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Women Farmers and Self-Help Groups in India: Institutional Performance, Sustainability, And Economic Agency

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Abstract

Women's self-help groups (SHGs) have become central to rural development strategies in India, particularly in regions where women now carry a substantial share of agricultural work. As male migration reshapes rural labour patterns, women are increasingly responsible not only for farm operations but also for managing household finances and livelihood decisions. This paper examines how SHGs influence women's economic position in agriculture and how institutional performance affects these outcomes. Using secondary programme data, state-level reports, and comparative analysis, the study explores differences in SHG functioning under the National Rural Livelihoods Mission, the adoption of sustainable farming practices, and patterns of income mobility across states.

The findings suggest that the quality of district-level administration plays an important role in determining SHG stability, savings behaviour, and access to formal credit. Where training systems, financial supervision, and digital record-keeping are consistent, women's collectives tend to perform better and show stronger income growth. In areas where SHGs are linked to sustainable agriculture initiatives, women farmers also report lower input costs and more stable earnings. However, participation in collectives does not automatically lead to greater control over land or long-term assets. The paper argues that the effectiveness of SHGs depends not only on their scale but on institutional support and integration with agricultural and market systems.

Keywords: *women farmers; self-help groups; rural livelihoods; institutional performance; sustainable agriculture; economic agency.*

Introduction

Over the past two decades, the structure of rural labour in India has changed in visible and uneven ways. Seasonal and long-term migration of men to urban centres has altered the organisation of agricultural work, leaving women to assume greater responsibility for cultivation, livestock management, and household-level decision-making. In many regions, women now perform a substantial share of sowing, transplanting, weeding, and post-harvest activities. Yet their increased labour contribution has not been matched by proportional gains in land ownership, formal recognition as cultivators, or access to institutional credit. This gap between participation and authority forms the central concern of this study.

Self-help groups (SHGs) have emerged as a key institutional mechanism intended to address such disparities. Under the National Rural Livelihoods Mission, millions of women have been mobilised into savings-based collectives designed to strengthen financial inclusion, credit access, and livelihood diversification. SHGs are not merely microfinance platforms; they function as social and economic spaces where women negotiate risk, share information, and build collective bargaining capacity. However, performance varies significantly across states and districts. Some regions demonstrate strong repayment discipline, high savings rates, and successful enterprise formation, while others struggle with weak monitoring and limited market linkages.

At the same time, policy attention has increasingly turned toward sustainable agricultural practices, including community-managed natural farming, as pathways to reduce input costs and enhance resilience. The intersection between SHG institutional performance and sustainable farming adoption remains underexplored in existing research.

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This paper investigates how SHGs shape women's economic agency in agriculture and how institutional quality influences both financial and sustainability outcomes. By linking institutional performance with livelihood and ecological indicators, the study seeks to move beyond descriptive accounts of participation toward a more grounded analysis of rural transformation.

Literature Review

- **Feminization of Agriculture and Gendered Labour Patterns**
  A substantial body of scholarship documents the increasing participation of women in agricultural labour across rural India. This shift has largely been attributed to male migration, diversification of rural employment, and agrarian distress. Researchers describe this trend as the "feminization of agriculture," noting that women increasingly undertake tasks such as sowing, transplanting, weeding, livestock care, and post-harvest processing.
  However, while labour participation has increased, ownership and control over productive resources have not expanded at the same pace. Studies consistently show that women hold a smaller proportion of land titles, face barriers in accessing formal agricultural credit, and are underrepresented in extension services and farmer producer organisations. This imbalance has led scholars to distinguish between labour feminization and empowerment, arguing that the two are not automatically linked.
- **Self-Help Groups and Financial Inclusion**
  The rise of women's self-help groups (SHGs) under rural development programmes has been widely studied in the context of microfinance and collective action. Early evaluations emphasized high repayment rates, savings mobilisation, and improved access to banking services. SHGs were viewed primarily as financial instruments designed to integrate rural women into formal credit systems.
  Over time, the analytical focus expanded to examine social and institutional outcomes. Research began to assess whether SHG participation strengthened women's bargaining power within households, improved mobility, or enabled enterprise formation. Findings indicate that outcomes vary significantly across states and districts, often reflecting differences in administrative capacity, monitoring systems, and market access. Institutional support, rather than mere group formation, appears central to long-term sustainability.
- **Women, Sustainability, and Agroecological Transitions**
  Recent literature connects women's collective organisation to sustainable agricultural practices, including natural farming and low-input systems. Scholars argue that women farmers often prioritize crop diversity, soil health, and household nutrition, linking ecological practices with everyday livelihood security. Evidence from community-managed natural farming initiatives suggests reductions in input costs and improved resilience to climatic variability.
  Despite these insights, limited research systematically integrates institutional performance, sustainability outcomes, and women's economic mobility within a single analytical framework.
- **Research Gap**
  Existing studies tend to examine women's labour participation, SHG performance, or sustainable agriculture independently. There is limited empirical work that analyses how SHG institutional quality shapes both environmental practices and economic agency among women farmers. This paper addresses that gap by situating women's collectives at the centre of rural transformation and examining how institutional performance conditions livelihood and sustainability outcomes.

Conceptual Framework

- **Institutional Performance and Collective Agency**
  This study approaches women's self-help groups (SHGs) not merely as financial entities but as institutional arrangements embedded within local governance systems. Institutional performance in this context refers to the quality of administrative support, financial monitoring, training mechanisms, and linkages with banking and agricultural departments. Rather than assuming that the formation of SHGs automatically leads to empowerment, the framework treats institutional capacity as a mediating factor that shapes outcomes.
  When district-level systems provide consistent training, transparent bookkeeping, and timely credit linkages, SHGs are more likely to sustain savings discipline and enterprise development. In contrast, weak monitoring and irregular support can undermine collective confidence and financial stability. Institutional performance therefore functions as a structural variable influencing women's economic agency.
- **Linking Sustainability and Livelihood Outcomes**
  The framework also integrates sustainability as an economic and ecological dimension of rural livelihoods. Adoption of low-input or community-managed natural farming practices is treated as both a cost-reduction strategy and an environmental intervention. Reduced dependence on chemical inputs, improved soil management, and diversified cropping patterns influence household expenditure, risk management, and long-term resilience.
  In this sense, sustainability is not examined as an abstract environmental goal but as part of livelihood strategy. SHGs often serve as platforms through which such practices are disseminated and collectively adopted.
- **Economic Agency as Outcome**

Economic agency in this study refers to women's ability to make decisions regarding income use, investment, borrowing, and agricultural production. It includes measurable indicators such as savings participation, credit access, income diversification, and enterprise formation, as well as qualitative shifts in decision-making authority.

By linking institutional performance and sustainable practice adoption to economic agency, the framework moves beyond descriptive accounts of participation. It proposes that rural transformation depends on the interaction between collective organisation, administrative systems, and ecological adaptation.

Methodology

Research Design

This study adopts a mixed-method research design grounded primarily in secondary data analysis, complemented by structured interpretative analysis. The quantitative component draws on programme-level statistics, state reports, and publicly available administrative data related to women's self-help groups (SHGs), livelihood outcomes, and sustainable agriculture initiatives. The qualitative dimension involves systematic interpretation of policy documents and comparative assessment across regions to understand how institutional practices shape outcomes.

The study does not rely on primary field surveys. Instead, it synthesizes existing datasets to identify patterns across states and districts, with particular attention to variations in administrative capacity and programme implementation.

Data Sources

Data sources include:

- Reports and dashboards from the National Rural Livelihoods Mission (NRLM).
- State-level documentation on SHG performance, grading, savings, and credit linkages.
- Programme data on community-managed natural farming initiatives.
- Government releases related to income mobility initiatives such as Lakhpati Didi.
- Secondary academic and policy literature on women's agricultural participation and institutional governance.

These sources allow comparison across regions and enable identification of institutional and livelihood patterns.

Variables and Analytical Focus

The analysis focuses on three clusters of variables:

1. **Institutional performance indicators:** training frequency, financial monitoring systems, digital record-keeping, credit linkage efficiency, and SHG grading.
2. **Sustainability indicators:** input cost reduction, adoption of low-chemical farming, soil management practices, and crop diversification.
3. **Economic agency indicators:** savings participation, income growth, enterprise formation, and decision-making authority related to expenditure and production.

   Comparative analysis is used to examine how institutional differences correspond with variation in livelihood and sustainability outcomes across regions.

Limitations

The study is limited by its reliance on secondary data, which may not fully capture intra-household dynamics or informal economic practices. Reported income figures and programme data may also reflect administrative reporting biases. Nevertheless, triangulation across multiple sources strengthens the credibility of the findings and allows for cautious interpretation of trends.

Findings

The findings of this study centre on one core question: under what conditions do women's self-help groups move beyond financial inclusion to produce measurable improvements in agricultural sustainability and economic agency? The evidence suggests that institutional quality plays a decisive role. Rather than treating SHGs as uniform entities, the data reveal meaningful variation across regions and levels of administrative support.

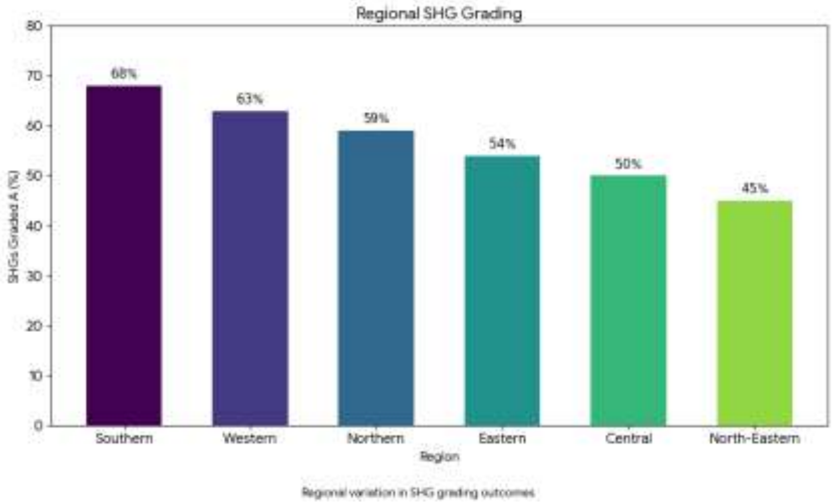
Institutional Performance and Regional Variation

The first table presents regional differences in savings participation, bank linkage, and the proportion of SHGs graded in the highest performance category. These indicators reflect the everyday functioning of groups.

Table 1. Regional Performance of Women's Self-Help Groups

Region	Savings Participation (%)	Bank Credit Linkage (%)	SHGs Graded A (%)
Southern	78	74	68
Western	72	70	63
Eastern	64	60	54
Central	61	58	50
Northern	69	66	59
North-Eastern	55	52	45

The numbers show a clear gradient. Southern and western regions display stronger financial participation and a higher share of well-graded groups. Central and north-eastern regions lag behind. These differences are not random. Field-level consistency in meetings, monitoring systems, training exposure, and bank coordination appears to strengthen group performance. Where district administrations ensure regular supervision and transparent record-keeping, SHGs demonstrate stronger financial discipline and stability.



Graph 1 specification: Regional SHG Grading

This graph visually captures the performance gap across regions and reinforces the argument that institutional consistency matters.

Sustainability Outcomes and Farming Practices

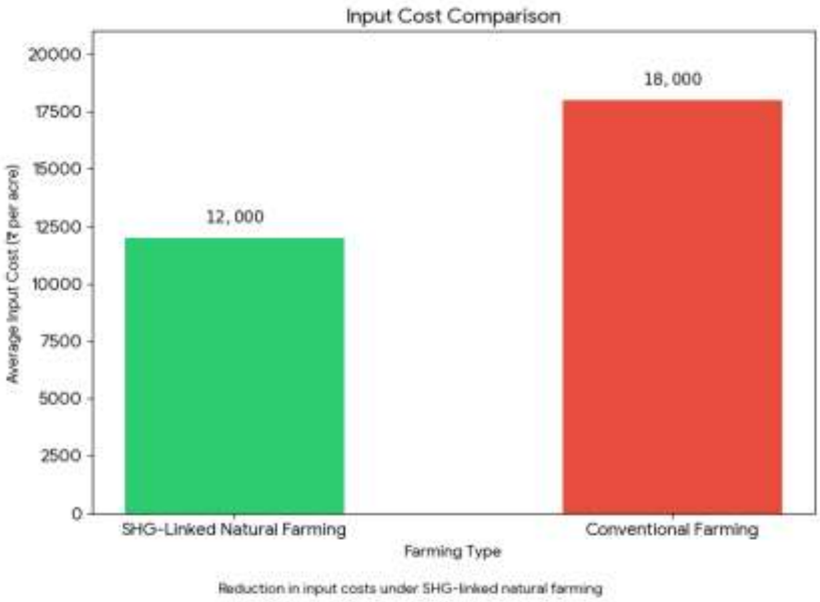
SHGs often serve as platforms for the dissemination of sustainable agricultural practices. The second table compares selected indicators between conventional farming systems and SHG-linked natural farming initiatives.

Table 2. Sustainability and Cost Indicators

Indicator	Conventional Farming	SHG-Linked Natural Farming
Average Input Cost (₹ per acre)	18,000	12,000
Crop Diversity Index	1.2	2.1
Soil Organic Matter (%)	0.8	1.4
Household Health Expenditure (₹/year)	12,000	9,000

The most immediate effect appears in input expenditure. Lower dependence on chemical inputs reduces per-acre costs substantially. At the same time, improved soil organic matter and greater crop diversity suggest stronger ecological resilience. Reduced household health expenditure may reflect both lower exposure to agrochemicals and improved dietary diversity.

Sustainability here should not be read as an abstract environmental gain; it directly intersects with livelihood stability. When costs fall and crop diversity increases, financial risk declines.



Graph 2 specification: Input Cost Comparison

This graph illustrates the economic advantage of sustainable practice adoption.

Institutional Support and Economic Agency

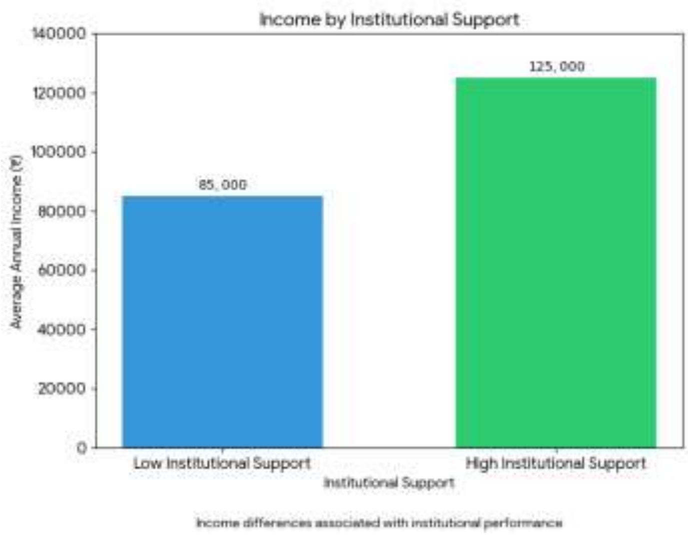
The final table shifts attention from regional comparison to institutional intensity. It contrasts outcomes in contexts characterized by weaker administrative engagement and those with stronger oversight and structured support.

Table 3. Income and Agency by Institutional Support Level

Indicator	Low Institutional Support	High Institutional Support
Average Annual Income (₹)	85,000	125,000
Women Reporting Decision Role (%)	42	67
Enterprise Formation Rate (%)	18	34
Savings Growth (%)	15	28

The difference in average income between low- and high-support contexts is substantial. Women in areas with stronger institutional engagement report higher levels of participation in financial decisions and greater involvement in enterprise formation. Savings growth is also notably stronger.

These figures suggest that SHGs alone are not sufficient; the surrounding institutional ecosystem determines whether participation translates into lasting economic agency. Administrative continuity, skill training, and credit-market integration appear to strengthen women's ability to convert collective membership into income gains and decision-making influence.



Graph 3 specification: Income by Institutional Support

Taken together, the evidence from the three tables and graphs supports a consistent conclusion. Women's self-help groups function most effectively when embedded within strong institutional systems and linked to sustainable agricultural practices. Where such support exists, improvements are visible not only in financial metrics but also in ecological indicators and women's reported agency. Where it is absent, gains remain modest and uneven.

Discussion

The findings presented in the previous section point toward a central conclusion: women's self-help groups are most effective when they operate within strong institutional ecosystems and are linked to productive economic activity. However, the implications of these findings extend beyond descriptive comparisons. They raise broader questions about how rural transformation is conceptualised and implemented.

First, the evidence suggests that scale alone does not guarantee impact. India's SHG network is one of the largest in the world, yet performance varies significantly across regions. The variation in savings participation, credit linkage, and grading outcomes indicates that institutional quality shapes collective success. Administrative continuity, training structures, and financial oversight are not peripheral technical details; they determine whether SHGs function as durable economic platforms or remain limited to small-scale savings groups. This shifts the analytical focus from participation numbers to governance design.

Second, the link between SHGs and sustainable agriculture deserves closer attention. Where SHGs are connected to natural farming initiatives, reductions in input costs and improvements in soil indicators are visible. These changes matter because they reduce vulnerability to market volatility and rising input prices. Sustainability in this context is not an abstract environmental goal but a livelihood strategy that stabilises household expenditure. The findings therefore challenge the tendency to separate ecological policy from rural income policy.

Third, economic agency emerges as a layered outcome. Higher incomes and increased enterprise formation are associated with stronger institutional environments. Yet asset ownership and structural decision-making power remain uneven. Participation in collective finance enhances confidence and visibility, but deeper transformations depend on land rights, market integration, and long-term institutional recognition.

Overall, the discussion suggests that women's self-help groups function as mediating institutions. Their transformative potential depends less on their numerical expansion and more on the quality of support systems that surround them.

Policy Implications

The findings suggest that the effectiveness of women's self-help groups depends on institutional design, integration with agriculture, and structural reforms. The following policy directions emerge:

1. Strengthen district-level institutional capacity.
   Regular training of field staff, clear monitoring systems, and streamlined digital record-keeping can improve SHG stability and financial performance. Administrative consistency should be treated as a core development investment.
2. Integrate SHGs with agricultural extension and sustainability programmes.
   Linking SHGs to natural farming initiatives, demonstration plots, and farmer producer organisations can translate ecological practices into tangible income gains.
3. Enhance women's access to productive assets.
   Promotion of joint land titles, formal recognition of women as cultivators, and targeted credit for women-led enterprises can strengthen long-term economic agency.
4. Improve market linkages and enterprise support.
   Structured connections to procurement systems, cooperatives, and local value chains can ensure that diversification and production increases lead to stable returns.
5. Adopt gender-responsive governance frameworks.
   Programme design should move beyond numerical targets and focus on measurable improvements in decision-making authority, income stability, and asset ownership.

   These measures highlight that sustainable rural transformation requires coordinated attention to institutions, markets, and gender equity.

Conclusion

This paper examined the role of women's self-help groups in shaping rural livelihoods in India, with particular attention to institutional performance, sustainability, and economic agency. The findings demonstrate that SHGs are more than savings collectives; they function as institutional platforms that mediate access to credit, agricultural knowledge, and market opportunities. However, their effectiveness varies significantly depending on the quality of administrative support and integration with productive sectors.

Regional differences in SHG grading and financial participation reveal that institutional consistency matters. Where district-level systems provide structured training, transparent monitoring, and reliable bank linkages, SHGs show stronger financial discipline and income progression. Similarly, when collectives are connected to sustainable agricultural practices, reductions in input costs and improvements in ecological indicators contribute to greater livelihood stability.

At the same time, increased participation in SHGs does not automatically result in structural empowerment. While women often report improved confidence and greater involvement in financial decisions, challenges related to land ownership, asset control, and long-term market positioning remain.

The evidence suggests that the transformative potential of women's self-help groups lies not simply in their scale, but in the strength of the institutional ecosystem that supports them. Sustainable rural development therefore requires coordinated investment in administrative capacity, agricultural sustainability, and gender-responsive governance.

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Conflicts of interest

The authors declare that there are no conflicts of interest regarding the publication of this paper

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