



Financial Inclusion and Microfinance for Tribal Women Entrepreneurs in Maharashtra

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DOI - 10.5281/zenodo.18886956

Abstract:

This study looks at how microfinance and financial inclusion help Maharashtra's indigenous women entrepreneurs. Tribal women frequently encounter numerous obstacles that restrict their access to formal financial institutions and business prospects, including geographic isolation, limited financial literacy, a lack of collateral, and sociocultural exclusion. Their economic engagement and autonomy are increased through financial inclusion through bank accounts, digital banking, Self-Help Groups (SHGs), and targeted schemes. The study examines trends, difficulties, and results associated with microfinance interventions and financial inclusion initiatives using secondary data from government papers, scholarly research, and development projects. In order to increase tribal women's access to credit, markets, and skills, it highlights important institutional and government initiatives such as the Adivasi Mahila Sashaktikaran Yojana, computerized tribal lending systems, SHG federations, and credit guarantee programs. The results indicate that although there has been improvement, especially in the areas of SHG involvement, income growth, and decision-making autonomy, there are still significant gaps in outreach, infrastructure, and gender-responsive financial policy. In order to sustainably empower tribal women entrepreneurs in Maharashtra, recommendations centre on enhancing digital literacy, mobile banking access, and localized financial products.

Introduction:

There is a sizable tribal community in Maharashtra, one of the biggest and most economically varied states in India. The majority of tribal tribes, also known as Scheduled Tribes or STs, live in districts like Gadchiroli, Nandurbar, Palghar, and portions of the Vidarbha and Konkan areas. These groups, particularly women, confront long-standing development issues that prevent them from fully engaging in the economy, such as poverty, low levels of education, gender bias, and inadequate financial and physical infrastructure.

Access to practical and reasonably priced financial services and products, such as credit, savings, insurance, and pensions, that are

provided ethically and sustainably, is what is meant by financial inclusion. Accessing bank accounts is only one aspect of financial inclusion for indigenous women; other challenges include overcoming sociocultural obstacles, the digital divide, and the lack of entrepreneurial options.

A crucial instrument for rural and tribal economic development is microfinance, which is roughly described as small loans and financial services to low-income individuals or organizations without formal collateral. Microfinance supports self-employment and entrepreneurship when combined with capacity building, skill training, mentoring support, and market connections, especially for women who are shut out of traditional credit markets.

Rationale for the Study:

In Maharashtra, tribal women are a segment of the population that is still neglected by financial institutions and business support networks. Research indicates that indigenous women continue to be excluded, as seen by their lower rates of formal bank account ownership and SHG involvement when compared to state norms. These women's substantial economic potential can be unlocked through improved financial inclusion through suitable financial and microfinance efforts, resulting in increased household earnings, autonomy, and community development. This study examines the ways in which microfinance and inclusion promote the entrepreneurial endeavours of tribal women, the programs that enable them, and the obstacles that call for additional action.

Objectives of the Study:

1. To assess the level of financial inclusion among tribal women in Maharashtra, including access to bank accounts, credit, and financial services.
2. To analyze the impact of microfinance on tribal women's entrepreneurial activity, income, and decision-making autonomy.
3. To evaluate government and institutional schemes and initiatives targeted at financing tribal women entrepreneurs in Maharashtra.

To identify barriers and challenges to financial inclusion and recommend strategies for strengthening financial support for tribal women entrepreneurs in the state.

Data and Analysis:**Financial Inclusion Status of Tribal Women:**

Research shows that indigenous women in Maharashtra have traditionally had lower levels of financial inclusion than the mainstream population. Only over 58% of tribal women in Maharashtra have bank accounts, compared to

78% of the state's total population, according to a study analysis based on NFHS-5 and RBI data. Despite the growth of digital banking and government programs, this disparity demonstrates ongoing exclusion from formal financial systems. Tribal women's capacity to save safely, obtain official credit, and engage in digital financial activities is directly impacted by this lower inclusion rate, which consequently restricts their options for starting their own businesses.

SHGs and Income Generation:

Self-Help Groups (SHGs) have been pivotal in mobilizing tribal women around savings and credit activities. Tribal women claim notable improvements in income in places like Gadchiroli and Nandurbar where SHG federations are functioning. For indigenous women involved in income-generating activities in these areas, membership in SHGs has been linked to roughly 22% greater monthly incomes. Although participation rates among Particularly Vulnerable Tribal Groups (PVTGs) are still low because of structural constraints, over 120,000 tribal women in Maharashtra are reportedly members of Self-Help Groups (SHGs). SHG-related microfinance has helped businesses with anything from dairy and artisanal product marketing to forest produce collecting and value addition. These initiatives improve women's control over home finances and investment choices in addition, raising household revenues (reported increases of 30–40% in some activities).

Role of Digital Finance and Institutional Credit:

For tribal financial inclusion, digital platforms and expedited loan processing have become revolutionary instruments. For example, the Shabari Adivasi Vitta Va Vikas Mahamandal in Maharashtra reduced paperwork and loan wait times and made credit more accessible to tribal

entrepreneurs, including women, by digitizing its loan application and distribution procedures through the Mahashabari.in portal. Through this platform, more than 8,000 tribal borrowers have obtained loans, improving transparency and avoiding traditional middlemen.

Economic and Social Impacts:

Socioeconomic benefits have resulted from increased financial inclusion through banking, SHGs, and microfinance. Tribal women who have bank accounts are statistically 1.8 times more likely than those without to take part in household financial choices. Additionally, SHG membership is linked to greater autonomy in spending on healthcare and education, particularly for tribal women in Nandurbar. Increasing healthcare utilization and better educational outcomes for children in aboriginal households are also correlated with increasing access to credit and finance.

Obstacles to Financial Inclusion:

Despite these advantages, a number of sociocultural and systemic obstacles still exist: The lack of digital access and banking services in many remote tribal regions makes it challenging for women to interact with official financial institutions. Tribal women are frequently prevented from creating independent financial identities by cultural restrictions and patriarchal norms, and their reliance on unofficial lenders feeds debt cycles. Furthermore, engagement among the most marginalized tribal groups remains minimal despite the existence of SHGs. A variety of strategies are needed to address these issues, including as gender-sensitive laws, regional financial literacy initiatives, and increased access to banking and internet infrastructure.

Schemes and Initiatives:

- **Adivasi Mahila Sashaktikaran Yojana:** This program offers Scheduled Tribe women business owners discounted financing. It

seeks to boost economic activity and financial independence. Targeted credit is available to women to launch or grow enterprises. Loans are reasonable because to concessional interest rates. Additionally, enterprise development is guided by mentorship support.

- **SHG and Financial Literacy Programs:** Under NRLM or state tribal welfare programs, Self-Help Groups (SHGs) encourage group savings and credit availability. They assist women in honing their company management and planning abilities. In SHGs, peer support boosts self-assurance and decision-making. Value addition and marketing for tribal goods are the main goals of initiatives like Van Dhan Vikas. These programs enhance prospects for entrepreneurship as well as financial knowledge.
- **Digital Tribal Loan Platforms (Mahashabari.in);** For state and central programs, this platform digitizes loan processes. It gives aboriginal business owners access to education loans, microcredit, and term loans. Loan processing is less reliant on middlemen, quicker, and more transparent. Women who live in remote and rural areas can obtain credit without having to travel far. The system improves financial inclusion and efficiency.
- **National Level Schemes Benefiting Tribal Women:**
 - a. **MUDRA Yojana** offers small loans to individuals and non-corporate business entities. Encourages the establishment and growth of businesses run by women. Provides easily accessible credit with minimal collateral requirements. Promotes entrepreneurship and independent work. It facilitates women in creating long-term sources of income.
 - b. **The Stand-Up India Program** gives SC/ST and female entrepreneurs bank loans ranging

from ₹10 lakh to ₹1 crore. It helps start-ups and Greenfield businesses. Encourages underprivileged populations to engage in inclusive entrepreneurship. Lowers the financial obstacles faced by new business owners. Promotes native women's economic empowerment.

c. Micro and small businesses can obtain collateral-free loan guarantees from the loan Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE). Lowers the risk for banks making loans to new business owners. Makes it simpler for native women to obtain credit. Promotes official business involvement. Encourages small businesses to grow sustainably.

Social Support Programs of the State:

Women receive monthly cash assistance through programs such as Mukhyamantri Majhi Ladki Bahin. Boost security and lessen financial exposure. Women's ability to pursue entrepreneurship in an indirect manner. Encourage domestic duties, health care, and education. Boost economic engagement and general empowerment.

Conclusion:

In Maharashtra, microfinance and financial inclusion have become important tools for empowering indigenous women entrepreneurs. Initiatives centered on SHGs, targeted credit schemes, digital lending platforms, and credit guarantee frameworks have made quantifiable success, even though obstacles including restricted digital access, cultural limitations, and uneven financial infrastructure still exist. Tribal women who participate in SHGs and microfinance programs exhibit higher income levels, more autonomy in making decisions, and increased involvement in the economy. Tribal

women will experience long-lasting empowerment if financial inclusion is expanded, not just through bank account ownership but through all-encompassing assistance that incorporates markets, credit, skill development, and technology. State and national development goals, such as gender equality (SDG 5) and decreased inequality (SDG 10), are in line with these initiatives.

Suggestions:

1. Increase the availability of mobile-based platforms and localized language support for digital banking in tribal areas.
2. Encourage native women to attend financial literacy workshops that focus on credit management, savings, and entrepreneurship.
3. To lessen marginalization, increase SHG outreach among PVTGs through capacity-building initiatives and specific incentives.
4. Use cooperative marketing and e-commerce channels to help tribal women entrepreneurs connect their products with the market.

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