

## Rural Women Empowerment through Agricultural Schemes: An Economics Study of SHG-based Livelihood Programs in Rajasthan

\*Dr. Sona Jain

### Abstract

Women's economic empowerment has emerged as a crucial pillar of inclusive rural development in India. Self-Help Groups (SHGs) linked with agricultural schemes have become a major vehicle for promoting financial inclusion and income diversification among rural women. In Rajasthan, SHG-based programs have connected microfinance with agriculture, livestock, and microenterprise initiatives, providing women with new livelihood opportunities and decision-making power. This study examines the dual dimensions of empowerment—financial inclusion and diversification into agriculture and allied activities—and analyses their impact on rural women's economic and social status. Using secondary sources, including national reports, academic research, and institutional studies, it finds that SHG participation enhances income, credit access, and confidence among women. However, benefits depend on training, credit availability, and market linkages. A pie chart is used to illustrate income composition from various activities. The paper concludes that integrated programs combining financial access, agricultural support, and capacity-building can create sustainable empowerment pathways for women in Rajasthan.

**Keywords:** Women empowerment, SHG, financial inclusion, agriculture, Rajasthan, microfinance, NRLM

### 1. Introduction

Women in rural India contribute extensively to agricultural production, livestock rearing, and household management, yet they remain among the most economically disadvantaged groups. In Rajasthan—a state marked by arid conditions, low literacy rates among women, and regional inequality—empowering women through economic initiatives has been central to policy frameworks. Self-Help Groups (SHGs) have emerged as a transformative model, linking microfinance, agricultural schemes, and rural livelihoods.

Through collective savings and access to credit, SHGs enable women to invest in income-generating activities such as dairy, poultry, vegetable cultivation, and handicrafts. Beyond financial benefits, participation in SHGs also enhances women's self-confidence, leadership, and voice within their households and communities. However, empowerment outcomes vary depending on institutional support, training, and linkage with markets and agricultural programs.

This paper investigates the economic empowerment of rural women through SHG-based agricultural

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programs in Rajasthan. It explores how financial inclusion and agricultural diversification contribute to income control, decision-making, and sustainable livelihoods among rural women.

## 2. Objectives of the Study

The present study focuses on the following objectives:

1. To examine the extent to which SHG participation enhances financial inclusion and access to credit among rural women in Rajasthan.
2. To analyse how diversification into agriculture and allied sectors through SHG programs influences women's empowerment in terms of income control and decision-making.

## 3. Review of Literature

Scholars and policymakers have widely documented the impact of SHGs on women's empowerment and rural livelihoods. **Kabeer (1999)** conceptualized empowerment as expanding women's ability to make strategic life choices through access to resources and agency. **Pitt and Khandker (1998)** empirically demonstrated that microcredit programs improve women's control over income and consumption in rural households.

**Swain and Wallentin (2009)** found that SHG participation significantly enhances self-confidence, collective action, and household decision-making power among women. **NABARD (2014)** reported that the SHG-Bank Linkage Programme has strengthened women's access to formal financial systems, enabling them to invest in agricultural activities. **The World Bank (2013)** emphasized the NRLM model's focus on federations and convergence with value chains, particularly effective in states like Rajasthan.

**Joshi (2017)** documented that Rajasthan's women's groups achieved substantial income gains through dairy cooperatives and small-scale agro-processing units. **Ministry of Rural Development (2013)** highlighted that agricultural skill development and convergence with extension services enhance the sustainability of SHG-led livelihoods. Collectively, the literature suggests that SHGs can be transformative when integrated with training, credit, and market linkages—conditions that are gradually being strengthened in Rajasthan.

## 4. Methodology

This study employs an analytical and interpretive approach using secondary data sources such as NABARD annual reports, NRLM guidelines, Rajasthan government program documents, and published studies. It does not rely on primary survey data but instead synthesizes existing empirical evidence to evaluate SHG-based agricultural interventions.

The study analyses two empowerment dimensions—**financial inclusion** and **livelihood diversification**—and their outcomes on women's income control and decision-making. To visually represent economic participation, a pie chart is used to show the distribution of income sources among SHG women in Rajasthan, reflecting the relative importance of agriculture and allied activities.

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## 5. Results and Discussion

### 5.1 Financial Inclusion and Access to Credit

Financial inclusion is the foundation of economic empowerment. SHGs in Rajasthan have enabled women to save collectively and access bank loans, allowing them to invest in productive ventures. Women who earlier relied on informal moneylenders now access institutional credit through SHG-Bank Linkage Programs (NABARD, 2014). These loans are used to purchase seeds, livestock, and equipment, significantly increasing productivity.

Access to credit has also improved women's decision-making autonomy within households. Studies by Swain and Wallentin (2009) and Joshi (2017) show that SHG members often have a greater say in expenditure decisions, children's education, and household investments. The availability of revolving funds under NRLM further strengthened their financial independence. Women's participation in savings and credit groups has not only improved household liquidity but also fostered a culture of financial management and entrepreneurship.

### 5.2 Diversification into Agriculture and Allied Sectors

Agricultural diversification has been central to SHG-based livelihood programs. In Rajasthan, SHG members are actively involved in livestock management, dairy farming, horticulture, and small-scale food processing. Through NRLM and state-level agricultural schemes, women have adopted hybrid dairy breeds, engaged in goat rearing, and set up kitchen gardens that supplement nutrition and income.

Collective farming initiatives, supported by SHG federations, have led to shared resource utilization, reducing operational costs. Women's federations in districts like Udaipur and Ajmer have also partnered with Krishi Vigyan Kendras (KVKs) for training in seed selection, crop management, and post-harvest processing.

The integration of agriculture with SHG programs aligns with Kabeer's empowerment framework—linking access to resources (credit and training) with agency (decision-making in livelihood management). This diversification also provides resilience against agricultural shocks, as women derive income from multiple sources rather than depending solely on seasonal crop output.

### 5.3 Illustrative Income Composition of SHG Women

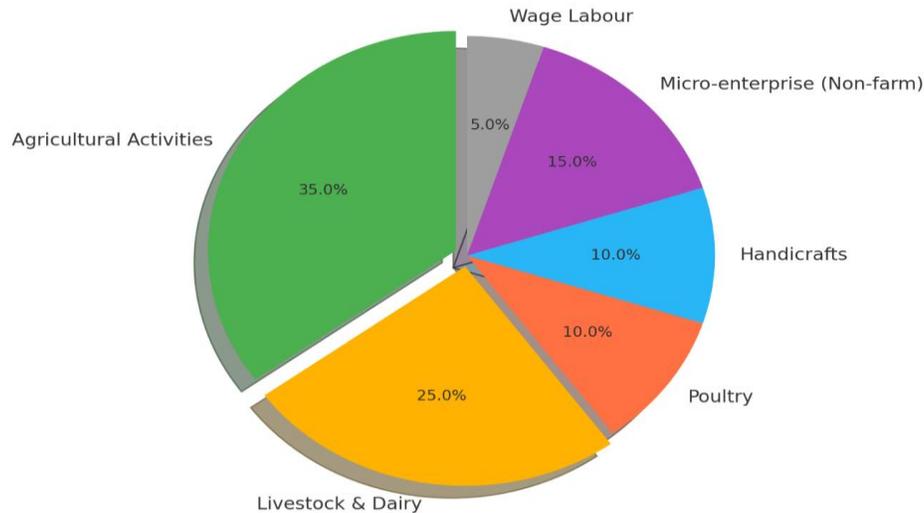
To visualize this diversification, Figure 1 shows the approximate distribution of SHG women's income sources in Rajasthan.

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Illustrative Distribution of Income Sources among SHG Women Members in Rajasthan



**Figure 1:** Illustrative distribution of income sources among SHG women in Rajasthan

As the chart indicates, **agriculture (35%)** and **livestock (25%)** together contribute to 60% of women's total income, while **micro-enterprises (15%)**, **handicrafts (10%)**, **poultry (10%)**, and **wage labour (5%)** form the rest. This composition demonstrates that agricultural schemes remain the backbone of women's livelihoods, complemented by diversified non-farm enterprises.

Such diversification not only enhances income but also improves women's bargaining position within households and communities. However, gaps persist: many women still face limited access to markets, inadequate infrastructure, and skill shortages, which restrict the scaling of these activities. Addressing these constraints can multiply the empowerment potential of SHGs in rural Rajasthan.

## 6. Conclusion

The study concludes that SHG-based livelihood programs, when integrated with agricultural schemes, have significantly enhanced women's financial inclusion and livelihood diversification in Rajasthan. Through collective savings and institutional credit, women have gained greater control over income and household resources. Agricultural activities—especially dairy, livestock, and small-scale food processing—have emerged as reliable sources of earnings, helping women move from subsistence work to income-generating enterprises.

Beyond financial gains, SHG participation has fostered self-confidence, leadership, and participation in community decision-making. Women are increasingly represented in local institutions and are involved in market negotiations and enterprise management. However, empowerment is not uniform;

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it is shaped by access to credit, skills, and value-chain linkages. Sustainable empowerment requires shifting from microcredit-based models to integrated frameworks that combine training, agricultural extension, and market access.

In summary, SHG-based agricultural programs in Rajasthan demonstrate that women's empowerment is most effective when financial inclusion is coupled with productive livelihood opportunities and social recognition. Ensuring institutional convergence, skill development, and digital access will further deepen these gains and contribute to inclusive rural growth.

### **7. Suggestions**

For enhanced impact, SHG programs in Rajasthan should adopt a holistic approach that strengthens agricultural and financial linkages. Expanding access to larger credit limits through federations can enable investment in high-value agricultural ventures. Skill development modules must be tailored to local agro-ecological conditions, covering dairy management, post-harvest processing, and marketing. Establishing rural market hubs and cold-chain facilities can help women access formal markets and increase profitability.

Government agencies should collaborate with financial institutions to provide insurance, digital banking, and entrepreneurship training. Finally, social awareness campaigns must continue to address gender norms that restrict women's mobility and participation. When institutional support and community recognition converge, SHG programs can transform the economic and social landscape of rural Rajasthan.

### **8. Future Scope**

Future research should undertake district-level empirical analysis to quantify the income elasticity of SHG participation and agricultural diversification. Comparative studies between districts can reveal how infrastructure and social capital influence empowerment outcomes. Moreover, integrating digital tools such as mobile banking, e-marketing, and data-driven financial inclusion can open new opportunities for SHG women.

Further studies should also examine intergenerational effects—how empowered women influence education, nutrition, and financial behaviour within households. Evaluating long-term sustainability and the environmental impact of women-led agricultural enterprises can guide policy toward gender-inclusive and ecologically sound rural development.

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