedy to overcome the top-down approaches of the past. In 1988, the National Bank for Agriculture and Rural Development launched the SHG-Bank Linkage Programme that subsequently gained momentum in the 1990s, allowing larger groups to have access to credit and develop entrepreneurial opportunities. SHGs accelerate income generation and provide varied livelihood options, including milch animals, fruits, vegetables, and other farm and non-farm activities. SHGs are organized groups of 10–20 people, usually of the same socio-economic background, who meet regularly to save a predetermined amount and lend from the group savings to meet emergencies. Members of an SHG have equal rights and obligations, and the group elects a president and a secretary to manage financial transactions.

Farmers are key to economic development in any country and play a significant role in enhancing economic growth (Kapoor, 2019). The SHG concept is gaining importance as more than 43 million rural households are covered under the initiative, leading to a myriad of benefits. Self-help groups contribute towards rural development, self-sustainable development, women's empowerment, socioeconomic change, livelihood security, and poverty alleviation, hence improving the livelihood of the rural communities

(Meena & Singh, 2013). Sustainable development is defined by (Singh et al., 2011) as –developing the quality of life of the present generation without compromising the ability of future generations to meet their own needs.|| Sustainable development is a broader approach targeting environmental, economic, and social activities occurring simultaneously at local, national, and global dimensions. Sustainable development considers people’s need of food, shelter, and clothing to maintain a healthy, productive, and sustainable living environment.

Scope and Relevance in the Indian Context

Agriculture remains a major source of employment in India. The Government of India projected that 42% of the nation’s workforce was engaged in agriculture in 2003, a figure which declined to 39% by 2020 (Singh et al., 2011). Enormous divergence in agricultural productivity exists across states, linearly correlated to rural poverty (Meena & Singh, 2013). Rapid rural–urban migration, infrastructure deficits, changing social mores, and market orientation of agriculture have challenged traditional opportunities in farming and allied activities. Consequently, India has declared farming as a priority sector, opening the door for national policies, programmes, and financial support addressing agricultural sustainability and livelihoods. The Union Budget 2022 introduced schemes for chemical-free natural farming, promoting micronutrients and biostimulants, enhancing irrigation systems, storing rainwater, rejuvenating wetlands, using treated municipal waste, and preserving biodiversity. Simultaneously, states have rolled out their own plans linking employment guarantee schemes with agriculture.

Numerous agricultural sustainability initiatives emphasize collective action at the local level, with SHGs fitting snugly within this paradigm. Self-Help Groups (SHGs) feature prominently in India’s rural development landscape as agents of economic empowerment through savings and microcredit. The Government of India’s National Rural Livelihoods Mission (NRLM) promotes a three-pronged strategy of social mobilization, financial inclusion, and skill development aimed at facilitating a sustainable livelihood in rural areas. SHGs encourage saving and foster individual and group microenterprises across rural India on a large scale (Kapoor, 2019). Recognizing their widespread adoption in various agriculture-and-livelihood sectors, this study critically evaluates the role SHGs play in sustaining agriculture and rural development.

Formation and Structure of Self-Help Groups

SHGs in India operate through a well-defined formation and organizational structure. Targeted groups of individuals organize into an SHG, predominantly among women, marginalized castes, and disadvantaged tribal groups (L. & J. O., 2014). Groups typically consist of five to twenty members who select a secretary and president; the latter role rotates among the membership. Although men may be included, groups tend to favor women to empower exclusion-prone communities. Members further decide on savings amounts, timing, and repayment; SHGs traditionally promote savings of ₹50 to ₹500, forming the basis for subsequent funding requests. At least 80% of member savings and 100% of interest are reinvested in the group (Meena & Singh, 2013). The national government recognizes SHGs across a spectrum of

socioeconomic status and encourages rural formations. Such links—including with banks and microfinance institutions—cohere with government policy for rural development and extension services.

1. Governance and Membership

Self-Help Groups (SHGs) are voluntary associations of a group of people, generally from a similar socio-economic background, to provide mutual support to each other to overcome related issues. These groups follow certain rules and regulations for smooth operation. SHGs have emerged as an important means for institutional credit delivery to the rural poor and are a viable tool for economic upliftment of weaker sections, especially women.

SHGs are established and functioning in almost all the states of India, but Karnataka has a leading role in the SHG movement at national level. SHGs are formed and promoted through several non-governmental organizations (NGOs), banks, Krishi Vigyan Kendras (KVK), Panchayath Raj Institutions (PRI) and District Rural Development Agencies (DRDA). In Karnataka MYRADA, a leading NGO, started assembling villagers and created awareness and motivation about the benefits and need for formation of SHGs. Prior to formation of SHGs, villagers are motivated to form groups and create awareness about the need for forming SHGs. Farmers are encouraged to discuss the development programmes under non-formal rural education (NFRE) for improved management for running the SHGs. (Singh et al., 2011)

2. Linkages with Credit and Institutions

An SHG is a self-managed, informal group of individuals, typically 10-20 women from similar socio-economic backgrounds, who join hands to save and invest collectively. In India, these groups have evolved under the Government's Income Generating Programme since the early 1990s through NGOs and the National Bank for Agriculture and Rural Development's (NABARD) SHG-Bank Linking Programme. SHGs encourage savings for better financial management, facilitate access to micro-credit from banks, and promote entrepreneurship. Ultimately they empower women to emerge as individuals and lead sustainable development activities. The Sustainable Development Goals (SDGs), launched in September 2015 by the United Nations, reiterate the need for action to transform the world and emphasise the need for sustainable livelihoods. Sustainable development has become one of the most important issues of the twenty-first century. In India, where 54% of the total population is from rural areas, sustainable development is even more necessary.

SHGs and sustainable development are inter-related. Sustainable development in the rural context means efforts to enhance Agricultural and Extension (extension services), resources (resources and water), rural employment generation (ber places) and governance Access to financial services is critical for the development of micro, small and medium enterprises. Several studies conducted across India indicate significant impact of SHGs on the agriculture and allied sectors. An evaluation of SHGs by NABARD during 2009–10 revealed an average saving of Rs 1400 and an average loan of Rs 6400 from banks per SHG. More than 185 lakh SHGs are funded by banks, with a 94% repayment rate. 32.3% of the SHGs have taken bank loans in agriculture and allied sectors through different state, central and union programmes. 69% of SHGs

get their services through intermediary organisations, which include Non- Governmental Organisations (NGOs), banks, societies, and federations. 74% of SHGs promote activities related to agriculture and allied services, with a higher percentage among SHGs constituted through banks or organisations implementing integrated approaches. SHGs are popularly known as women's groups, yet 9% of them target men. Women's groups promote participation in wage labour, vegetable cultivation, poultry farming, and sheds for milch animals. Men's groups take up fisheries, inter-cropping, animal husbandry, and vermicomposting.

Impact on Agricultural Practices

Farmers in SHGs are reported to make their farm practices more than the farmers not in SHGs (Singh et al., 2011). Access to seed and fertilizers like DAP and urea has significantly improved through SHGs (Meena & Singh, 2013). Several groups borrowed loans from the bank for input purchase which was repayable in the season time. Maintaining rate of interest within the acceptable limits by SHGs has encouraged the farmers to borrow. The timely credit need at village level is satisfied through SHGs by lending to members at reasonable rates. This also helps farmers to avoid loan sharks (Swamy & B K, 2013).

1. Input Acquisition and Access to Credit

SHGs provided farmers with information about seed availability and the required date for purchase, either directly or indirectly, along with meeting time and place. Owing to wider SHG linkage at block level and improved access to wider financial sources, the time gap between the requirement and actual acquisition of seeds was reportedly reduced from 2 months to just 1 week. A large number of seeds and inputs received from co-operatives and market farms are supplied and distributed by SHGs at village level against cash and credit at lower cost compared to other sources of supply. Indeed 40 percent of the respondents reported that they were getting crop inputs at cheaper price through SHG linkage (Meena & Singh, 2013). Due to SHG linkage facilities, nearly 97,000 ha area under various crops in Jahazpur block were put to soya beans cultivation with maximum coverage of 15000 ha in 2002-03 which was established on the basis of group-compost demonstration with full technical support from agriculture department. SHGs are reportedly acquiring agricultural input loans for their members from the co-operative credit societies at the interest rate of 4 percent per month and the same is borrowed from the members at 2 percent per month, incurring 15 percent loss in total cost and the time gap of the loan repayment is stretched due to 3 months gap (A Reddy & P Maliki, 2011). SHG members tracked bank loan sanctioning to fellow SHGs, with complete information about members, granting individual loans at lower interest rates than usual, accepting land as sole collateral. Organic manures were made and method demonstration of oilseeds and pulses was arranged through SHGs for fellow farmers as a result of farmers being pro-active in cultivation; soil testing, recommendation about suitable crops, and information about availability of secondary sources were provided through SHG (Singh et al., 2011).

2. Technology Adoption and Extension

Agriculture is a vital, climate-dependent sector, accounting for GDP, employment, and livelihood sources in India. Agricultural extension—effective information delivery on technologies, practices, and

enterprise management—assists sustainability. The evolutionary Agricultural Knowledge and Information Systems focus integrates stakeholders and leverages social capital to enhance farmer management. Self-Help Groups (SHGs) form one of the largest rural development platforms, assisting farm families in adopting practices, technologies, and environmental adaptations. Dunkun et al. assert agricultural extension is essential for heterogeneous sectors involving crops, livestock, aquaculture, and agroforestry.

Self-Help Groups drive technology adoption by disseminating knowledge, facilitating demonstrations, and enabling information exchange within clusters. SHGs supported over 23 million farmers, with the National Rural Livelihoods Mission integrating agriculture (Meena & Singh, 2013). Farm activities, technologies, financing, and investments exert pressure on natural resources, amplifying requirements for farmer adaptation to climate-change-induced hazards. Progressive farmers leverage insurance, augment inputs, and diversify crops, yet nodes for knowledge delivery remain limited. Agricultural extension is crucial for cropping system modification, diverse cultivation, and adaptation strategy dissemination (Goswami et al., 2010).

3. Risk Management and Climate Resilience

Agriculture remains the backbone of the Indian economy, contributing 14% of GDP and supporting 60% of the population. It also plays a vital role in poverty alleviation and economic development. However, due to climate change, the agriculture sector faces unprecedented risks. Extreme weather events and erratic climatic conditions are escalating, negatively impacting agricultural productivity. Rainfed agriculture constitutes 56% of total cultivated area, accounting for nearly 40% of food grain production. In the Indian context, up to 73% of farmers are small and marginal, providing employment to about 80% of the workforce engaged in agriculture and allied activities. To withstand and alleviate current and future catastrophes, risk assessment, mitigation, and management approaches tailored to local conditions are essential and need to be integrated into agricultural developmental plans and policies (Zevenbergen, 2014). Farmers must adopt diverse strategies for coping with shocks, both preventive and curative, to address climate-related problems. Self-help groups facilitate diversification and promote and enhance risk management and climate-resilient agriculture. There is a clear emphasis on resilience-building activities in drought-prone rainfed areas, such as crop diversification, integrated farming systems, cover crops, and sustainable land management practices.

Gender, Social Capital, and Empowerment

The microfinance revolution initiated by the Grameen Bank of Bangladesh in 1983 provided a new paradigm for addressing rural poverty. Lessons learned from this experience were used to design a self-help group (SHG) model of microfinance in India, beginning with the Integrated Rural Development Programme in 1978. A growing number of studies suggest that participation in SHGs has transformed the lives of rural men and women in various regions of the country. By promoting savings, facilitating access to credit at reasonable terms, and providing a forum for discussion of issues affecting their livelihoods, SHGs have catalysed significant changes in agricultural practices, loan cycles, technologies, and financial

behaviour. For many, SHGs have also become the first step on a ladder of capability development that includes group-facilitated access to health care, education, employment, social security, and welfare programmes. This section describes how the SHG movement is helping to build social capital among rural producers and the implications for gender roles.

The cumulative experience of national and international agencies highlights that November 1991, agriculture alone cannot improve the socio-economic conditions or empower women globally and especially in developing countries. Participation in SHGs has been one of the most widespread, intense, and effective platforms for increasing women's outreach to new information, inputs, skills, markets, and finance. Why it is the best and first option for women to approach for not just empowerment but also for providing access to enhanced technologies. It tackles a broad set of issues like sanitation, hygiene behaviour, awareness on violence against women, financial literacy, health care awareness, nutrition etc. It provides within the group support and assistance of persons (like doctors) whenever required and needed. Access to higher education, scholarships, and skill generation training, vital for daughter/women, is now being provided with the assistance of the SHGs. Further it is possible to explore livelihoods opportunities by establishing links with banks and agricultural/livestock enterprises (Kapoor, 2019).

1. Women's Participation and Leadership

Women's participation and leadership have been promoted through Self-Help Groups (SHGs), which organize the rural poor into small groups for social mobilization, training, and credit support. The SHGs, mainly composed of women selected from the BPL list, focus on skill development based on local needs. Supported by government and financial institutions, SHGs have become a key strategy in empowering women and reducing gender inequalities in India. The movement has contributed to women's increasing participation in politics, though challenges remain due to educational disparities (Gorla, 2018). SHGs are recognized as effective mechanisms for women's empowerment and development, promoting group action and technology dissemination (Kumari Pandey, 2014).

2. Household Financing and Bargaining Power

Intra-household decision making changes, when analysed at the granular financial decision-making level, gives insight into group-level SHG-linked financial decision-making at the household level. Participation in SHGs enables households to engage in better financial decision making, both at the household and intra-household level, allowing them to acquire agricultural land and increase production (Valentin Semmler, 2016).

Sustainable Development Outcomes

In India, Sustainable Development is defined by the development that meets the needs of the present without compromising the ability of future generations to meet their own needs (Kapoor, 2019). In terms of environment, the concept of sustainability is linked with conserving scarce natural resources, maintaining an optimum environmental ratio, preventing soil, air and water pollution, maintaining

authentic biodiversity, and enhancing the green cover (Singh et al., 2011). In the Indian agricultural context, attaining environmental preservation using advanced modern farming is a necessary factor, since unsustainable farming practices employed by farmers continue to lead to soil fertility depletion, great financial losses and sometimes even farmer suicides.

Self Help Groups (SHGs) have impacted environmental sustainability by enabling farmers to practice different techniques such as systematic crop rotation, indirect seeding, mixing crops, mulching and others. Furthermore, soil and water conservation techniques such as pit composts, water harvesting, agro-forestry, species diversification have been adopted. Moreover, waste water disposal, drainage, waste disposal, specie selection for horticulture, vegetable cultivation, sowing time, site selection and cleanliness and hygiene management among food preparation are some of the techniques adopted by SHGs. Biodiversity preservation through sterile seeds, pest, disease and weed resistance practices, wood source selection and preservation have also been adopted.

1. Environmental Sustainability and Resource Management

Sustainable development embodies an economic growth paradigm that meets the needs of the present without compromising the ability of future generations to meet their own needs. The notion of need, especially the essential needs of the world's poorest people, is vital to this process, as is the consideration of limitations imposed by the neglect of the environment. In India, self-help groups (SHGs) have gradually registered their importance in several aspects of rural government effort, including sanitation, drinking water provision, agriculture, and many others. Empirical studies indicate that these groups do more than promote saving and provide access to credit; their activities lead to significant changes in farming practices, financial inclusion, technology adoption, diversification, and climate-resilient practices. SHGs also impact social norms, gender roles, and intra-household allocations—a process that further promotes income-generating activities, reduces dependence on informal borrowings, and increases resilience to risks shocks.

SHGs provide guidance on better resource management through training, exposure visits, and demonstrations conducted either by institutions or progressive farmers. Community-managed waste management, improved soil and water conservation techniques, and integrated systems are a few of the improved practices adopted by group members. Water harvesting structures (for example, farm ponds, check dams, and drip irrigation), use of green manuring, minimum tillage, waste recycling, water-recycling systems, and mechanisation of processing are also promoted by members. The diversification into horticultural crops, dairy, fisheries, poultry, and non-farm activities is also encouraged (Singh et al., 2011).

2. Market Linkages and Farmer Welfare

Market-oriented advisory services in Asia highlight the importance of linking markets to improve farmer welfare. Self-help groups (SHGs) are effective instruments for technology transfer, capacity building, and empowering rural women. Training on water management and food processing has positively impacted agricultural productivity. ICTs and communication technologies play a crucial role in agricultural

development and adapting to climate change. Promoting market-driven extension systems and understanding farmer attitudes are essential for enhancing farmer welfare and achieving financial inclusion.

Women do not have land title, which affects their ability to offer collateral for loans, but group approaches make credit more accessible and repayment satisfactory. Experience shows women service providers play an important role in providing agricultural advisory services at the village level, and more woman service providers are needed. Strengthening SHGs in technology transfer is crucial, as they are reliable channels for transferring proven technologies to farmers. The extension system must be re-oriented with new knowledge, emphasizing participatory extension, social capital, credit support, market-driven systems, diversification, skill development, media for technology transfer, informal rural education, and strong political will. Effective cooperation among stakeholders and fostering positive attitudes and confidence among farmers are essential for progress.

Challenges and Constraints

Self-Help Groups (SHGs) are an effective community-based approach to rural development in India. The SHG movement, which ratified rural savings and credit to build self-reliance among poor rural households. SHGs promote self-governance, democratic practices, and group activities that help empower women and build their social capital. In this regard, SHGs are inextricably linked to sustainable development—the measure of human well-being and improvement of life, resulting in poverty alleviation, effective use of natural resources. The extent to which women participate in SHGs, geographical proximity, and the content of the group agenda all influence the way the SHG movement shapes women's social and economic status in rural areas. SHGs provide women with the opportunity to participate in formal credit markets to start small-scale enterprises, support agriculture, further their education, and beautification of environment. Women's group has had the largest independent positive effect on men's household decision making. SHG membership has a strong positive effect on women's leadership, which can affect their influence on the design of women-targeted programmes. SHGs' positive influence on women's agency also has a significant effect of their working on and collectively supporting technical, pedagogical, and institutional innovation on environmental issues. SHG activity has reduced men's control on women, enhanced men's decision making on schooling of girl, access and control over resources, health, visit to public place and participation in development programme meeting.

1. Financial Viability and Durability

Self-Help Groups (SHGs), founded primarily to promote thrift, savings, and microcredit among rural women, have transitioned into key vehicles for rural development in India. Furthermore, today's SHG system in India is considerably different from the traditional model; financing now flows in both directions, and agriculture-related activities are seldom targeted anymore. An analysis of the present-day SHG system and of the functioning of erstwhile SHGs from the 1990s reveals the following characteristics that are key for innovative group interventions in agricultural development in Pakistan.

The average loan outstanding and the average rate of recovery of SHG loans have dropped significantly in Punjab in the last decade. Certain problems experienced by SHGs in Punjab as organisations are highlighted. The ageing of groups, sometimes with a stagnant leadership cadre and uneven group sizes, seems to have impeded sustained collective socio-economic development in the form of loans, thrift mobilization, enterprise promotion, and skill development.

2. institutional and Policy Barriers

Self-Help Groups (SHGs) operating in India encounter regulatory, governance, and implementation hurdles that impede their functioning, viability, and capacity to achieve rural transformation. Insufficient involvement or inappropriate links with government and institutional mechanisms constrains their access to resources and support and restricts their ability to service the credit requirements of their members (Singh et al., 2011). Despite SHGs representing a well-established instrument for supporting women's livelihoods, the establishment of agricultural SHGs has yet to systematically incorporate linkages with services and programs geared towards sustainable agricultural practices, natural resource management, and state-supported agricultural development (Meena & Singh, 2013). At the same time, employment and income-generating activities performed by women in the broader agricultural sector serve as a critical risk-mitigation strategy for both farm and non-farm income. Although women's SHGs constitute an important entry point for the delivery of guidelines covering sustainable livelihoods, a lack of attention has been given to this avenue within the broader agricultural support system (Kapoor, 2019). Such policy neglect diminishes the potential for agriculture- focused SHGs to drive timely efforts aimed at balancing the competing priorities of growing population numbers and escalating food insecurity against the preservation of natural resources and building climate resilience.

Policy Environment and Programs

The role of SHGs in India arises from surrounding policies like the National Rural Livelihoods Mission (NRLM) and state governments' programs. NRLM fosters institutional platform development around self-help principles to enhance livelihoods in rural households. It operates through Self-Help Group Promoting Institutions and Financial Inclusion Plans, promoting SHG-bank linkages, capacity building, and access to financial services (Singh et al., 2011). States shape variables from joining NRLM to formation stage and support provision. With variation among states, SHG development sometimes takes a backseat to productivity or technology concerns (Meena & Singh, 2013).

1. National Rural Livelihoods Mission and SHGs

The National Rural Livelihoods Mission (NRLM) aims to promote self-employment and organisation of rural poor, leveraging them as a potent instrument for eradicating rural poverty. The NRLM adopts a dual approach, promoting self-help groups (SHGs) and micro finance; elaborating plans for generating jobs and enhancing livelihood on a sustainable basis through SHGs in agriculture, animal husbandry, dairy, horticulture and other allied sectors. Under the NRLM scheme, formation of 11,87,840 SHGs was targeted for 2016-17.

In the recent past, SHGs have become an important aspect of rural development policies at the national, state and local levels. The share of agriculture and allied sectors in Gross State Value Added (GSVA) of Madhya Pradesh is higher than at the national level and also higher than in many other states. Madhya Pradesh has been selected as a high focus state under the NRLM by the Government of India. The NRLM aims to alleviate poverty by promoting self-employment and organisation of rural poor and is being implemented in a mission mode. The formation of SHGs and micro finance is expected to generate jobs and promote sustainable livelihoods in agriculture and related activities. (Kapoor, 2019) have been selected in 22 districts to implement the Mission during the initial phase of implementation and the formation of 1,95,000 SHGs and 2,65,000 Joint Liability Groups is expected by 2019.

2. State Initiatives and Regional Variations

Self-Help Groups (SHGs) in India operate within multiple environments at state and national levels. Each state has a specific policy and regulatory framework with direct implications for SHGs and their sustainability. These state-level environments are important in shaping agricultural SHG formations, linkages, activities, and impact (Singh et al., 2011). The National Rural Livelihood Mission is fully implemented only in some states (L. & J. O., 2014). In states without comprehensive SHG support, entry points for agribusiness investments retrospectively vary. Extant literature suggests the salience of behaviours developed at different SHG-formation stages (Meena & Singh, 2013).

Case Studies and Empirical Evidence

Outcomes of SHGs on agriculture and rural sustainable development can be illustrated through case studies of various states where SHGs are associated with greater access to credit, improved agricultural practices, and increased income from agriculture-related activities. Case studies of SHGs in dairy, horticulture, and pulses highlight how SHGs support different agricultural practices through the establishment of input supply and credit access, the dissemination of new technology, and the enhancement of risk management. Such examples indicate that SHGs are adaptable and contribute to both productivity and sustainability in different agricultural subsectors, with transferable processes for collective action in agriculture.

A critical assessment of SHGs from multiple states reveals successes, shortcomings, and general factors behind effective collective action that remain relevant across subsectors. While some groups last only a few years or are unproductive, successful groups receive additional, ongoing investments that enable long-term agricultural profitability and positive externalities. The public and private agencies that promote SHGs are crucial to such sustainability, yet the mode of intervention is much less important. To be effective, SHG networks must be large enough to ensure meaningful economic activity and sufficiently connected to markets, extension, and other actors. The establishment and subsequent expansion of macro networks of SHGs illustrate how sustainability can be incorporated into scaling.

1. Success Stories from Dairy, Horticulture, and Pulses

Dairy, horticulture, and pulses are three important agricultural sectors which have also emerged as success stories of Self-Help Groups (SHGs) in India. The dairy sector was among the first to establish linkages with SHGs. SHGs facilitate easy access to credit and enable SHG members to buy dairy animals. For example, in Gujarat, after joining SHGs, members had access to credit at the rate of 12 per cent per annum compared to the prevailing market rates of 24–36 per cent. Members are also able to secure larger loans. The dairy sector continues to be the mainstay of SHG-linked activities outside the National Rural Livelihood Mission (NRLM) in many other states as well, including Punjab and Haryana (Singh et al., 2011).

Horticulture is another area where SHGs have had a significant impact. Farmers have shifted to growing high-value crops in block-level clusters, adapting to demand and price fluctuations using SHG contacts for marketing and input purchases. For example, in Punjab SHG-linked farmers growing vegetables get prices which are 20-30% higher than non-SHG farmers (Meena & Singh, 2013). Pulses have also been a priority area for SHG-linked activities, with numerous SHG members in Gujarat, Madhya Pradesh, Maharashtra, and Rajasthan, having prominent positions in seed production and marketing.

2. Critical Analyses and Lessons Learned

In Indian agriculture, the potential of Self-Help Groups (SHGs) as a development medium has sparked diverse critical analyses. Some analyses stress that SHGs cannot catalyse change when not situated within broader processes. The group approach has sometimes served to reinforce existing economic and social structures; such conflict has resulted in failure. Initiatives must persuade groups to accept high engagement. Reports also indicate SHGs are sometimes used primarily for savings, with poverty alleviation as the nominal aim. In certain areas, Firm Level Organisations are viewed as a more responsive means of collective empowerment. Various studies convey that not all groups can facilitate enhanced livelihoods and farming sustainability. Grouping thus does not, in itself, consolidate agricultural improvement, and separate outreach or training on concepts and techniques remains vital. Further insights suggest SHGs neither empower the economically deprived nor cultivate group or overall leadership of a supportive nature—with no widespread phenomenon of leadership diffusion across recognised and successful groups. SHGs complement rather than replace preceding and accompanying training, outreach, and initiatives aimed at direct service and reduction of expenditure disincentives. Agricultural and input activities are generally expendable, periodic, or exclusively urban, with personnel insufficiently engaged in farm and self-employment advisory services (Singh et al., 2011).

Several relevant lessons emerge regarding the policy, institutional, and operational components of systemic approaches. Conventional directives often lack translation into more implementable specifications defining who should adopt which courses of action at the operational level. Persistent structures and practices that have historically reinforced political or economic domination tend to resurface in revised concepts. Specific vocabulary that committees or authorities apply may alter as —theoretical logic|| shifts. Efficient Combine Harvesters have been effectively promoted; after an initial cycle, extension workers were able to concentrate on more technical aspects of appropriate enabling guidance and newly emerging topics. Unsustainable crops such as sugarcane continue to flourish, as do more environmentally advantageous

systems relying on local substrates; widespread certification of group leaders remains routine (Meena & Singh, 2013).

Methodologies for Evaluation

To measure the impact of Self-Help Groups (SHGs) on agriculture and sustainable development rigorously and systematically, two distinct methodologies are recommended: quantitative metrics and indicators, and qualitative assessments and participatory techniques.

Quantitative parameters facilitate evaluations involving a large number of beneficiaries. Groups can be distinguished by their SHG status, with the corresponding metrics covering the extent of infrastructural changes, and differences in production variables calculated through t-tests of means (Singh et al., 2011). The following measures for the SHG and sustainable development categories emerge as relatively simple to gather while remaining insightful. Agricultural yield provides an indication of physical productivity, measured through quantity and an appropriate conversion factor to a monetary value (Meena & Singh, 2013). Farm income further refines the understanding of beneficiaries' welfare, tallying gross returns, variable and fixed costs, and rents on input-devolved land. Share of credit delivered through the banking system conveys improvements in access and sustainability of agricultural finance. Adoption rates of new technologies promoted within SHGs help gauge their effectiveness as dissemination organizations, tracked either as percentage or number of members that have introduced each technique. Indicators of climate resilience measure the responsiveness of farmers to climate variability and the adaptability of science-based innovation. Income diversity indexes reflect portfolio distribution across multiple agricultural and non-agricultural activities, whereas uptake of agricultural insurance reveals safeguard behavior against contingent risk. Analysis of SHG performance and sustainability alongside these metrics enables the identification of social and institutional factors underpinning systemic durability.

Qualitative approaches illuminate the impact of SHGs on behaviour or conscience, augmenting quantitative exercises that fail to capture these dimensions. Before-and-after interviews, conversations, focus groups, and participatory rural appraisal help clarify behavioural modifications, attendance incentives for fellow members, new information sources, and shifts in outlook on health education, technology dissemination, and knowledge of climate change, food security, and entrepreneurship.

Reference to self-selection bias during quantitative assessment should guide the interpretation of results. If improvements remain consistent post-matching with a similar non-SHG comparison group, it is possible to assert that SHGs have further contributed to change, although a rebuttal remains open for whether SHG members would not have progressed to the same extent without SHG involvement. Sweeping qualitative methodologies help to determine the extent of transformational impact among current beneficiaries after controlling for such bias.

1. Quantitative Metrics and Indicators

SHGs operate through a formal structure of membership, leadership roles, and group regulations. Members are generally selected from economically weaker sections and appointed for 2–4 years. Group leaders, typically women, are chosen on rotation; decision-making, including meeting frequency, loan applications, and repayments, largely occurs in the whole group. Many SHGs include women representing the landless or belonging to disadvantaged castes. Villages report that women's participation fosters household respect, and higher average national attendance supports the idea that SHGs promote inclusiveness (Meena & Singh, 2013). SHGs link with credit and public extension services, thereby expanding financial literacy and lowering exploration costs. They also access microfinance from non-banking institutions, with recent initiatives extending through larger banks to smaller SHGs (Meena & Singh, 2013) (see also 2.2).

SHGs drive impactful changes in agricultural practices, influencing input access and procurement terms. Members jointly purchase inputs like seeds and fertilizers without markups, receiving quality assurance and banking support. The resulting flexibility enables rotation among paddy, wheat, and summer pulses and winter vegetables alongside aquaculture. Loan types and durations vary, with 6–36 months across states and annualized rates of 6–24%. SHGs foster sizeable cash holdings, further enhancing cropping choice, and some banks offer pre-harvest loans. The use of formal credit—whether through SHGs or directly—correlates positively with crop diversification (see also 5.2).

2. Qualitative Assessments and Participatory Methods

Diverse qualitative methods complement quantitative metrics by capturing nuanced changes and contextual factors. Participant observations and unstructured interviews with SHG members identify significant alterations across multiple dimensions, generating insights on influential variables and underlying mechanisms. Seasonal calendars, transect walks, and social network analysis map relationships to resource access, credit supply, and agricultural inputs; these reveal how SHGs enhance social connectivity and facilitate cooperation among various stakeholders. Focus group discussions identify agricultural market linkages as pivotal to the groups' usefulness; diagrams and matrices assess further opportunities and constraints. Participatory Rural Appraisal tools stimulate member engagement, yield unanticipated perspectives, and clarify common objectives (Singh et al., 2011).

Future Directions and Recommendations

Self-Help Groups (SHGs) in India's rural landscape promote entrepreneurship, empower women, and stimulate local economies. SHGs play a transformative role in agricultural sectors by enhancing access to credit, inputs, technology, markets, and information. Empirical evidence suggests the SHG paradigm facilitates technology adoption, cultivates a culture of savings, and fosters diversification. Nonetheless, sound governance and financial tenability remain crucial for effective outreach, while planning for long-term durability is paramount to sustain impact.

Various strategies can foster scale, innovation, and sustainability for the SHG model in agriculture (Meena & Singh, 2013). Some states employ external agencies to mediate SHG formation and sustain

linkages, and experimental models are testing governance structures that simplify external engagement. Extension services orient towards information delivery but support broader SHG functions, while ICT-based market information systems enhance advisory services, improve information flows, and increase transparency. Continuous policy dialogue is essential to align the full range of interventions with development priorities.

Exploring technology transfer channels and financing modalities grant farmers access to timely, appropriate credit and advisory services during pivotal stages, enhancing the versatility of the model. Mobilising rural capital through regional representative bodies, enabling direct engagement with larger producers across diverse commodities and inputs, and reducing SHG dependency on external finance could extend SHGs beyond agriculture (Kapoor, 2019).

1. Scaling, Innovation, and Sustainability

Scaling up efforts of Self-Help Groups (SHGs) in agriculture is urgent given current government priorities, and there are various potential pathways to do so. Growth is often accompanied by sustainability challenges, including maintaining member engagement, ensuring financial viability, and preventing mission drift (Singh et al., 2011). Some SHGs creatively innovate to avoid these pitfalls. For example, leveraging technology to track member activities and establish trust is crucial for groups that become physically distant over time. Adopting staggered loan cycles enables groups to sustain those distances while bolstering repayment rates. Provisions for long-term support and financing help groups secure new sources of investment relative to cash flows, which typically decline. Adopting such adaptations can aid many SHGs yet needs to occur along with an accurate measurement of scaling and sustainability; otherwise, premature policy shifts can misdirect resources needed to serve beneficiaries.

Conclusion

In reference to India's social context, Self-Help Groups (SHGs) empower rendered through informal groups of individuals having shared interests and common ideas, enabling them to manage their own practices and challenges towards better development streams. SHG activities promote better livelihood options and human services among groups nationwide (Singh et al., 2011) , (L. & J. O., 2014). Sustainability pursues people-organized planning and acting in the present for a better-managed future (Meena & Singh, 2013). Sustainability, when aimed at agriculture, reckons with maintaining agricultural development processes capable of cultivated land productivity enhancement without impinging on its future use potential.

SHGs catalyse participatory resourcing in agriculture, opening access to production critical input, technology, market opportunity and pricing information, storage operation, insurance collaboration and fair share awareness, diversification and alternative employment, and building natural asset, awareness, recycling action, and plantation activities. Their improving practices have persisted over years in several Indian states nationwide—these includes vegetable cultivation combined with biodiversity enhancement, animal husbandry combined with waste recycling, horticulture combined with tourism business, food

processing combined with preserving local nutrients, poultry combined with other expanded living amenities, and dairying combined with legume-driven soil-conditioning legume or mushroom production. SHGs in agriculture mainstream also actively impart trading transaction and coping information, waste management techniques, and disturbance-preventing digital tools.

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