

## Role of Self-Help Groups in Digital Payments and Financial Literacy among Baramati Lok Sabha Constituency Tribal Women

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### Abstract:

*Self Help Groups are at the core of social economic empowerment among rural and deprived women in developing countries, promoting savings, collective agency, and access to formal finance. Self Help Groups (SHGs) can help fill the gaps in financial inclusion, like digital payments and literacy, in the Baramati Lok Sabha Constituency, comprising farming communities and tribal populations. This paper is to study the role of SHGs in extending digital payment adoption and financial literacy among tribal women within the social and cultural milieu of Baramati Lok Sabha constituency.*

*Marginalization, remoteness, limited and poor education and digital exclusion create barriers to financial inclusion among tribal women. Digitalizing payments in India, fuelled by the Jan Dhan-Aadhaar-Mobile initiatives and fintech, therefore presents both opportunities and challenges for these communities. The promise of convenience and lower relative costs by platforms such as UPI and mobile wallets requires a very practical form of financial literacy and confidence for adoption. SHGs are an informal yet structured entity for financial training, savings, peer support, and collective decision-making that enables tribal women to access and engage with formal finance.*

*Using primary surveys, focus groups, and secondary data, the study finds that SHG participation enhances tribal women's exposure to digital tools and financial concepts. SHGs act as sites for observational learning where women are first introduced to banking as a group before using digital services as individuals. Digital literacy workshops led by SHGs demystify procedures, handle security concerns, and boost self-assurance. The empirical analysis's findings show a positive correlation between SHG participation and the frequency of digital transactions. The women can learn from their peers through the SHG social networks.*

*There are still issues with poor internet access, language barriers on platforms, and gender norms that limit agency. In order to maintain literacy gains, the study suggests enhancing SHG capacity through focused digital training, collaborations with banks and Fintechs for more user-friendly interfaces, and community champions. By utilising SHGs, tribal women in Baramati can have more inclusive access to the digital financial ecosystem, improving both individual autonomy and community resilience.*

**Keywords:** *Self-Help Groups (SHGs), Tribal women, digital payments, financial literacy, financial inclusion, Baramati, rural India*

### Introduction:

The concept of financial inclusion access and use of formal financial services has become a mainstay of globalization and India's socio-economic development policy. The last decade has seen the introduction of India's digital

financial infrastructure most notably the Unified Payments Interface (UPI) and mobile banking systems which has changed the way citizens transact, save and borrow money. Nevertheless, despite the national improvements in financial inclusion indicators, tribal women in rural areas

such as Baramati still trail behind in digital payment adoption and financial literacy. These disparities stem from a combination of factors including history of oppression, inadequate infrastructure, and socio, cultural factors that have limited the access of these women to the formal financial systems.

Baramati Lok Sabha Constituency in India comprises a diverse set of agrarian, based communities, villages, and small tribal carriers. Tribal groups of Maharashtra such as Warli, Katkari, Bhil, and Kokna, are usually found in regions that are not well, equipped, and they have limited access to the infrastructure as well as jobs. Their isolation in terms of geography as well as economy makes these communities highly susceptible to the risks associated with financial inclusion. National surveys reveal that in Maharashtra, tribal women are still far from owning accounts and using digital financial services. This points to their long-standing unawareness and thus exclusion from the financial ecosystem. ([www.researchgate.com](http://www.researchgate.com))

Self-Help Groups (SHGs) or small voluntary associations of women that pool savings and lend money to each other have been identified as efficient grassroots vehicles of financial inclusion. SHGs were originally conceived as instruments for boosting savings among rural households but have gradually transformed into co-operative platforms that empower women. With little officially-conducted polls and questionnaires at their disposal for the purpose of making their voices heard, it has become a practice for these groups to prepare a project or an appeal to the public through media outlets. Besides, funds from the government are sometimes channeled through NGOs to promote and manage SHGs. identity, enhance bargaining power, and increase access to formal credit and government schemes. In India, SHGs have been linked with banks in many places through the

National Rural Livelihood Mission (NRLM) which supports the credit uptake, savings deposit mechanisms, and even exposure to the financial services. In this way, the SHGs have become the major intermediaries who connect the underprivileged people with formal financial sectors. ([www.ETBFSI.com](http://www.ETBFSI.com))

The power of SHGs to trigger the digital payment adoption among tribal women is based on two major factors: social capital and structured learning processes. SHGs not only enable trust networks in the communities but also lessen the fear of the individuals about the new systems and technologies. The processes of sharing meetings, group savings, and collective decision-making allow SHGs to act as learning places where mainly women members learn financial skills together. Inside such networks, SHG leaders and peer mentors usually inform members about the digital payment platforms, banking procedures, and financial services.

On the other hand, winning these advantages in tribal areas means dealing with some challenges. Tribal women often have less formal education, very little exposure to mainstream media, and speak different languages which are all hurdles to digital and financial literacy. Still, one of the most significant factors that male out of financial technology world is the gender stereotypes that are still widely spread and generally accepted. Such stereotypes negatively affect women's financial decision, making power and, as a result, make them less confident in their technology use. So, the social, cultural constraints still show the dark side of the digital divide: they claim that it is not enough only to give access to digital platforms. The real adoption, which is a serious one, gradually requires more understanding, confidence, and support.

Financial literacy, which is the skill to understand and manage one's finances through tasks such as personal financial management,

budgeting, and making financial decisions, is a prerequisite for tapping the full potential of digital payment solutions. Digital financial literacy mixes up things that even more, making the user to know digital interfaces, security measures (e.g., UPI PINs) and protection from scams. All risks associated with lack of literacy can be face by such users, such as, facing system errors while transacting, being scammed, and not being able to use the system because they do not trust it.

A lot of previous research — for instance, studies focusing on SHG women in Hooghly district — has been done on this and it pointed out that the lack of awareness and digital confidence gap are the main obstacles that keep people from using digital payments. About half of the women surveyed pointed to lack of awareness as the most important reason for their not to adopt the technology, along with fear of fraud which also affected the adoption. ([www.econpapers.repec.org](http://www.econpapers.repec.org))

This information applies to places like Baramati, which are mainly inhabited by tribal people, as there are almost the same socio-economic structures there. However, the tribal-majority area of Baramati has a different demographic profile that, together with the local tribal cultures, calls for a separate study.

The current study tries to answer this question by checking the role of SHGs in the adoption of digital payments and financial literacy among tribal women in Baramati. It looks at the ways SHGs are involved in skill, confidence, and usage behavior enhancement; describes adoption levels, literacy, and transaction trends; investigates how SHGs help overcome socio-cultural barriers.

This research bears the hallmark of being a groundbreaking one with regards to the issue of government policy interventions. The stakeholders would be able to formulate policies that would be in favor of SHGs, provide shg

activities with financial literacy, and form alliances with banks and fintech companies to make digital tools more accessible and easier to use for the unbanked.

#### **Objective:**

1. To find out how much SHGs contributed to the adoption of digital payments among tribal women in the Baramati constituency.
2. To examine differences in the financial literacy of tribal women who are in SHGs.
3. To point out the factors that hinder or facilitate the adoption of digital payments.
4. To make suggestions for policy changes that would support the role of SHGs in digital financial inclusion.

#### **Scope:**

The area of this research is limited to tribal women aged 18–60 who belong to SHGs in the villages of the Baramati Lok Sabha Constituency. This study looks at how tribal women use different types of digital payments things like UPI and mobile wallets their financial know-how, and the kind of SHG training they get.

#### **Methodology:**

We went with a mixed-methods approach: some hard numbers from surveys and a closer look at the stories behind them through focus groups. For sampling, we picked 300 tribal women from various SHGs in a few villages, using stratified random sampling to get a good mix.

**Data Collection:** we collected questionnaires about digital payment habits, how often women use them, their financial literacy, and how involved they are in SHG activities. We also sat down with SHG members to talk about what it's really like using digital tech and going through the training.

**Data analyzing:** we focused on spotting trends in digital payment adoption and financial literacy. We used descriptive statistics, cross-tabs, and plenty of visual's tables and charts to make sense of it all.

### Limitations

1. Sample Size and Representation: The sample, although varied, may not have subgroups from every Baramati tribal community.

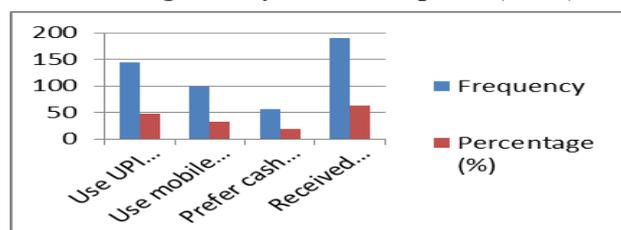
### Descriptive Data Analysis:

**Table 1: Digital Payment Adopted among Tribal Women in SHGs**

Adoption Indicator	Frequency	Percentage (%)
Use UPI regularly	145	48.3
Use mobile wallet occasionally	98	32.7
Prefer cash only	57	19.0
Received digital literacy training	190	63.3

Note: Survey collected among 300 tribal women participants.

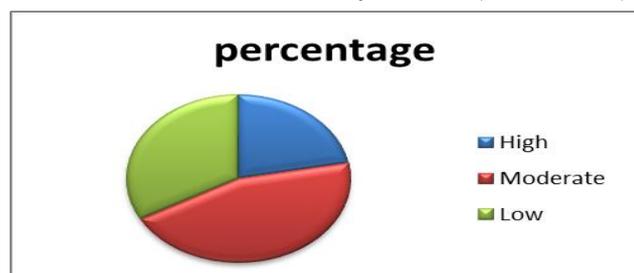
**Chart 1: Digital Payments Adoption (in %)**



**Table 2: Financial Literacy Levels (Self-Rated)**

Levels	Percentage
High	22%
Moderate	45%
Low	33%

**Chart 2: Financial Literacy Levels (Self-Rated)**



Given the pattern of exclusion that already existed in tribal regions, almost half of the tribal women surveyed were using UPI regularly, which is quite an achievement in itself. Two-

2. Self, reporting bias: Survey participants may have recall or social desirability biases.
3. Responses Infrastructure Restrictions: The adoption of the technology might be influenced by the extent of access to smartphones and internet connectivity apart from the effect of SHGs.

thirds of the women were trained in digital literacy through SHG classes, which clearly shows that SHG has become an important factor in upskilling. However, one-third still prefers cash payments because of trust issues or internet connectivity problems.

### Finding:

1. **Digital Adoption & SHGs Are Related:** The tribal women belonging to SHGs have shown a greater inclination towards the digital means of payment.
2. **Training Increases Confidence Levels.** Computer literacy training confidence assists an individual in feeling comfortable using computers. It reduces his or her fear of fraud or errors.
3. **Peer Learning Plays an Important Role:** Women learn from SHG peers, besides formal trainings, emphasizing the importance of peer learning groups.

4. **Sustained Challenges:** Full integration is being thwarted by a lack of infrastructural support and problems of language and literacy.

**Conclusion:**

Self Help Groups serve as an instrumental medium through which tribal women of Baramati become familiar with digital payments and enhance their financial literacy. The SHGs, by way of community support, organized training, and collective confidence building, pave the way for access and understanding. However, government interventions should focus on overcoming infrastructural developments, customizing digital tools in local languages, and embedding financial literacy more extensively within the SHG framework if they want these achievements to last and broaden in scope.

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