



# Innovative Livelihood Strategies For Shgs: A Pathway To Sustainable Empowerment

Santosh Kumar Shukla<sup>1</sup>, Prof. Jyoti Bhargava<sup>2</sup>

<sup>1</sup>Research Scholar, <sup>2</sup>Professor

<sup>1</sup>Department of Commerce

<sup>1</sup>University of Lucknow, Lucknow, India

**Abstract:** Self-Help Groups (SHGs) have long been recognized as critical instruments for promoting socio-economic development, particularly among marginalized communities. Traditionally, SHG activities have been strenuous around sectors such as handicrafts, tailoring, and animal husbandry. However, changing socio-economic landscapes, technological advancements, and emerging market opportunities necessitate a rethinking of livelihood strategies to ensure sustained empowerment. This paper explores the diversification of SHG activities into non-traditional and innovative sectors, examining how new livelihood strategies can enhance resilience, increase income levels, and foster holistic empowerment. The study tries to identify examples of SHGs venturing into agro-processing, digital services, eco-tourism, renewable energy, organic farming, and e-commerce. Through a mixed-methods approach combining field surveys, stakeholder interviews, and secondary data analysis, the research provides insights into the economic and social impacts of innovative livelihood strategies. It argues that diversification not only strengthens the financial autonomy of SHGs but also catalyzes social transformation by enhancing agency, self-confidence, and collective bargaining power among members, particularly women.

**Index Terms** - Self-Help Groups, Women Empowerment, Sustainable Development.

## I. INTRODUCTION

In the evolving landscape of rural development, SHGs have emerged as one of the most effective grassroots institutions for promoting financial inclusion, social capital formation, and women's empowerment. Originally designed as mechanisms for microcredit and savings, SHGs have grown into dynamic platforms for holistic rural transformation, especially when coupled with innovative livelihood strategies. As India envisions a more inclusive and resilient economy under the *Viksit Bharat @2047* mission, reimagining the livelihood models within SHGs becomes both timely and imperative.

The empowerment of rural women—who constitute a significant proportion of SHG membership—is not merely a matter of social justice but a strategic necessity for sustainable development. Traditional income-generating activities, such as tailoring, dairy, and handicrafts, have laid a solid foundation for economic self-reliance. However, in the face of evolving market demands, climate uncertainties, digital transitions, and globalization, there is a vital need to explore and adopt more diversified and innovative livelihood avenues. These may include agro-processing, digital micro-enterprises, renewable energy ventures, eco-tourism, and value-added agricultural practices.

This research paper seeks to analyze the emerging trends in innovative livelihood strategies adopted by SHGs across various regions in India, with a focus on scalability, sustainability, and socio-economic impact. The study further explores how such innovations not only enhance income and resilience among SHG members

but also catalyze a broader empowerment process—enabling rural women to assert agency, participate in governance, and influence community development.

By integrating field-based evidence with policy analysis and developmental theory, this study aims to provide actionable insights into how SHG-based livelihood innovations can serve as a pathway to sustainable empowerment. In doing so, it subsidizes to the national vision of building an equitable, self-reliant, and inclusive India by 2047.

## II. LITERATURE REVIEW

(AGARWAL, S. K. 2005) : The paper argues that the adoption and implementation of decentralized technologies (e.g., renewable energy systems, micro-irrigation, localized processing units, digital platforms) play a substantial role in driving positive changes in rural areas. It highpoints how these technologies can overcome limitations of centralized infrastructure and offer more context-specific and accessible solutions for rural communities. A central finding is that decentralized technologies contribute to the empowerment of rural populations, particularly marginalized groups. This empowerment could manifest in several ways such as economic, social and political empowerment.

(Arumugam Sugirtha Rani & Viswanathan Vaithianathan, 2023) : Recognizing that women constitute the majority and often face the greatest disadvantages, their social and economic empowerment has become a central focus. Financial institutions play a vital role in boosting women's income, helping them build assets, and, crucially, fostering their social empowerment by providing loans in both urban and rural areas. Self-Help Groups (SHGs) represent an effort to achieve this. Notably, the performance of SHGs has shown significant improvement. Moreover, it's argued that women's lower socioeconomic standing influences their involvement in these groups. Analysis of the primary data collected indicates a substantial improvement in the performance of the selected SHGs, with these units making a significant contribution to women's economic empowerment through increased income, savings, and local job creation.

(Al-Kubati, N. A. A., & Selvaratnam, D. P. , 2023) : With the expansion of bank branches in rural India, linking Self-Help Groups (SHGs) to formal financial institutions has become more feasible. Examining the data shows that Commercial Banks (CBs) play a dominant role in the SHG-Bank Linkage Programme (SHG-BLP), handling 54 percent of these connections on average in the last decade, more than Regional Rural Banks (RRBs) and cooperative banks. The growth of SHG-BLP underscores its utility for both women and banks, pointing to the success of blended models, especially India's prevalent quasi-profit hybrid. Thus, the combination of formal sector efficiency with the flexibility and convenience of internal group loans is a key strength of the program. Charging market interest rates in SHG-BLP promotes financial viability, reduces reliance on government subsidies, and assists borrowers who would otherwise be vulnerable to usurious informal lenders. A notable spatial disparity exists, with the southern region hosting 52 percent of all SHGs. This difference highlights the impact of experienced NGOs and development projects largely based in the South, along with the significance of state-level planning and proactive officials in disseminating the program.

(Mondal, R., & Nath, P. , 2024) : Self-Help Groups (SHGs) have emerged as powerful tools for poverty alleviation and empowerment in rural India, fostering grassroots development through collective action. This study explores the transformative role of SHGs in Maharashtra and Odisha, focusing on their impact in addressing socioeconomic disparities, promoting financial independence, and empowering women as community leaders. While Maharashtra demonstrates the potential of SHGs in mitigating agrarian distress and bridging urban-rural divides, Odisha highlights their effectiveness in uplifting marginalized tribal communities and addressing gender inequalities. The structured approach to SHG formation and capacity-building strengthens local governance, fosters resilience, and enhances livelihoods. Despite challenges like governance inefficiencies and financial constraints, SHGs continue to thrive as catalysts for inclusive development. By leveraging local resources and adopting a participatory approach, SHGs can transform developmental challenges into opportunities, offering a replicable model for sustainable rural development and contributing to India's vision of equitable growth.

(Guru Daaman Shrivastava & Mohit Agrawal, 2025) : The analysis of innovative livelihood approaches highlights their transformative role in improving the socioeconomic conditions of marginalized communities. The case studies of microfinance programs in rural India, agricultural cooperatives in Africa, and digital skill training initiatives in urban Latin America demonstrate the tangible benefits of livelihood innovations. These

approaches have significantly impacted poverty alleviation, employment generation, women's empowerment, and community resilience

(Prihana Vasishta, Anju Singla , 2025) : The analysis indicated an upward trend in the number of publications over the last decade, with India emerging as the most prolific contributor. Furthermore, the network clustering technique facilitated the identification of five central clusters that guide future research.

### III. PURPOSE OF THE STUDY

The primary purpose of this study is to explore and analyze innovative livelihood strategies adopted by Self Help Groups (SHGs) in rural India as sustainable models for economic and social empowerment, particularly for women. As the nation moves toward the vision of *Viksit Bharat @2047*, there is an urgent need to identify and promote livelihood interventions that go beyond traditional income-generating activities and align with the changing socio-economic landscape.

### IV. EXPLORING INNOVATIVE LIVELIHOOD STRATEGIES FOR SHGS

For Self-Help Groups (SHGs), developing innovative livelihood strategies is crucial for their sustainability and the economic empowerment of their members. Here are some key approaches:

#### 1. Agro-based Innovation: Organic and Natural Farming Collectives

Organic/natural farming collectives within Self-Help Groups (SHGs) offer an innovative livelihood strategy by boosting income through shared knowledge, quality inputs, value addition, and collective marketing. They promote environmental sustainability and climate resilience. Socially, they empower members, especially women, improve food security, and build community. Innovation is fostered through shared learning, technology adoption, and partnerships. Examples include bio-input production, seed banks, mobile apps, renewable energy, and agro-tourism. This approach creates sustainable and empowering livelihoods for SHG members. The "Community Managed Sustainable Agriculture (CMSA)" initiative in Andhra Pradesh has scaled organic practices among SHGs with state support.

#### 2. Value-Added Food Processing Units

Value-added food processing offers SHGs an innovative livelihood by increasing income through higher value products, reducing spoilage, and diversifying offerings, leading to wider market access and stronger branding. It empowers members with new skills, fosters entrepreneurship, and can create jobs. These units optimize local resources, reduce waste, and support local agriculture. Examples include processing fruits, grains, dairy, and spices. While challenges like initial costs, technical knowledge, market competition, quality control, and working capital exist, they can be overcome through collective action, training, and strategic partnerships, making it a sustainable path to economic empowerment.

#### 3. Renewable Energy-Based Microenterprises

Renewable Energy-Based Microenterprises offer SHGs in Uttar Pradesh and beyond innovative livelihoods by providing energy access, reducing costs, and creating new income streams like solar product assembly, solar drying, biogas production, and renewable-powered services. These ventures promote environmental sustainability and climate resilience, while also fostering skill development, empowerment, and local economic growth. Examples relevant to Lucknow include solar tailoring units, biogas supply, solar cold storage, solar lantern manufacturing, solar water purification, and e-rickshaw charging. Success requires support in training, finance, and market connections.

#### 4. Eco-Tourism and Cultural Heritage Ventures

Eco-tourism and cultural heritage ventures offer innovative livelihoods for SHGs in Uttar Pradesh by leveraging local nature and culture. SHGs can offer guided tours, homestays, craft sales, local cuisine, and cultural performances. This promotes sustainable tourism, conserves resources and heritage, and empowers marginalized communities. Innovation lies in curated experiences, digital marketing, storytelling, and

partnerships. Examples include women-led heritage walks, community eco-camps, craft/culinary trails, rural homestays, and storytelling performances. These ventures create sustainable income while preserving the region's unique assets, requiring support in skills, finance, and marketing.

## 5. Digital and Platform-Based Livelihoods

Digital and platform-based livelihoods offer SHGs in Uttar Pradesh innovative opportunities by expanding market access through e-commerce and social media, enabling online service delivery (tutoring, content creation, virtual assistance), and enhancing efficiency with digital tools for inventory and finance. They facilitate collaboration and knowledge sharing among SHGs and empower women with flexible work. Examples include online platforms for local crafts, cooking channels, WhatsApp marketplaces for produce, and freelancing for digital tasks. Challenges like digital literacy, trust-building, logistics, and payment security need to be addressed through training, strong online presence, efficient delivery, and secure transactions to fully leverage this transformative strategy.

## 6. Circular Economy Models: Waste-to-Wealth Enterprises

Waste-to-Wealth enterprises offer SHGs in Uttar Pradesh an innovative livelihood strategy by transforming waste (organic, plastic, paper, metal, textile, construction) into valuable products like compost, recycled goods, biogas, and crafts. This addresses waste management issues, reduces landfill burden, and promotes sustainability. It creates diverse jobs in collection, processing, and sales, while fostering skills and entrepreneurship. Examples include composting units, upcycled furniture, handmade paper, biogas plants, and recycled construction materials. Challenges like technology access, market linkages, quality control, and initial investment can be mitigated through collaborations, branding, quality assurance, and financial support. This approach offers income generation while benefiting the environment.

## 7. Medicinal and Aromatic Plant Cultivation

Medicinal and Aromatic Plant (MAP) cultivation offers an innovative, high-value livelihood for SHGs in Uttar Pradesh, leveraging the state's favorable climate and growing demand for natural products. MAPs often provide higher income with lower water and fertilizer needs compared to traditional crops, aligning with climate resilience. Strong markets exist in pharmaceuticals, cosmetics, and food industries, with potential for local value addition through processing like drying and oil extraction. Utilizing marginal lands and traditional knowledge can further benefit SHGs. Examples include cultivating *Mentha*, *Tulsi*, *Chamomile*, *Lemongrass*, and high-value MAPs like *Ashwagandha*. Challenges like technical knowledge, market access, initial investment, and quality control can be addressed through collaborations with agricultural institutions like Banda University of Agriculture and Technology and CSIR-CIMAP (Lucknow), forming marketing cooperatives, accessing government schemes, and implementing good agricultural practices. This strategy allows SHGs in Uttar Pradesh to enhance income, promote sustainable agriculture, and build resilient livelihoods by capitalizing on the burgeoning MAP sector.

## 8. Climate-Resilient Agriculture and Water Management

In Uttar Pradesh, Climate-Resilient Agriculture and Water Management offer SHGs an innovative livelihood strategy by ensuring stable production despite climate change (erratic rainfall, droughts). This involves diversified cropping, drought-resistant varieties, agroforestry, and conservation agriculture. Optimizing water use through micro-irrigation, water harvesting (ponds, rainwater), and efficient practices is crucial.<sup>1</sup> Income diversification via climate-smart livestock, integrated farming, value addition to resilient crops (millets), and climate-related services is also key. These practices empower women and promote social equity.<sup>2</sup> Examples include millet cultivation, community water harvesting, drip irrigation, agroforestry, and vermicomposting. Challenges like initial costs, lack of awareness, access to inputs/markets, and community participation need mitigation through government support, training by institutions like Narendra Deva University, strong FPOs, and inclusive approaches. Adopting these strategies helps SHGs in Uttar Pradesh build sustainable and secure livelihoods while enhancing food security and environmental conservation amidst climate change.



## 9. SHG-Led Micro-Franchising

SHG-Led Micro-Franchising offers an innovative livelihood strategy for SHGs in Uttar Pradesh by combining their collective strength with established business models and brands. This reduces risk, provides training and support, ensures quality supply chains, and leverages brand recognition. Micro-franchises have lower investment needs and can be collectively owned and locally adapted. Opportunities span food, retail, services, and agriculture. Examples include SHGs operating food kiosks, beauty parlors, delivery services, and agricultural input supply. Challenges like fees, adherence to standards, competition, legal understanding, and franchisor selection need mitigation through financial support, training, market research, legal aid, and due diligence. This strategy offers scalable and sustainable economic empowerment by linking SHGs with proven business models.

## 10. Skill-Based Home Enterprises

Skill-Based Home Enterprises (SBHEs) present a transformative and innovative pathway for Self-Help Groups (SHGs) in Lucknow to achieve sustainable livelihoods. By strategically leveraging the existing skills and local resources within their membership, SHGs can create relevant and in-demand products or services. Innovation arises through the diversification of these offerings, allowing groups to adapt to evolving market needs and capitalize on the varied talents of their members. Focusing on value addition through enhanced quality, design, and packaging further elevates their market appeal. Establishing robust market linkages and branding efforts, potentially extending to online platforms, ensures wider customer reach. The integration of technology and digital skills enhances operational efficiency and opens new avenues for growth. Collaborative partnerships with other organizations provide access to crucial resources and broader markets. Successful SBHEs also bolster the financial standing of SHGs, improving their access to credit for expansion. Ultimately, this innovative approach not only generates income but also fosters empowerment and creates a positive social impact within the communities.

### CONCLUSION :

In conclusion, the study underscores the pivotal role of innovative livelihood strategies in fostering sustainable empowerment among Self-Help Groups. By moving beyond traditional approaches and embracing skill-based enterprises, technological integration, diversified income streams, and robust market linkages, SHGs can unlock their full potential. The findings highlight the need for continued support from government agencies, NGOs, and financial institutions to facilitate skill development, market access, and financial inclusion. Ultimately, fostering an ecosystem that nurtures innovation within SHGs is not just an economic imperative but a crucial step towards achieving lasting socio-economic empowerment for the women.

### REFERENCES :

1. AGARWAL, S. K. (2005). Rural Transformation through Decentralized Technologies: Empowerment and Participatory Systems Management Approach for Sustainable Livelihoods. *Journal of Rural Technologies*, 2(2), 55-66.
2. Rani, A. S., & Vaithianathan, V. (2023). Social Entrepreneurship: The Way Forward to Sustainable Livelihood. *Journal of World Economic Research*, 12(2), 59-68.
3. Al-Kubati, N. A. A., & Selvaratnam, D. P. (2023). Empowering women through the Self-Help Group Bank Linkage Programme as a tool for sustainable development: lessons from India. *Community Development Journal*, 58(2), 283-308.
4. Mondal, R., & Nath, P. (2024). Pathways to Empowerment in Diversity: SHG Promotion in the Rural Plains and Tribal Hills of Western and Eastern India. Available at SSRN 5033859.
5. Shrivastava, G. D., & Agrawal, M. Livelihood Innovations: Examining Sustainable Approaches and Their Impact on Marginalized Communities.
6. Vasishta, P., & Singla, A. (2025). Self-help groups and women empowerment: developing a framework for sustainability of SHGs. *International Journal of Social Economics*.