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## Women Empowerment through A Self-Help Group - Mahalakshmi Self Help Group, Gujarwadi

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### **Abstract:**

*Financial Inclusion was the major developing concept initialized in India which helped a major part of population to get involved in the role of economic development as well self - financial development. Running of Self-Help Groups specially created a drastic change in aspiring women to be self-independent and which helps the poor and middle income group families to make them stronger and to have better live standards in the age of 21<sup>st</sup> century. Women's Empowerment (as a multi-dimensional process) and Self-Help Groups (SHGs - voluntary, affinity-based small groups, typically 10-20 women, promoting thrift and credit). The role of SHGs as a major **poverty alleviation and microfinance strategy**.*

*In this research paper, researcher has tried to throw the lights on certain broad features of Mahalakshmi Self Help Group (SHG), At Post- Gujarwadi, Taluka - Shrirampur, Dist- Ahilyanagar, Maharashtra. The study may be of practical use in formulating better plans for women empowerment and achieving the self-identity. The SHG,s are self-governed and the group makes decisions about village issues and production oriented, income generating activities. Like this Mahalakshmi Self Help Group refers to the group of 10 women having initial savings of fifty rupees per month. It made them aware of savings as well all the women members got the knowledge of banking activities. The researcher is working as a chairman of the group, allotted the monthly depositing duties to each member per month and educated them to perform all the basic tasks of bank accounts by their own. It helped the women to improve self-confidence as well as they all got to know the importance of financial inclusion. Self-financing also helped the members to get the business ideas and researcher guided them towards varied government initiatives and made them empowered. The economic power and group support gives them dignity and bargaining power in the society.*

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**Keywords:** *Microfinance, Self Help Group, Empowerment, Financial Inclusion, BPL, Food Processing, Vermi Culture, Goat Rearing, Puran Poli Mix, Female Child Birth, Alcohol Prohibition, Gram Swachhata Abhiyan, Income Generation, Community Awareness, Decision Making, poverty alleviation and microfinance strategy.*

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### **Introduction:**

More than one billion people around the world lives in poverty. Women in the informal sectors are unorganized and marginal. A new approach of helping these

women micro entrepreneurs with the support of financial institutions is becoming prominent. The urban & rural poor have been dependent on moneylenders for their financial needs such as marriage in the

family, illness or other emergency needs, as the formal credit system of banks, by & large is beyond the reach of the poor. This provides an opportunity for moneylenders to exploit the situation. Women's Empowerment (as a multi-dimensional process) and Self-Help Groups (SHGs - voluntary, affinity-based small groups, typically 10-20 women, promoting thrift and credit). The role of SHGs as a major poverty alleviation and microfinance strategy.

The prime need of the hour is to ensure that the poor live with dignity, sufficiency & responsibility. It is also recognized that poor people are bankable & that they themselves are likely to have a better appreciation of their socioeconomic situation. The activities of Self Help Groups (Hereafter used as SHG,s) have emerged as a sustainable approach to making credit facilities available to the poor at their doorstep in a simple & flexible manner.

SHG is a group of about 20 people from a homogenous class, who come together for addressing their common problems. They are encouraged to make voluntary thrift on a regular basis. They use these pooled resources to make small interest-bearing loans to their members.

#### **Scope and Limitations of the Study:**

The role of SHGs as a major **poverty alleviation and microfinance**. The study pertains to the experiences of running the SHG in the area of Gujarwadi. The Study provided an opportunity to bring awareness among women about their situation, discrimination of rights and opportunities as a step toward gender equality. This research study help women to strengthen their economic activities, create

positive linkages & support for access to raw material, skill training and marketing opportunities & create needs. The main aim is to clarify the practical working of SHG and its relation to financial inclusion. Scope of the study is limited to the Mahalakshmi Mahila Bachat Gat, Gujarwadi.

#### **Research also identifies Limitations:**

- Economic: Lack of marketing expertise for products, inadequate skill up-gradation/training, and weak financial management in some groups.
- Social: Continued hindrances from traditional gender norms and familial/societal obligations, especially in the initial stages.
- Institutional: Issues with group cohesion (lack of stability/unity), and timely access to inadequate financial assistance from banks or government schemes.

For the study, only SHG's in Gujarwadi Area, Tal.-Shrirampur is selected. This research study has considered only 10% of the present SHG's in Gujarwadi. This study does not consider the other SHGs in Taluka Shrirampur.

#### **Significance:**

SHG is a small voluntary association of rural people, preferably women folk from the same socio-economic background. They come together for the purpose of solving their common problems through self-help & mutual help in the SHG's. Usually the maximum number of members in one SHG is 20.

The government has separated the SHG's in two groups. One is "Above Poverty Line" (i.e. APL) and the other is

“Below Poverty Line” (i.e. BPL). The income limit for APL is Rs.15,000 per annum. The groups undertake economic activities such as thrift and credit and use of the common as set on a basis of equality nurturing trust. The purpose by which a group of people with a common objective are facilitated to come together in order to participate in the development activities i.e. savings, credit, income generation etc. is called “Group Formation”.

#### **Features of Self-Help Groups (SHGs):**

Self-Help Groups are small, voluntary associations—usually of 10–20 people—who come together for mutual support, savings, and credit activities. Key features includes the following key points which highlights the role of SHG,s:

##### **1. Small, Homogeneous Group:**

- Typically 10–20 members, often women.
- Members share similar socio-economic backgrounds, fostering trust and cooperation.

##### **2. Voluntary, Democratic Structure:**

- Members join willingly.
- Decisions are taken collectively; leadership is rotated regularly.

##### **3. Regular Savings:**

- Members save small, fixed amounts regularly.
- Savings form the basis for lending within the group.

##### **4. Internal Lending:**

- Members can borrow from the pooled savings for emergencies, livelihood activities, or consumption.
- Interest rates are decided by the group.

##### **5. Peer Pressure & Mutual Support:**

- No formal collateral is required.

- Peer monitoring ensures discipline in repayment and participation.

##### **6. Financial Inclusion:**

- SHGs often link with banks through the SHG–Bank Linkage Programme, enabling access to formal credit.

##### **7. Empowerment & Capacity Building:**

- Particularly empower women, enhancing decision-making, confidence, and community participation.
- Provide training on financial literacy, leadership, and livelihood skills.

##### **8. Regular Meetings:**

- Groups meet weekly or monthly.
- Discuss financial transactions, social issues, and development activities.

##### **9. Transparent Record Keeping:**

- Maintain registers for savings, loans, attendance, and meetings.
- Promotes accountability within the group.

##### **10. Social Development Role:**

- Address community concerns such as health, education, sanitation, domestic violence, etc.
- Work collectively to support members in need.

#### **Scope and Limitations of the Study:**

The study pertains to the experiences of running the SHG in the area of Gujarwadi. The study provided an opportunity to bring awareness among women about their situation, discrimination of rights and opportunities as a step toward gender equality. This research study help women to strengthen their economic activities, create positive linkages & support for access to raw material, skill training and marketing opportunities & create needs. The main aim is to

clarify the practical working of SHG and its relation to financial inclusion.

For the study, only SHG's in Gujarwadi Area, Tal. – Shrirampur is selected. This research study has considered only 10% of the present SHG's in Gujarwadi. This study do not consider the other SHG,s in Taluka Shrirampur.

### Objectives of the Study:

1. The study the role of Mahalakshmi SHG, At Post Gujarwadi, Taluka Shrirampur.
2. To analyze the performances of Mahalakshmi SHG.
3. To find out the impact of the Micro-finance on the women's S.H.G,s in Gujarwadi.
4. To review the actual problems faced by the members of SHG.

### Selection of Sample:

Sample	Total SHG,s	Respondents Selected	% of Sampling
SHG,s in Gujarwadi	40	4	10%

### Secondary Data:

For this project concern, the researcher has collected the information from various books, records of SHG,s websites etc.

A Self Help Group (SHG) is a group of likeminded people especially women, who come together to pool their small savings to a common fund and agree to meet their emergency need on mutual help basis. The group decides whom the loan should be given to, for which purposes, on what terms and at what schedule of recovery. The focus of decision making is shifted to the group, which provides the members with the opportunity to develop the scheme to negotiate, to decide on what is manageable

5. To suggest effective measures to overcome the problems faced by the members.

### Research Methodology:

The study is based on both primary and secondary data.

#### Primary data:

The primary data is collected through interview. Respondents are selected from Gujarwadi only. It is collected from the heads of various SHG,s.

#### Questionnaire:

To furnish more reliable data, the researcher prepared a questionnaire for members of 4SHG,s have filled up this questionnaire, conclusions are drawn by the researcher and are strongly based on this questionnaire.

and feasible, to impose sanctions where required & to adjust repayment schedules if circumstances make the previously agreed to schedule impossible to follow. The provision of credit is therefore not the only major objective; more important to develop the member's skill to manage finance.

Research consistently finds that SHGs contribute to empowerment across multiple dimensions

### 1. Economic Empowerment:

- **Financial Inclusion:** SHGs promote the habit of **regular savings** and provide **easy access to micro-credit** (small loans) for members, circumventing reliance on informal, high-interest lenders.

- **Income Generation:** Members often use loans to start or expand **micro-enterprises** (e.g., tailoring, small trade, livestock rearing), leading to an **increase in household income** and a decrease in the number of non-earning members.
- **Asset Ownership & Control over Income:** Women gain greater control over the financial resources they earn and increased involvement in family **financial decision-making** (e.g., budgeting, major purchases). This makes them able to take firm decisions on various issues in personal life. It gives them the support and backup for asset ownership and business strategies for better future.

## 2. Social Empowerment:

- **Enhanced Status and Self-Confidence:** Group participation fosters a sense of **collective identity, solidarity, and mutual support**. This leads to improved **self-esteem** and a stronger sense of **agency** (the ability to act and make choices).
- **Increased Mobility and Social Network:** Women's social circles expand beyond their immediate family/village, and their ability to travel independently often increases.
- **Community Awareness and Collective Action:** SHGs become platforms for sharing information, raising awareness about **rights, entitlements, and social issues** (like health, sanitation, or education), and taking collective action against social problems (e.g., dowry, alcoholism, or crime).
- **Decision-Making within the Household:** Members report a greater say in family decisions, including those related to **children's education, health, and family planning**.

## 3. Political Empowerment:

**Local Governance Participation:** The group setting develops **leadership skills, communication abilities, and organizational capacity**. This often translates into increased participation in **local government processes** (e.g., Gram Panchayat elections) and greater confidence in dealing with external institutions (banks, government officials).

Prof. Dr Mrs. Gujar Pornima Sachin (Author of the Paper working as a Chairman of Mahalakshmi SHG, At Post -Gujarwadi, Taluka – Shirampur. The establishment year of our group is 2004. For the initial period upto present day, there are 10 members in our group. At the first, our initial saving was rupees 50 per month. From January 2010, we increased saving upto rupees 100 p.m. and now from January 2025; we all members are saving 200 per month. From the establishment year 2004 to 2025, each member has the net saving of 80000 per head.

As being the Chairman of the group, researcher maintain all the records as per the rules, and conduct a meeting once in two months. Mahalakshmi group is connected with the Ahmednagar District Central Co-operative Bank (A.D.C.C. Bank) who itself is working as an NGO for SHG,s. We collect all the contributions upto 9<sup>th</sup> date of every month and on every 10<sup>th</sup> date; we deposit it into the saving account in the A.D.C.C. Bank. If any member fails to pay the contribution on the 9<sup>th</sup> date of every



month, she has to pay 1% interest as a penalty. At the very initial stage the questions were raised that why only women? Women were not ready to contribute as they were not familiar with the concept of SHG. Afterwards, we arranged some guiding lectures to make them clear the core concept of SHG. With the sources of SHG,s the individual woman in the group has gained the level of confidence that she can take their own decisions and a lot of satisfaction of owning their own earnings. The A.D.C.C. Bank provides the loan at 4% p.a. to the SHG,s which we can use to carry on our different business activities or we can distribute it to the members who are in need and the group can earn the interest of 2% per month that means 24% per annum from the members. The bank specifies the period of loan, so the group has to repay it in that specified period. Thus, the collected interest works as an income generating source for the group.

#### Activities performed by the group:

##### (1) Food Processing:

a) **Instant Puran Mix:** The group prepares instant puran mix in packets to prepare puran in five minutes so that customers can prepare, the famous Maharashtrian dish i.e. “Puran-Poli” easily.

b) **Grinding of Spices:** With the help of Government grants, the group is provided with grinding machine, through which the group is performing the activity of grinding spices.

(2) **Vermi Culture:** The group gets the loan of Maximum 30,000 in two lots for 400 sq.ft. Project of worm fertilizers

(Gandul Khat). It is to be repaid in 5 years. It is empty, medium term loan. Member's self investment is 13,700.

(3) **Goat Rearing:** Government provides grants through the help of NGO,s so that the members can purchase the goats.

(4) **Poultry & Dairy Products:** The member takes the loan from the group's savings and carries on the business on private basis.

**Programmes:** The progress of our programmes is largely dependent on the fact that women participate in their formulation and implementation. They are the contributors and the beneficiaries.

1) **Gram Swachata Abhiyan:** The group has actively participated in the work of cleaning the village. Our Gujarwadi village has received “The Gadgebaba Gram Swachata Abhiyan Award” in the year 2005-2006, with the cash award of Rupees 2,50,000. It is utilized by our Gram Panchayat.

2) **Nirmal Gram Puraskar:** The group has actively participated in the work of Gram panchayat and our village received “The Nirmal Gram Puraskar” with the cash award of 2,00,000 by the then Prime Minister Honorable Dr. Abdul Kalam Azad.

3) **Welcoming Female Child Birth:** The group visits and appreciates the family having a female childbirth which is the need of the present age.

4) **Women's Day:** The group celebrates, 8<sup>th</sup> March as the women's day for a whole week. The group conducts various activities like food

festivals, performing arts, and different types of competitions for girls & women.

- 5) **Alcohol Prohibition:** The group strictly implemented the alcohol prohibition act in Gujarwadi. At the initial stages only the member families were involved and after some days, all the women from Gujarwadi gave support to this concept and now the whole Gujarwadi is free of alcohol and any other addictions. It helped to have control on family disputes and divorce cases in the whole village. All the Self Help Group members strictly keeps an eye on any matter related to disputes at all levels.

#### Analysis & Interpretation of Data:

The following analysis of the data has been done with the help of a survey conducted of the four SHG,s in Gujarwadi with the help of a questionnaire.

##### 1) Literacy:

No. of Respondents	Literate	Illiterate
40	40	-

(Source- Questionnaire)

**Finding:** 100% of the members of SHG,s in Gujarwadi are literate.

##### 2) Standard of Living:

No. of Respondents	Increased	No Change
40	32	08

(Source–Questionnaire)

**Finding:** The Standard of living of 80% members has increased and 20% has no change.

##### 3) Satisfaction of members with the policies:

No. of Respondents	Satisfied	Unsatisfied
40	36	04

(Source–Questionnaire)

**Finding:** 90% of members of SHG,s are satisfied with the policies.

##### 4) Facilitation of Marketing:

No. of Respondents	Satisfied	Unsatisfied
40	20	20

(Source–Questionnaire)

**Finding:** 50% of members of SHG,s are satisfied with the facilitation of marketing.

#### Conclusions:

- 1) SHG has gained a lot of significance and momentum from Microfinance.
- 2) The SHG,s are necessary to overcome exploitation, create confidence for economic self reliance in the poor, particularly in women who are mostly invisible in the social structure.
- 3) Self Help approach is a fast gaining acceptance international as the most appropriate instrument to reach out to the poors in a most effective way.
- 4) 100% of the members of SHG,s are literate and the standard of living of 80% members has increased and 20% has no change.
- 5) 90% of the members of SHG,s are satisfied with the policies while 50% of members are unsatisfied with the facilitation of marketing.
- 6) Due to SHG,s the women have become prominent to face any challenge of any level.
- 7) The overall finding threw a light on certain broad features of our particular area & as such the study may be of

practical use in formulating better plans.

### Suggestions:

- 1) In order to further strengthen the role of these institutions in rural finance, there is a need for the development of more effective management information system, more focus on training and capacity building of SHG members.
- 2) The aim should be to unite women villagers to campaign for their own better rights and an increased role in improving the education, healthcare and economic status of themselves and their family.
- 3) The Government and NGO,s should try to provide direct marketing access to the SHG,s.
- 4) The provisions of credit by the micro-finance should not be the only objective, but the objective should be to develop the member's skill to manage finance.
- 5) The sustainable development in any community or society cannot happen unless women of that community/society are empowered, and this can be achieved with the help of Self Help Groups.

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