






An Analysis of the Impact of Self-Help Group Bank Linkage Program on Sustainable Development

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Abstract: India's banking system has advanced its reach to the poorest people in urban and rural areas. It is recognized that their credit requirements are frequent, unpredictable and very small. However, these are crucial for the development of the rural regions. Therefore, the country's banking system has emphasized this area to promote savings and insurance financial products in this target population. Hence, alternative policies, procedures, and systems have been developed to fulfil these people's credit requirements. One such program is Self-help Group Bank Linkage, which is implemented to provide easy microfinance to members of these groups. This paper adopts a qualitative research methodology to discuss the impact of self-help bank linkage programs on sustainable development. This is assessed through a framework of UN's 17 sustainable development goals. A systematic review has been conducted to determine the effectiveness of this program in attaining these goals in India. The study's results pointed out this program's impact on sustainable development. It has been found to directly and indirectly impact the attainment of many UN sustainable development goals. The study aims to analyze the effectiveness of microfinancing programs in rural India in achieving UN sustainable development goals. Entire rural India is considered for this paper. A qualitative research methodology has been adopted for this paper. Past research work and governmental data have been used to find the impact of self-help bank linkage programs on poverty alleviation. Household incomes have increased, and people have become financially empowered. There is a broader contribution to sustainable development practice and theory with the implementation of this program. People have gained access to better housing, education, clean drinking water, energy and health.

Introduction

Accessibility to finance by vulnerable and rural poor groups is essential for eliminating poverty, sustainable development, and financial inclusion (Gatto and Sadik-Zada, 2022). The Indian government has implemented different policies to increase accessibility to financial products in the rural poor and vulnerable groups. For instance, there have been policies and programs like lead bank schemes, service area approaches, financing of SHGs, and the nationalization of banks to promote accessibility of financial products. However, despite these measures, the accessibility to finance is low as lending to

poor people is considered to be very risky by the banks. An important reason for this situation is the country's lack of an adequate credit delivery mechanism (Pauli, 2023). Additionally, there needs to be more coverage and outreach of the financial products to these population segments. The Indian government launched the National Rural Livelihoods Mission (NRLM) to foster financial inclusion. The financial inclusion of poor people in rural areas implies delivering financial services and products at an affordable cost.

Various financial services include credit, insurance, payment, remittance, and savings facilities (Hoffmann et



al., 2021). There have been several microfinancing projects in India to facilitate credit facilities for the poor and vulnerable people. One such project is the Self-help group bank linkage program by NABARD in 1992. It has grown into the most prominent microfinance project in the world. In this program, the banks can open savings accounts for the self-help groups (Al-Kubati and Selvaratnam, 2023). NABARD developed a model of SHP-BLP based on research studies and action research. It has developed into a cost-effective mechanism for rendering financial services to underserved and unreached poor households. This research explores the SHG-BLP and its roles in achieving UN sustainable development goals. The following are the research objectives for this systematic review.

To understand the impact of SHG-BLP on the country's sustainable development in terms of social, environmental and financial aspects.

To analyze the effects of SHG-BLP in achieving sustainable development goals set by the UN.

Literature Review

There is a plethora of literature on microfinancing's impact on employment and income generation, poverty reduction, socio-economic empowerment, financial inclusion and asset creation. It has been instrumental in achieving different sustainable development goals as well. In this section, a review of the literature on this topic is given. However, a significant focus has been placed on studies done in the Indian context.

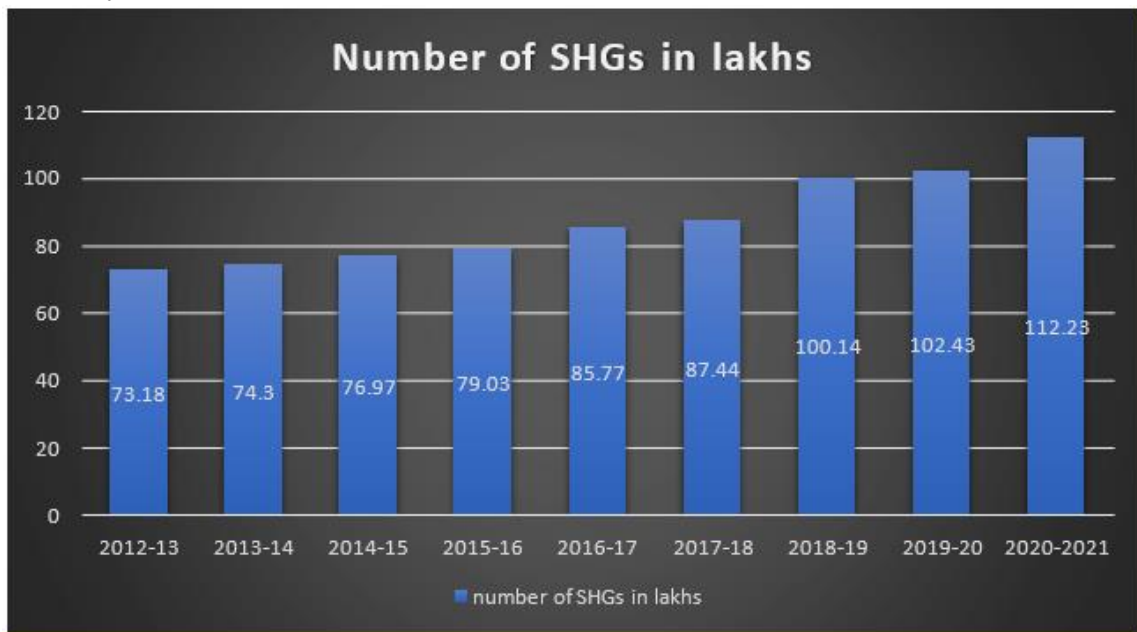


Figure 1. Number of SHGs in lakhs in India [Source: (Sala, 2021)].

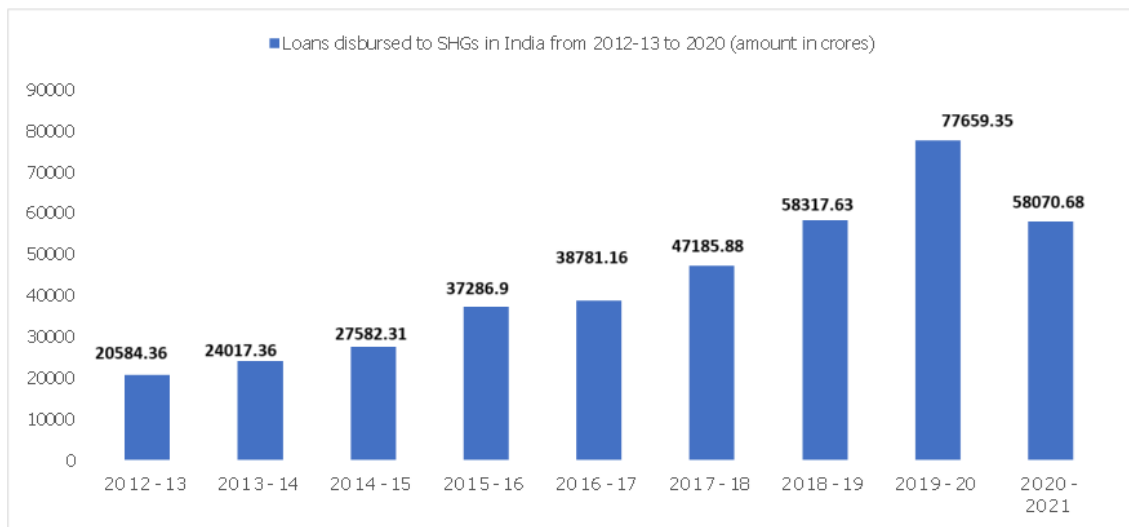


Figure 2. Loans disbursed to SHGs in India from 2012-13 to 2020 (amount in crores) [Source: (Sala, 2021)].

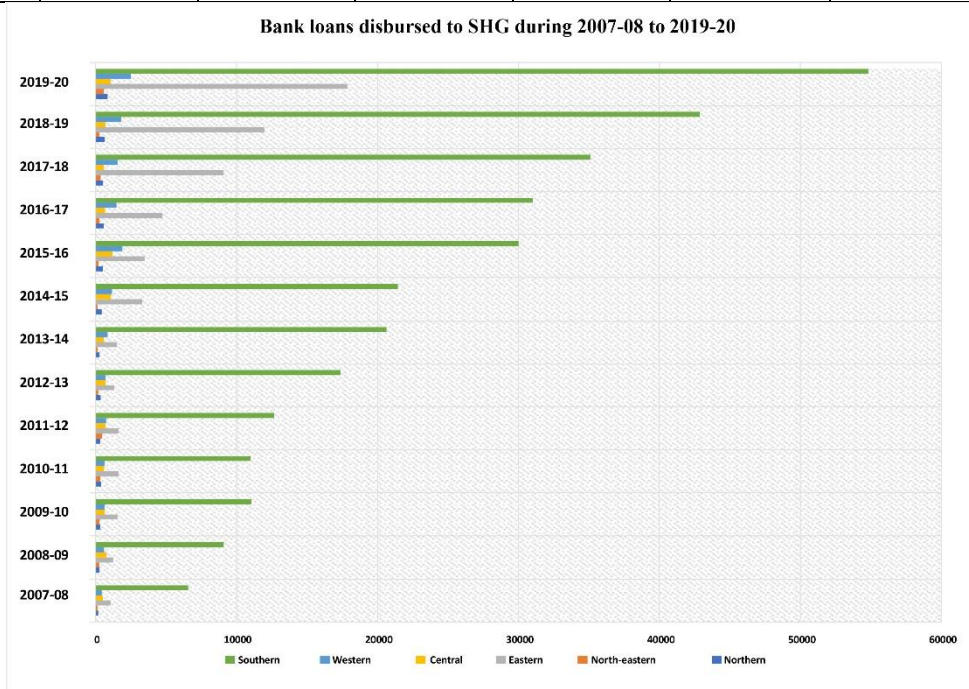
To explore about the SHG-BLP in the country.
 # To understand the various sustainable development goals established by the UN.

SHGs

A self-help group comprises 10-20 people with a shared goal. They have similar social castes, origins and

Table 1. Bank Loans were disbursed to SHGs from 2007-08 to 2019-20 (Region-wise position) (Rs. in Crores) [Source: (Muthu, 2021)].

Year	Region						Total
	Northern	North-Eastern	Eastern	Central	Western	Southern	
2007-08	191	149	1046	488	423	6551	8849
2008-09	302	247	1238	781	584	9102	12254
2009-10	306	287	1540	632	647	11041	14453
2010-11	378	321	1619	608	626	10996	14548
2011-12	336	451	1624	709	753	12662	16535
2012-13	342	180	1290	699	710	17364	20585
2013-14	280	128	1511	618	864	20616	24017
2014-15	429	158	3296	1109	1170	21420	27582
2015-16	483	220	3495	1191	1886	30012	37287
2016-17	574	284	4732	680	1488	31023	38781
2017-18	540	357	9090	560	1551	35088	47186
2018-19	627	290	11971	722	1846	42862	58318
2019-20	847	579	17851	1042	2493	54847	77659

**Figure 3. Bank Loans were disbursed to SHGs from 2007-08 to 2019-20 (Region-wise position) (Rs. in Crores) [Source: (Muthu, 2021)].**

vocations and are often comprised of rural women. These groups aim to raise funds and manage resources to assist their members. These are considered good quality, and observing these rules has helped the groups maintain their effectiveness in microfinancing poor and vulnerable people. Non-Government organizations have played a prominent role in promoting SHG-BLP in India. It has achieved this by nurturing, organizing, and enabling credit linkage of the SHGs with the banking system (Pauli, 2023). Many institutions have worked to promote the SHG-BLP in the country, such as farmers' clubs, SHG

federations, individual rural volunteers, rural financial institutions, etc. These organizations have encouraged people to become members of these groups to avail themselves of easy credit. However, most of the members of the SHG-BLP in the country are women; therefore, the program has rendered a much-needed push for women's empowerment

The above chart shows growth in the amount of credit facilities given to SHGs in India. It shows steady growth in SHGs-BLP in this country. However, during the pandemic year, it had declined. It was also found that this

growth in SHGs-BLP was not uniform across the country, as depicted in the graph and table below.

It is found in the study of Muthu (2021) that SHG-BLP saw phenomenal growth in the southern regions of the country in contrast to the other areas. In a survey conducted by Neelamegam and Dhanasekhar (2018), the demographic, social and economic dimensions of the SHGs in India were explored. It highlighted the need to understand the SHG members' requirements in their situational contexts. The research scholar also examined the role of government in promoting microfinancing through non-financial and financial factors. An empirical study was conducted to understand the role of SHGs in empowering rural women and providing various income-generating opportunities in rural villages of Andhra Pradesh (Nagarajan and Ponnusamy, 2019). They also studied the impact of SHGs in promoting economic development and self-esteem in women living in rural areas (Basha, 2017). It was examined in this study that the issues present in SHG members are owing to low-capacity building, technical knowledge, and guidance for entrepreneurship.

Performance of SHGs

The performance of SHGs was analyzed in a study by Basak and Chowdhury (2024), which examined women's empowerment, bringing economic and social improvement and social harmony in a rural area of Odisha. They focused on the socio-economic development of women living in this area through SHGs. It was found in this study that micro-financing helps increase women's savings capacity. In a survey conducted in Kerala, SHG has been found to achieve India's social, environmental and economic goals (Sinha and Navin, 2021).

Nichlavose and Jose (2017) found that SHG initiatives positively impact the socio-economic status of SHG members. 16 SHGs were studied in this paper, and it was noted that SHGs have immense benefits for rural and vulnerable people. However, the researcher pointed out a need to organize sensitization programs to promote SHGs. There is a need to attract more people to join these groups to develop enterprising expertise and to avail themselves of credit facilities. In another study conducted by Shree et al. (2016), it was found that most people joined SHGs to get financial assistance for income-generating activities, social purposes or debt swapping.

SHGs have been associated with women's empowerment as most members are women. These have been found to achieve the goal of gender equality as financial independence is imparted to women. In a study, the effects of SHGs on the under-special houses,

particularly the ladies in the region, were completed by Malhotra (2016). This study was based on women members residing in Chandigarh. The official image of SHGs amongst these members was reported, and information from the banks was collected. The impact of these groups on the overall socio-economic development of women living in rural areas of Chhattisgarh was investigated by Baghel and Shrivastava (2015). This study considered four independent variables: individual social indicators, individual economic indicators, community economic and community social indicators. These indicators were used to analyze the socio-economic development of rural women. Apart from women empowerment, another UN sustainable goal of reducing inequality through financial inclusion has been targeted by this program. According to many studies, financial inclusion has been linked with human development (Bagli and Dutta, 2012). In various studies conducted in the Indian context, it has been found that SHG movements and microfinance institutions are helpful for rural farmers, vulnerable groups and rural non-farm enterprises (Rao, 2020).

Microfinancing through SHGs

Microfinancing approaches like SHGs have immense potential to eradicate poverty and reduce socio-economic inequality. The scheme helped develop women through asset creation, repayment of debts, improved nutrition levels and improved decision-making skills in their families. The socioeconomic status of women in rural India is inferior, and they are disempowered in comparison to their male counterparts (Shettar, 2015). Despite many schemes launched by the government of India, rural women still need to catch up with the urban women and men in their areas. It was found in this paper that the only enabling factors for empowering women are access to education and employment and a change in the social structure. SHGs have been noted in various researches as an effective means for helping the people living below the poverty line and making them self-reliant (Krishnaveni et al., 2013). The SHGs help the group members to increase their income through entrepreneurial activities and improve their standard of living.

SHGs are groups of 10-20 members, and this group may or may not be registered, financial intermediation is not the sole objective of such groups (Ahmad et al., 2020). The primary aim of this group is to access low-cost financial services with the help of self-development and management. Government and non-government agencies are formed and are supportive of these SHGs. The savings made by the group members are used to give loans to needy members. Despite considerable efforts by

the government of India to provide financial products and services across rural and urban areas, there are groups of people who still need to be added to the formal banking system (Hoffman et al., 2021). SHG-BLP is very suitable for the rural people in this country as there is already a financial infrastructure of rural bank branches, which was quickly exploited by these SHGs to gain easy access to financial services and products (Bagli, 2015). The SHG program has been the most successful in meeting this country's financial inclusion objectives. Therefore, It has been accepted extensively promising model in the Indian context. This program started as a pilot project by NABARD and has grown into the most significant model of credit provision to rural people.

Financial services and products are easily provided to the members of SHG-BLP, and its deposit-taking function plays a vital role in the economic empowerment of the group members (Maity, 2023). All members have accountability as the SHG model employs peer-to-peer monitoring (Al-Kubati and Selvaratnam, 2023). However, due to high transaction costs and lack of incentives, members of the groups do not have any utility in operations where the marginal benefits are not equal to the marginal costs. The reach of SHG-BLP is expansive; however, this has negligible impact on poverty reduction. However, studies have concluded that microfinance programs like SHG help create income-generating opportunities for people and are helpful in empowering women (Prajapati, 2017). However, the success of SHG is partial, and many barriers impede rural people from joining these groups and accessing accessible credits from financial institutions (Weddeslassie, 2017). This model helps improve the formal institutional flow of credit to marginal and landless farmers and discourages non-institutional borrowings through thrift creation. It results in a higher level of financial inclusion than that of the people who are not its members. SHGs have been noted in research to help in microfinancing and thereby reduce multidimensional poverty (Mothkooor and Badgaiyan, 2021; Bagli, 2015). Multidimensional poverty is a measure for assessing poverty in a region. It includes the deprivations of individuals in education and access to basic infrastructure and income or consumption at the international poverty line (Alkire and Seth, 2015).

Microfinance in Bangladesh

Microfinance was invented in Bangladesh through the seminal work of Professor Muhammad Yunus. His idea of microfinancing the commercially excluded people has become an important developmental tool for poverty alleviation, women empowerment and entrepreneurship promotion in developing countries. A Bangladeshi

banking innovator initiated Microfinance, Professor Muhammad Yunus, and it has become an important development tool to alleviate poverty, empower women, and promote entrepreneurship in the developing world. The government of Bangladesh has made microfinancing efforts to stimulate the socio-economic development of its people through the financial inclusion of the commercially excluded people. With its microfinancing efforts, it has attempted to meet the financial and non-financial needs of the people. The microfinancing efforts of this country have yielded visible longer-term success in eradicating poverty and fostering socio-economic development (Raihan et al., 2017). These tangible impacts of microfinancing efforts on socioeconomic development and poverty alleviation have attracted the world's attention to Professor Yunus's efforts, who was awarded the Nobel Peace Prize in 2006. These impacts have been realized in over four decades and have been supported by multilateral organizations (United Nations, Aga Khan Foundation, World Bank), individual investors and private donors.

Comparison of microfinance in India and Bangladesh

Both India and Bangladesh have tried injecting credit into their economies through microfinancing efforts. These have resulted in the growth of local businesses, improved living conditions, women empowerment, financial inclusion, supporting rural economies, eradication of poverty, etc. In Bangladesh, the contribution to the National GDP by microfinancing efforts has been between 8.9% and 11.9%.

The economic impact on rural GDP is between 12.6% and 16.6% (Press Xpress, 2024). In this country, there is a mosaic of microfinance institutions that have tailored their offerings to the unique socio-economic demands of the consumers. In contrast, it is challenging in India to quantify the exact contribution of microfinancing efforts to GDP. Microfinance institutions and programs like SHG-BLP have supported rural economies and small businesses, collectively contributing to the national GDP. Graphs presented below compare the percentage growth in the number of loans disbursed by the microfinance institutions (the amount is in crores) and the percentage growth in GDP. The economic impact of microfinancing efforts of both countries is challenging to quantify in terms of macroeconomic factors like GDP due to the myriad ways in which it supports the local economies.

Sustainable development goals

Sustainable development goals are 17 goals established in 2015 by the United Nations as a part of the 2030 Agenda for Sustainable Development (Pal and Singh, 2021). These goals provide a comprehensive

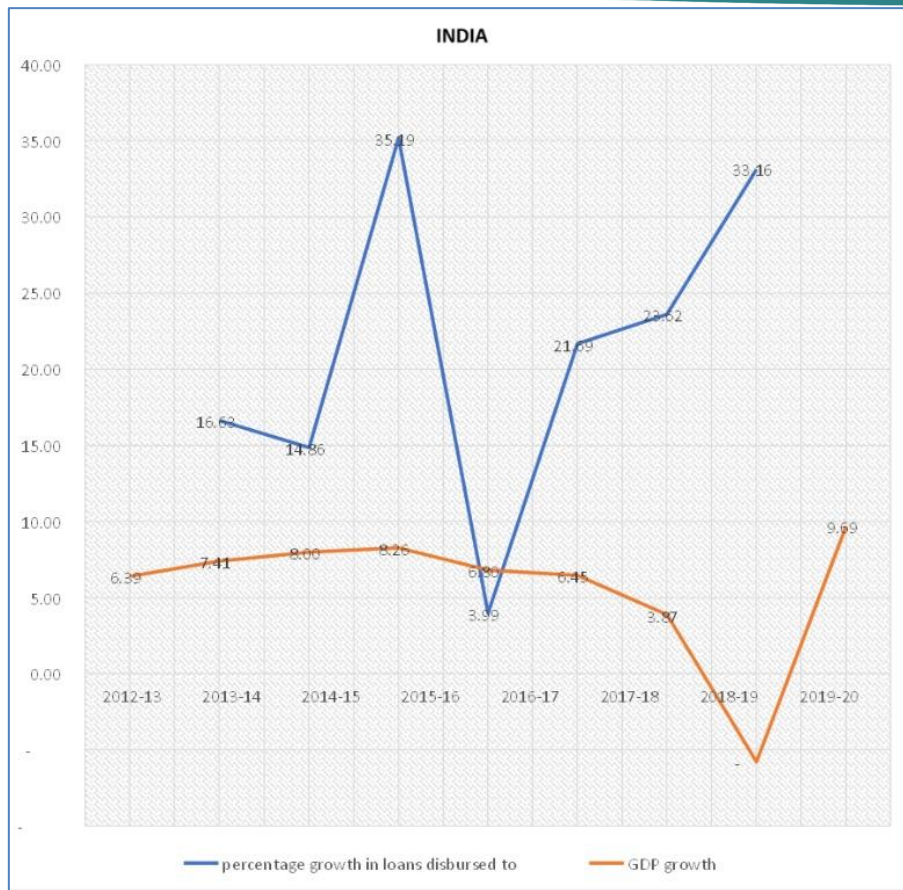


Figure 4. Percentage growth in loans disbursed to SHG-BLP and GDP from 2012-2020 in India [Source- (Sala, 2021)].

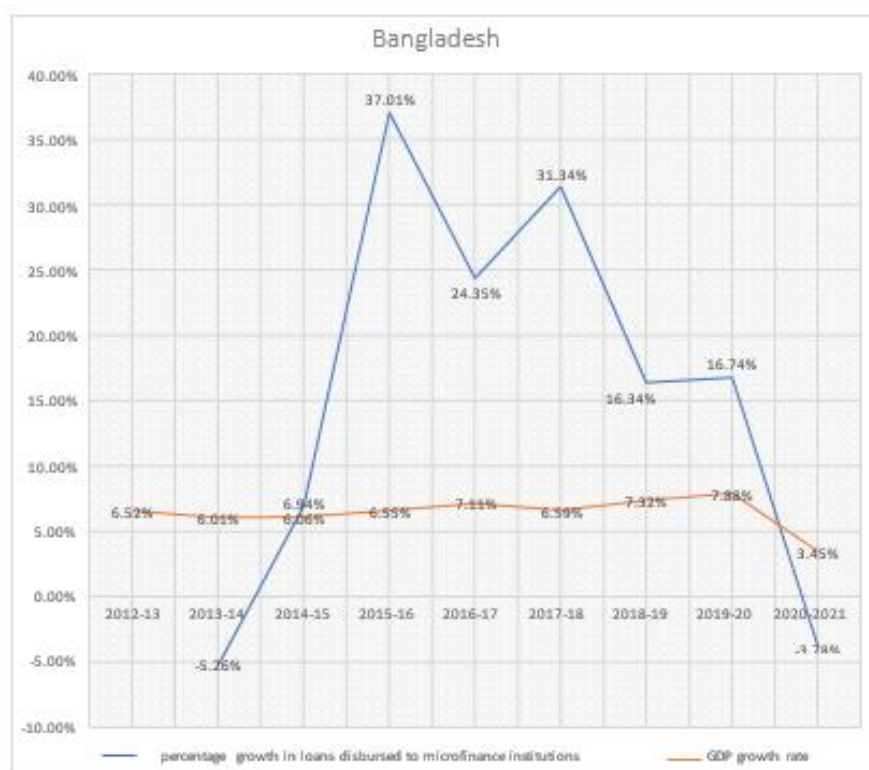


Figure 5. Percentage growth in loans disbursed to microfinance institutions and GDP in Bangladesh [Source – (The Daily Star, 2022)].

framework for addressing the environmental, economic, and social challenges of achieving a sustainable future for everyone. These goals are thorough in their scope and address interconnected issues like gender equality, clean energy, sustainable economic growth, health, poverty eradication, education, environmental protection, etc. (Bhanot and Bapat, 2020). These goals provide a holistic framework for civil society organizations, businesses, government and individuals to work together to develop an equitable, sustainable and inclusive world (Abhiyan, 2017). These interconnected goals call for a holistic and collaborative approach to securing a better world for the present and future generations (Shirisha et al., 2018).

systematic review can be conducted to report on this program's impact in attaining sustainable development goals in India. It will help contribute to the existing literature body on this topic and in assessing the effects of this program on two goals of sustainable development.

Materials and Methods

A qualitative research methodology has been chosen for this study. A systematic literature review is used for this qualitative research methodology. It is an independent academic method used to identify and evaluate all the relevant literature on any topic. It is used to derive conclusions about the research question under



Figure 6. Seventeen (17) sustainable development goals [Source: (Esnouf, 2018)].

These goals are used as a framework for this paper. The papers included in the review are evaluated in terms of their contribution to these 17 goals. These impacts can be direct or indirect or may be minimal, as supported in the literature. There needs to be an evident gap in the existing literature. Most of the studies on SHGs are specific to some area, as the performances of SHGs are dependent on cultural, political, social and economic factors. A few studies have assessed the impact of SHGs in achieving the UN's sustainable development goals. Most of the studies have focused on evaluating the impact of SHGs on women's empowerment. Hence, only two of the sustainable development goals of SHGs have been analyzed, and these are gender equality and reduction in inequality through financial inclusion. The earlier Schoneed needs to be sufficiently researched about the other goals. Therefore, there is a need to conduct more quantitative and qualitative research to explore these goals of SHGs and provide recommendations for improving their functionality. It is necessary to find the present lacunae in the literature and report the findings to guide future research. Further, it is maintained that a

consideration (Paul and Criado, 2020). This research method helps identify, select and critically appraise research to answer a formulated research question. Conducting a systematic review study on this topic will likely generate quality results for the questions raised in this paper. A review of the existing papers will help determine the impact of SHGs in achieving sustainable development goals directly or indirectly.

Data collection and search strategy

Secondary data has been used only for this research paper. The data has been retrieved from the existing research in this review study. However, data is sourced from grey literature, such as the internet, national-level reports, and UN papers, to inform the research questions and generate a better understanding of the topic. No primary data has been used for this study.

A plan has been made for conducting this systematic review, and the criteria have been set for searching for the relevant papers. This review paper used many databases to locate the proper studies. Emerald Insight, Google Scholar, Elsevier, Pubmed and Cochrane reviews have been used to select documents. A straightforward search

strategy was used to conduct this review, first selecting the databases for sourcing papers. Boolean operators were used to find keywords relevant to this paper.

Inclusion and exclusion criteria

Inclusion and exclusion criteria were set to limit the search efforts. Inclusion criteria are as follows. Papers have keywords in the abstract and title. Papers published in the English language. Research studies conducted in India. Studies, at most, are 10 years, from 2014 onwards. The exclusion criteria are as follows. Papers not in English language.

Papers not conducted on the Indian population. Papers do not include an association between SHG and sustainable development goals established by the UN. Papers older than 10 years were not selected for this study. The above criteria helped source relevant and quality papers from the selected databases. These were useful in limiting the search and duplicating the studies.

Data analysis

Data was sourced from the selected studies using thematic analysis. In this analysis, data themes are identified from the selected studies and then used to answer the research question. It helps understand the patterns of information prevalent in a data source. It is also helpful in sourcing data using a systematic review method (Finlay, 2021).

Ethical consideration

While carrying out this systematic review, ethical guidelines were used to abide by the research ethics. All the studies included in this paper are references and cited properly to give due credit to the researchers. Focus has been placed on reporting correct data; therefore, there has been no data manipulation anywhere. The author of this paper has given due consideration to biases in the study selection and reporting. All the studies that fit the inclusion criteria were selected and used for data analysis. Hence, this ensured that the results of this study are authentic and helpful in informing government and non-government stakeholders.

Study limitations

Certain limitations in the study have to be considered by the readers of this paper. The study is limited in scope as it focuses on the Indian context only, and no foreign papers have been taken in the review. Focus has been maintained on quality papers that fall into the inclusion criteria.

Results and Discussion

The following papers have been found to cover the inclusion criteria in the various databases cited above. Ten papers were sourced from different databases, and

three themes emerged. These themes inform the research questions raised in this review study. These themes point to some of the sustainable development goals of the UN, and these are given as follows:

Table 2. Papers selected in the review.

Sl. No.	Theme	Research papers
1.	Environmental	Jayakumar et al. (2023) and Nagarajan and Ponnusamy (2019).
2.	Women empowerment	Anand et al. (2020), Juja (2014), Ghosh et al. (2023), Arika and Nelapudi (2014), Bhanot and Bapat (2020), Al-Kubati and Selvaratnam (2023); Basak and Chowdhury (2024).
3.	Financial inclusion	Juja, (2014), Bhanot and Bapat, (2020); Elayaraja, (2020).

These themes have been identified in the selected papers and will be discussed in detail in the next section of the review study. The author of this paper has read these papers many times and has identified various themes of data through these papers. The three themes have been identified in the respective papers, and they answer the research questions in this paper.

Themes identified

The author of this paper has found that the documents in the given time bracket, quality criteria and with a focus on SHG-BLP and sustainable development goals have all presented three significant themes. These are found to be linked to the 17 SDGs established by the UN. In this study, the 17 SDGs are used to assess the study results. The three identified themes are discussed below and are linked with the 17 SDGs.

Environmental

Many of the selected papers have noted that with better income opportunities, members of the SHGs tend to establish environmentally friendly business units. For instance, in a study conducted by Jayakumar et al. (2023), it was found that women members of SHGs have established plastic shredding units to ease degradation. Further, members having opportunities for income generation tend to establish cottage factories, as evidenced by this study. This helps in rural economic growth and the preservation of the environment. The SHG-BLP has been found to directly and indirectly impact SDG attainment. For instance, it is relevant in achieving the goals 3, 6, 7, 11, 12, 13, 14 and 15. Establishing environmentally friendly business units helps gain good health and well-being due to less

pollution. It helps in sustainable cities and communities. It helps maintain cleanliness in societies as there are efforts to manage waste effectively and get cleaner energy.

Further, it helps to do something for the climate by setting up environmentally friendly businesses that effectively tackle the issue of air and water pollution. Although the goal of climate action is minimally impacted through these efforts, it indirectly contributes to the conservation of air and water from pollution. In addition, goals 14 and 15 are indirectly affected as the environmentally friendly business units do not directly influence life on land and water. It is a longer-term focus; however, contributing to the cause of the environment is still commendable for the SHG-BLP. Moreover, the entrepreneurial activities undertaken by the members of the SHG-BLP are only sometimes environment-friendly (Jayakumar et al., 2023). There are different entrepreneurial opportunities for the SHG members to consider.

Women empowerment

This theme has been identified in many papers, and it has immense relevance for the SDGs (Anand et al., 2020; Juja, 2014; Ghosh et al., 2023; Arika and Nelapudi, 2014; Bhanot and Bapat, 2020; Al-Kubati and Selvaratnam, 2023 and Basak and Chowdhury, 2024). Research scholars have noted that women who are empowered through improved financial status can contribute to the area's social and economic development (Anand et al., 2020).

This theme concerns SDG numbers 1, 2, 3, 5, 8 and 10. Hence, SHG- BLP helps attain the goal of 'no hunger, no poverty, good health and well-being, gender equality, decent work and economic growth and reduced inequality. Goals 1 and 2 are about no poverty and hunger, achieved with women's empowerment. Women can contribute to their families When they are empowered through improved social and financial status. They can provide better food and amenities for their families, which helps them escape the vicious circle of poverty. Women's empowerment directly impacts poverty and hunger reduction, in addition to maintaining the good health and well-being of family members (Nagarajan and Ponnusamy, 2019). However, the most critical impact of SHG-BLP is the attainment of gender equality and reduction in inequality.

Empowered women are better able to bargain for an improved social standing. They can speak for their rights and demand their equality in the society. There is a reduction in the inequalities in the socio-economic conditions of the rural and urban people. as the members

of the SHG-BLP can receive financial assistance from this program. They can settle debts, invest in new businesses, or fulfil social needs like marriage and education (Basak and Chowdhury, 2024). SHG-BLP also helps attain decent work and economic growth. This is particularly true when new business units are set up under the flagship of this program. The members of the SHG can contribute to the region's economic growth and provide decent work opportunities to the local people.

Financial inclusion

The third central theme identified in the selected paper is financial inclusion. SHG-BLP has indeed helped financially and financially to include vulnerable groups and women. Financial inclusion has been a significant achievement of SHG-BLP across India, and it has also positively impacted a region's social, economic and political environment. Regarding SDGs, the contribution of SHG-BLP is relevant to goals 1, 2, 3, 4, 5, 8, 9, 10 and 17. This has been found in the results of the research conducted by Juja (2014), Bhanot and Bapat (2020) and Elayaraja (2020). The economic upliftment of the people in a region through this program helps reduce poverty and checks hunger status. The health and well-being of people are enhanced with better economic conditions. The improved financial status of families helps them invest in a good education for their younger generation. Educated people have the potential to contribute to the attainment of sustainable development goals as they have the required skills and knowledge (Gupta, 2023). It leads to gender equality and economic growth. The improved financial status of the families positively impacts the infrastructure, industry and innovation in a region. Although the impact is indirect and minimal (Nagarajan and Ponnusamy, 2019), there is a reduction in the socio-economic inequalities of the people living in urban and rural areas. There is an improved partnership between government and non-government organizations and people to achieve improved economic status. Apart from this, SHG-BLP has also been found to impact goals 12 and 16, although it is indirect and in the initial stages (Nagarajan and Ponnusamy, 2019).

Reasons for the low success of SHG-BLP

These studies have found regional variations in the implementation of SHG-BLP. The highest number of SHGs is found in Maharashtra i.e. 15.15 lakh as of 2022-2023. It is followed by West Bengal (14.44 lakh), Bihar (11.10 lakh), and Andhra Pradesh (10.81 lakh). However, negative growth was observed during the same fiscal year in Telangana, Tamil Nadu, and Punjab during the same period (Rajesh and Rao, 2024). Some states have received more benefits while others are lagging

(Srivastava et al., 2022).

There can be many reasons for the low success of SHG-BLP in these states. It could be due to low levels of literacy in the rural areas, poor managerial skills, lack of human resources in the banking system, caste system (people from the upper caste do want to group with lower caste), lack of awareness, etc. In India, the entire microfinancing sector is plagued by bureaucracy, corruption, lack of cooperation due to the caste system, spatial preferences in different Indian states, inadequate support and training to members, poor tracking of loan repayment by the members, low outreach, poor client retention, high interest rates of loans and lack of collateral. The Indian microfinancing sector, just like other sectors, suffers from corruption and a caste system, which results in lower collaboration among the members of the SHGs. Southern states have the most significant number of SHG-BLP compared to the northern states, which shows spatial preferences for this microfinancing program (Nasir, 2013). Poor people need to be given adequate training and support to apply for credit and ensure timely repayment of loans. Clients are neither targeted nor retained for crediting loans and ensuring their timely repayment. Above all, the interest rate of loans is higher, and poor people need help to repay high interest in addition to adequate collateral.

Recommendations

Several overlapping explanations surface when contrasting the microfinancing success of Bangladesh and India. There are reasons for its success in Bangladesh in rendering the desired

outcomes over a long period (Moin et al., 2021). Microfinancing efforts started with a Pilot program, just like in India. Professor Yunus carried out an action research project on a small scale, and the knowledge derived from this experiment was used to carve out a successful policy plan (Banerjee and Jackson, 2017). Microfinancing efforts have been experimented on a small scale, and its service efficiency improved after it became effective. Next, the government expanded this policy for several years. The success of the microfinance model is attributed to many overlapping explanations (Khandker et al., 2016). This program was developed to meet the needs of the commercially excluded population cost-effectively, and it generated resources which allowed for its sustainability and expansion over decades.

There are some crucial lessons learned from the success of the microfinancing efforts of Bangladesh, which can be integrated into India's existing microfinancing infrastructure (Moin et al., 2021). It is

recommended that clients be targeted for the credit amount. Microfinancing institutions in Bangladesh have adopted combinations of direct and indirect client targeting approaches. Direct targeting uses a practical indicator-based means test. For instance, a combination of effective landlessness and female involvement in manual labour. Indirect targeting is operated through peer and self-selection through initial small loans at market-level interest rates and strict repayment conditions, such as compulsory attendance at meetings, which is time-consuming and potentially stigmatizing group membership obligations. Bad clients are screened out, and they are the ones who are less likely to repay loans. This program ensured loan repayment through intensive borrower supervision by the field staff, peer group monitoring, program incentives to staff, compulsory savings and grants of larger loan sizes progressively. Under this program, it was ensured that clients were granted access to no-interest or low-cost interest loans. Low-Cost client savings are built for lending, while cost recovery is made by charging market-related interest rates. This program excelled in administrative efficiency. The banking and field staff worked with the groups closely to transfer transaction costs to the clients and render standardized financial products and procedures. The clients who performed well in smaller loans were guided and motivated to take large loans from expansive financial services to expand their endeavours and benefit others from their communities. Hence, India can enhance its micro financial services by targeting various subgroups of landless, small business owners, urban poor, poor women, etc. It is essential to bring innovation to the targeting, screening, monitoring, and tracking loan repayment mechanisms. It is not based on the replacement of subsidized credit by market-rate loans. Rather, most of the Bangladeshi microfinance institutes continue to depend on subsidized donor credit.

Conclusion

It is concluded from this systematic review that many quality papers exist on the topic in the recent literature work in the Indian context. The data analysis of the selected studies revealed three major themes, i.e. financial inclusion and women, women. However, many past researchers have focused on women's empowerment and economic inclusion. It was established in the review that SHG-BLP helps in the empowerment of women and the inclusion of vulnerable and minority people. However, this also presents a significant gap in the literature, which needs to be filled by new research that can be either qualitative, quantitative, or mixed. Lastly, it

is maintained that the microfinance program launched by NABARD has seen success in achieving gender equality, eliminating hunger and poverty, alleviating inequalities, and directly promoting growth in economies. It is, therefore, established that SHG- BLP is an effective microfinance tool for uplifting the socio-economic status of the members of SHGs in an area. However, regional disparities are seen across the Indian states.

It has been seen in this systematic review that many papers have explored the impact of SHG on the sustainable development and SDGs established by the UN. SHG-BLP, most importantly, helps the members' socio-economic development. However, the study presents a striking gap in the literature, as many papers have focused on women's empowerment and financial inclusion. The performance of SHG-BLP is limited mainly in these two aspects. Some papers have included the environmental impact of SHG-BLP, although it is an indirect consequence resulting from the establishment of environmentally friendly business units like plastic shredding.

It is recommended that more quantitative and qualitative research be conducted to assess the performance of SHG-BLP in achieving SDGs in rural areas. Research must be focused not only on the shorter-term impacts like reduction in poverty, gender equality, reduced inequalities and eradication of hunger; instead, there has to be an assessment of the performance of SHG-BLP for longer-term impacts like the development of industry and infrastructure and promotion of peace and justice in the area. Most of the studies are specific to some location or state.

Hence, efforts have to be made by educational institutes to conduct studies in areas that have been unexplored by researchers in this area of research. It will help examine the impact of SHG-BLP on sustainable development goals on a pan-India basis.

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Conflict of Interest

The authors declare no conflict of interest.

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