

# Role of Self-Help Groups in achieving Sustainable Development Goals: A Case Study Analysis

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## Abstract

The transformation of the lives of rural women towards their betterment is a critical issue in the development process of countries around the world. Poverty, lack of financial awareness, minimal or no education, and women's disempowerment are reasons for the poor condition of rural women. Globally, microfinance has become an integral part of poverty reduction, economic regeneration, and development. As part of India's microfinance programs, Self Help Groups (SHGs) are utilized. The objective of this research paper is to analyze the role of Self-help groups in achieving the Sustainable Development Goals (SDGs). It presents case studies developed using a mixed methods approach, including literature review and qualitative data collected through focus group discussions and in-depth interviews with approximately 20 key informants and women SHG members in four districts of Rajasthan.

The case study method has been chosen for this paper because it is regarded as a useful research method for exploring social phenomena through multi-dimensional lenses. It helps in the detailed analysis of a phenomenon in its real-life context. These women were from four different districts of Rajasthan. The study concludes that SHGs have demonstrated some success in attaining various Sustainable Development Goals, such as SDG 1, SDG 2, SDG 5, SDG 8, and SDG 10. Therefore, the SHG program needs to be re-energized so that better access to financial services like the availability of larger loans, training, and awareness programs can be made available to women.

**Keywords:** Self-help groups, Sustainable Development Goals, rural

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women, outcomes of SHG membership, women empowerment.

## **1. Introduction**

Rural women play a substantial role in our economy as farmers, entrepreneurs, and wage earners. They are in charge of their families too, from providing food to taking care of the children and elderly. Despite this, women in rural areas face social norms and gender-based discrimination that limit their ability to engage in economic activities and their access to healthcare, education, financial services, and property. SHGs are a vital tool for empowering rural women, fostering social dialogue, and recognizing their importance in the economy's growth (International Labour Office, 2019). National Bank for Agriculture and Rural Development (NABARD) established SHGs to provide collateral-free credit to poor rural people. The group consists of 10–20 voluntary members. These groups were formed from people who lived nearby and had mutual trust. Each member contributed a small amount to the corpus fund. SHG members could use those funds for livelihood activities or household needs.

This paper conceptualizes Self-Help Groups as a key strategy to accomplish the various goals of Sustainable Development Goals (SDGs). Global development was unified by the 2030 Agenda for Sustainable Development adopted by the United Nations General Assembly on 25 September 2015. It is the descendant of the Millennium Development Goals (MDGs). The 2030 Agenda, in contrast to MDGs, encompasses a broader range of aspects, including economic and environmental sustainability as well as the aspirations of many countries for peaceful and inclusive societies (Balakrishnan & Dharmaraj, 2018). This study majorly focuses on selected SDGs related to rural women in India. Rural women play a vital role in holistic welfare for individuals, families, and rural communities, as well as economic productivity, given their large presence in agriculture. Rural women specifically face many obstacles in life; therefore, it is very important to work towards gender-transformative livelihoods.

This paper seeks to answer the question of whether SHG membership has transformed rural women's lives. This paper examines the role of SHGs in achieving the Sustainable Development Goals. This paper is laid out as follows: The next section reviews the literature on the topic of the research. This is followed by the presentation of research methodology.

Thereafter the results section includes detailed case studies. The paper concludes with recommendations for policy and practice.

## **2. Literature Review**

This section presents a review of the works related to the themes of the study, namely, SHGs, the outcome of SHG membership, and SDGs. NABARD defines Self Help Groups as "A small, economically homogenous group of unreached rural poor, voluntarily formed to save and mutually agreed to contribute to a common fund to be lent to its members as per group decision". Such groups comprise members who are poor with minimal savings capacity depending upon money lenders or informal sources of finance for meeting their consumption needs. SHGs aim to promote sustainable socio-economic development, discuss their problems, and resolve them through appropriate decision-making participation. It is a local organization with its objectives (Balraj & Rao, 2016). So, SHGs function as quasi-banks, using the members' savings and loans from banks to lend to their members. In India, the SHG movement is the greatest and one of the most lucrative micro-credit movements in the developing world. All those who have helped initiate and strengthen SHGs – the bankers, civil society institutions, government officials and the concerned citizens have a sense of fulfillment for being part of an incredibly popular social movement that vows diverse economic benefits to the unfortunate (Mishra, 2014).

The turning point of the SHG movement in Rajasthan was with the creation of Rajasthan Grameen Aajeevika Vikas Parishad (RGAVP) better known as Rajeevika in 2011 to enhance the economic opportunities and empowerment of the rural poor with a focus on women and marginalized groups in Rajasthan. RGAVP's primary objective is to promote community institutions – Women's self-help groups, Federations, and Producer Organizations. The total number of SHGs in Rajasthan is 186,974 with 2,134,600 members. The SHG movement in Rajasthan has come of age and emerged as a sustainable strategy for women's empowerment.

(Balraj & Rao, 2016) observed that after joining the SHGs, asset procurement in the low-worth assets was observed. Members economic and social status upgraded. Sustainable livelihood activities aided the members in conquering the poverty level. Access to financial services empowered women and added to the inclusive growth and progress of the country. However, Despite the incredible progress in the last few years,

the movement still faces some challenges that require attention and (Mishra, 2014) emphasized various concerns, most notably the SHG movement is not going ahead with meeting the credit requirements for consumption purposes. Many studies contribute towards the positive outcomes from the association of the SHGs. (Hoop et al., 2019) (Joshi, 2015) (Sunny & Pereira, 2011) (Deininger & Liu, 2013) concluded that women associated with SHGs feel economically, socially, politically, and psychologically empowered. Other studies reflected both the positive and negative aspects of association with SHGs, i.e. (Jeklin, 2016) identified more social lights and financial shades in its study.

The Sustainable Development Goals (SDGs) are designed for society, planet, and fortune by 2030, as well as a representation of the hopes of people across the globe for a better future (Doran, 2021). SHG encourages women to contribute to decision-making, planning, and developing negotiation skills and a sense of self. SHGs can add to social sustainability and various SDGs (Al-Kubati & Selvaratnam, 2021).

### **3. Research Methodology**

This paper is exploratory. The case study method has been chosen for this paper because it facilitates the evaluation of a real issue within a defined context. It helps in a detailed analysis of a phenomenon in its real-life framework. The paper is based on a mixed methods approach, combining both secondary and primary approaches. The study tries to analyze the way that SHGs contribute to SDGs, particularly SDG 1 on poverty drop, SDG 2 on end starvation, attaining food security and enhanced nutrition and encouraging sustainable agriculture, SDG 5 to attain gender impartiality and empower all women and girls, SDG 8 endorse continuous, inclusive, and sustainable economic progress, complete and productive employment, and decent work for all and lastly SDG 10 to diminish discrimination. The article uses a descriptive analysis of the reports and literature review materials.

Primary data was gathered from key informants and women SHG members from four districts across the two major geographical regions of Rajasthan – Bikaner and Churu districts from the northern region (irrigated through canals), Dungarpur and Sirohi from the southern region (tribal-dominated, rain-fed). Two Blocks have been selected in each district. Data from 20 key informants has been collected through in-depth interviews using a semi-structured interview schedule. The key informants

include Rajasthan Gramin Aajeevika Vikas Parishad officials, leaders from research institutes, and NGOs working in this domain. These include the Centre for Microfinance in Jaipur Abu Road and PEDO in Dungarpur. Data from women SHG members has been collected through focus group discussions (FGDs) and in-depth interviews. The in-depth interview respondents and FGD participants were apprised of the objectives of the study, and voluntary informed consent was obtained. The proceedings were audio/video recorded, for which permission of the respondents/participants was obtained.

#### **4.Results and Discussion**

SHGs lead to massive differences in the lives of the members and their families. The following case studies capture good practices and stories of resilience and change among SHG women.

##### **(i) Economic independence of Savita Bai**

Savita Bai lives in Aaval village on Abu Road. She joined the Self help Group named Jai Jwala Mata 7years ago because she was determined to save and maximize her gains. Her group comes under the Maharani Shakti cluster.

Savita, by character, has always been timid. Life changed when Savita joined the SHG in her village. She grew from a shy lady to an assured leader, her journey from a member to a job of a cluster coordinator is evidence of it. Several training programs have caused a marked transformation in her individuality.

Before joining the SHG, she used to take a loan from moneylenders who used to exploit them by charging not only higher rates of interest but also asking for a mortgage for jewelry, property, etc. Also, it was like a debt trap to them where the moneylenders used to charge double the interest rate for failing to pay interest after one year. Due to interest accumulation, many of her sisters have lost jewelry, land, etc., to moneylenders. She once faced such a setback when she took a loan from a moneylender @3% interest. When she returned to the moneylender to repay, she was asked to pay 5% interest as she was late by just 7/8 days. She was left with no option but to pay such a higher interest rate. But after joining the SHG, she started taking loans only from SHG and never looked back to get help from moneylenders. Whenever she needs funds, she takes a loan from her group, and if the funds are insufficient in the group, she takes it from the

cluster, and even if the requirement still needs to be fulfilled, she approaches the federation. She is also happy that the interest she pays to the SHG benefits her fellow sisters only. She has taken 4/5 loans from SHG for various purposes like agriculture, Child's education, purchasing of land, etc. Her other sources of income have also increased since joining the group, so the loans she gets from the group are now sufficient for her. Before joining SHG, she used to only grow seasonal crops due to insufficient water in her well. But now, due to SHG, it has become easy for her to arrange funds beforehand for purchasing seeds, and fertilizers, paying wages to labourers when harvesting, paying electricity bills, etc. She has taken a loan to build a bore well, and now she can grow commercial crops like soap (fennel), arande (castor), etc., generating more money to support her livelihood. She gives all the credit for her learning about farming to her training through the SHG. Also, before she used to make a nursery in the open but her group has provided her green net which protects her nursery and makes it far better.

Subsequently, the loan she took for her son's education has benefited her. Her son, who used to sit idly at home, has gained an education and is now a government teacher. She even supported the education of her three daughters.

Savita aims to create awareness of the advantages of SHGs among other women of the village. She urges women not to leave their homes to form groups. She tells women in her village about the NAREGA, governance system, pension schemes, etc. She participates in capacity-building and training programs and shares learning with other women. She even looks forward to more training opportunities for her and her fellow sisters in sewing, dairy-related, Ambaji garland making, etc. They even look forward to having their grain market so that they can decide the prices of their crops. She gives all the credit to SHGs for whatever she has achieved in life.

## **(ii) Story of Leela Devi**

Leela Devi and her husband were daily wage laborers and only used to do farming for the family's consumption. In July 2005, she became a member of SHG named Ratapani Bhil. Learnings from the training programs made her more informed about livelihood and development matters. Such training persuaded her to take up agriculture-based livelihood activities.

Before joining the group, Leela and her husband had no money to expand

their farming. But after joining the group, she got the various needful for agriculture at cheaper rates and the training on how to utilize their land to grow commercial crops and make it their source of earning. Leela took a loan from SHG without any mortgage and at a cheaper rate of interest, i.e., 1%, compared to the market interest rate of @5%. She utilized a loan for farming, i.e., buying equipment, drilling two bore wells near her land for irrigation, etc. Money gave Leela and her husband the confidence to earn a better living and use different farming techniques like multi-cropping, the best possible way to cultivate various crops. Leela even shared her experience that she and her husband explored different routes on their own to grow crops in the best way.

Today, her family's primary source of income is agriculture only. They are growing various crops on two bighas of land, such as turai, lokee, garlic, pindalu, turmeric, ladyfinger, methi, tomato, etc., as compared to before. Also, they earn twice their expenses by working very hard in the fields. They sell their crops door to door using personal vehicles instead of mandi to gain the best value for their produce.

Furthermore, she took a loan for her son's and daughter's education. She could send both of her children to Jaipur for better education. Her son is getting training in Jaipur for veterinary. Now, whenever she requires funds, she only takes a loan from her group. She believes her life has changed after joining SHG.

### **(iii) Life transformation through SHG**

Sena Bai belongs to Redva Kala village located in the tribal region of Sirohi district. 7 years back, she joined a Self-help group named Mukhri Mata. Before joining the group, she used to do farming with her husband. Her life changed for the better after she became part of the group. Formerly, she used to take loans from friends, relatives, and neighbors, and they harassed her. She later learned about the workings of SHGs from the women who were already a part of them. She was told she could make savings through SHGs, easily take out loans whenever necessary, and pay them back in installments to the group, and that too at meager interest rates. Therefore, she decided to join the SHG group after learning about its benefits. She borrowed Rs 50,000 from SHG to buy a piece of land for farming. She uses that land to grow arandi (Caster oil plant), urad dal, wheat, and maize. Last year she earned Rs. 15000 by selling urad dal and Rs. 20000 – 25000 by selling arandi. She also used arandi woods in her

household chores. Her income has improved after joining the group, making it easier for her to repay the loan.

She believes that for rural women like her, SHG is very beneficial. She even shared a story about a friend who took a loan from a relative of Rs. 5000, but her relative used to drink daily and harass her for not paying back the loan. Then one day, Sena Bai encouraged her friend to join the group. When her friend joined the group, they provided her with a loan of Rs. 5000 so she could repay the loan of her relative who had been harassing her.

Sena Bai now feels empowered. She is even the president of the group. She now has a say in the family and her community. Earlier, her life was confined to the four walls of her home. Currently, Sena Bai is receiving a salary from SHG of Rs. 6000. In her role as president of the group, she is expected to form more of these SHGs in the village, secure loans for the group, and assist in solving village problems through the Panchayat. Rajiveeka provides training for such cases, and regular meetings are held to train them. She learned how to grow tomatoes, brinjal, and chili through training. She benefited from the various meetings and trainings held in the group. She also once helped her group member obtain a loan of Rs. 50000 to open a shop of ready-made garments, but it didn't seem enough for her. Then she approached ICICI bank, where the first loan of Rs. 120,000 was taken and repaid successfully by that member, and then a second loan of Rs. 175000 was taken. Having grown from a small shop, her SHG member now has a big show, and she's successfully paying all her installments. Many women nowadays own their shops, which benefits them and others in the village, as women had to travel to Abu Road to do their shopping, but this isn't the case anymore, saving them time and money in traveling.

In Sena's opinion, possibly all the women in the village who have not yet joined the SHG should do so. As a result, they will be more aware of social, economic, political, and financial issues.

#### **(iv) Multiple Livelihood Activities**

Kamla's story begins 7 years back when she became part of the SHG named Bheru Ji. She started as a member, but now she is the president. Training to take up a president's responsibilities was given to her. She inspired other members to take loans from the group to better the state of their families and guided them in repaying it successfully. She gets the



commission for doing these activities. Because of SHG, Kamla has been able to grow her business. She has even installed a flour mill within the shop. Today her engagement in multiple livelihood activities such as running a shop, flour mill, seasonal farming, and earning commission for managing loan activities of SHGs rather than just doing household chores is evidence of her growth after joining the group.

Kamla became more confident after joining the SHG. She learned not only how to lead the group but also how to manage multiple livelihood activities efficiently and effectively. Also, she has noticed significant changes in the women of her village. Her fellow mates have taken training in using organic manure and organic pesticides in farming which has substantially improved the quality of their crops grown and, subsequently, their earnings. Several women in the village also understand the importance of good education and therefore take out loans to send their children to private schools. SHG is a financial intermediary, i.e., credit can be availed in installments at no collateral. This is done at a comparatively lower interest rate than that of moneylenders. As a result, they feel liberated from the clutches of moneylenders.

Overall, Kamla considers that the existence of groups has built strong affinity within the community and has encouraged women to engage in more livelihood activities.

#### **(v) Role Model for Women**

Jehra saw the most depressing phase of her life from 2008 to 2011. In the family of 6 people, she just had two rooms to live in. Her house condition was so pitiful that her rooms used to get filled with water during the rainy season, and every year she used to bear the expense of Rs. 2000-3000 for its repair. Their economic condition was precarious. 2012 is highly significant for Jehra; she joined an SHG named Mira along with her daughter-in-law the same year. Starting as a member, they saved Rs. 40 per month. Later Jehra became the president of Nari Shakti CLF.

She took the first loan of Rs. 25000 for opening a shop, and with subsequent earnings from the shop, she continued expanding the shop by reinvesting the money earned back into the shop. She could successfully pay back all the installments of the loan. Today, her monthly income from the shop is approximately Rs. 10000–12000. In 2021, she even took a loan to buy a laptop and a printer to expand her business earnings and earn Rs. 6000-7000 out of it.

The turning point in Jehra's life was when in 2016, she bought a sewing machine. After this, her financial condition started improving progressively. She first started sewing by borrowing a machine from her neighborhood. But then she bought her first machine for Rs. 50,000 by taking a loan from the group. Later she took many small loans for her business; today, she has five machines and all her family members are engaged in this business. Today she is earning approximately Rs. 90000 monthly through this business. Additionally, she manages the shop when her son is not around due to other commitments.

Jehra gives all credit to SHG and Rajiveeka for helping uplift her economic condition. She cannot forget the day when she didn't even have Rs.100, but now she is willing to help others who need money. She is helping many women in her group with timely loan repayment who face short cash. Later they pay her according to their convenience.

Jehra contemplates that her purpose in life is to help women as much as possible. Many village women have been inspired by her life and joined SHGs. In addition to training women in sewing, she employs 25-30 women in her business who earn Rs. 15000-18000 per month based on the number of units completed. Jehra wants more women to become financially independent and help each other to grow like she did. More women should be aware of the benefits of being associated with SHGs and take advantage of them.

#### **(vi) New found Life of Babli**

Babli, by nature, has always been very shy. While she has appeared in school till class 8, her confidence level is shallow. In 2013, Babli joined Aashapuri Mata SHG. Even though Babli was literate, she was hesitant to write but was motivated to do so again. Later, she became the group's accountant. At first, it was highly complicated for her, but steadily, it aided her in gaining confidence. Though, with time her contribution and interest in the group activities intensified. Today she is working full-time in Rajiveeka as Cluster coordinator; 5 villages come under her supervision. Here she is responsible for looking after the members' needs like helping in availing of loans, opening SHG accounts, forming new SHGs, etc. She has received training on leaders' orientation, credit planning, cluster management, etc. Besides working in Rajiveeka, her other source of income is poultry farming. Her husband used to earn very little with the job of a driver. Therefore, she took a loan from the group to start a new business,

through which her husband now earns approximately Rs. 25000-30000 per month.

Babli said that in the meetings of the group, they talk about savings and loan requirements and discuss any personal issues of any member. She even shared many stories where her group helped one of the members get out of domestic violence as her husband beat her after getting drunk. Anyone in need of money and who does not have enough income to cover the loan's interest rate is given a collateral-free loan at a zero interest rate. Mostly women of the villages under her administration obtain loans for agriculture-based and livestock-based livelihood activities.

It is her strong belief that every woman in the village needs to join an SHG so they can live beyond just doing household chores. Women of the village who could not even speak about their household matters now feel empowered enough that they not only attend meetings at the panchayat but actively raise voices and questions related to various matters of the village. She believes the group offered her a personality and the ability to enhance the lives of others along with her own. Babli plans to encourage more women to become part of SHGs and move forward in life.

## **5. Conclusion**

Case studies have portrayed the critical trends of the influence of the SHG-Cluster-Federation institutional architecture on unfortunate women and their impact on their lives. The key indications from the case studies show the capacity of SHGs to contribute to various SDGs, in particular, the following goals:

**SDG 1 (Poverty Drop)** by ensuring women, the deprived and vulnerable in particular, have access to economic resources and essential services such as financial services, including microfinance;

**SDG 2 (End Starvation, Attaining Food Security and Enhanced Nutrition, and Encouraging Sustainable Agriculture)** by increasing the agricultural efficiency and earnings of small-scale food producers, particularly women, through protected and equal access to productive resources and inputs, knowledge, markets, and financial services;

**SDG 5 (Attain Gender Impartiality and Empower All Women and Girls)** by ensuring women's active participation and leadership roles in their community's political, economic, and public life decision-making;

**SDG 8 (Endorse Continuous, Inclusive, and Sustainable Economic Progress, Complete and Productive Employment, and Decent Work for All)** is a growth-oriented policy that chains productive activities, worthy job creation, entrepreneurship, and innovation, and inspires the development of micro-, small- and medium-sized enterprises, including access to financial services and by dropping the share of youth not in employment, education, or training. Also, it reinforces local financial institutions' ability to raise the ratio of adults with a bank account, and

**SDG 10 (Diminish Discrimination)** by promoting inclusion in social, economic, and political aspects.

The study has several implications for policy and practice. Given the role of SHGs in achieving the Sustainable Developments Goals (SDGs), policymakers and governments in power should focus more on strengthening the institution of Self-help Groups, producer organizations, community development organizations, and federations of SHGs. One of the limitations of this study is that it does not cover the other two geographical areas of Rajasthan, i.e., the eastern and the western regions. Future researchers may cover these two geographical areas in their study.

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