



International Journal of Research in Agronomy

E-ISSN: 2618-0618
P-ISSN: 2618-060X
© Agronomy
NAAS Rating (2026): 5.20
www.agronomyjournals.com
2026; SP-9(8): 463-469
Received: 05-06-2026
Accepted: 09-07-2026

Rasal Dhanshree
PG Student, Department of
Agricultural Economics, College of
Agriculture, Latur, Vasantrao Naik
Marathwada Krishi Vidyapeeth,
Parbhani, Maharashtra, India

Rajesh Shelke
Professor, Department of
Agricultural Economics, College of
Agriculture, Latur, Vasantrao Naik
Marathwada Krishi Vidyapeeth,
Parbhani, Maharashtra, India

Santosh Kamble
Associate Dean and Principal, Post
Graduate Institute of Agri-
Business Management (PGIABM),
Chakur, Vasantrao Naik
Marathwada Krishi Vidyapeeth,
Parbhani, Maharashtra, India

Raut Vishal
PG Student, Department of
Agricultural Economics, College of
Agriculture, Latur, Vasantrao Naik
Marathwada Krishi Vidyapeeth,
Parbhani, Maharashtra, India

Totawar Vedangi
PG Student, Department of
Agricultural Economics, College of
Agriculture, Latur, Vasantrao Naik
Marathwada Krishi Vidyapeeth,
Parbhani, Maharashtra, India

Corresponding Author:
Rasal Dhanshree
PG Student, Department of
Agricultural Economics, College of
Agriculture, Latur, Vasantrao Naik
Marathwada Krishi Vidyapeeth,
Parbhani, Maharashtra, India

Role of self-help groups in income generation, savings and access to credit among rural women in Parbhani district of Maharashtra

Rasal Dhanshree, Rajesh Shelke, Santosh Kamble, Raut Vishal and Totawar Vedangi

DOI: <https://www.doi.org/10.33545/2618060X.2026.v9.i8Sf.6385>

Abstract

Self-Help Groups (SHGs) have emerged as an important mechanism for promoting financial inclusion, livelihood development and economic improvement among rural women. The present study was undertaken to evaluate the role of SHGs in income generation, savings and access to credit among rural women in Parbhani district of Maharashtra. The study was conducted in three selected talukas, namely Parbhani, Purna and Manwat. Two villages from each taluka and two SHGs from each village were selected, resulting in a sample of 12 SHGs comprising 105 members. Primary data were collected through a structured and pre-tested questionnaire and personal interviews. A before-and-after comparative approach was used to assess changes associated with SHG participation.

The findings revealed a substantial improvement in the income of SHG members. The overall average monthly income increased from ₹8,500 before SHG membership to ₹14,900 after membership, representing a net increase of ₹6,400 (75.29%). The highest increase was observed in SHG micro-enterprise activities (286.36%), followed by agricultural allied activities (50.00%) and wage labour/other sources (31.82%). SHGs also strengthened regular saving practices and financial discipline among members. Improved access to SHG-based and institutional credit enabled members to meet productive and household financial requirements and contributed to reducing dependence on informal sources of finance. The study indicates that SHGs provide an important link between savings, credit, productive investment and income generation.

The study concludes that SHGs have made a positive contribution to the economic and financial well-being of rural women in the selected areas of Parbhani district. Strengthening financial literacy, skill development, enterprise promotion, market linkages and institutional credit facilities could further enhance the income-generating and financial benefits of SHGs.

Keywords: Self-help groups, income generation, savings, access to credit, rural women, financial inclusion, Parbhani district

Introduction

Self-Help Groups (SHGs) have emerged as an important grassroots-level mechanism for promoting the economic development and financial inclusion of rural women. Generally consisting of 10-20 members, SHGs are formed on the principles of mutual help, collective action and self-reliance. Members regularly contribute to a common savings fund and use the accumulated resources for internal lending and meeting financial requirements. Through regular meetings, financial discipline, collective decision-making and capacity building, SHGs provide rural women with opportunities to strengthen their financial security and participate in economic activities.

The SHG movement has expanded considerably in India and has become an important institutional mechanism for promoting savings, access to credit and livelihood opportunities. As per the information considered for the present study, approximately 91.75 lakh SHGs have been promoted under the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM), covering about 10.05 crore rural

households. In Maharashtra, the SHG movement has also developed extensively through the Maharashtra State Rural Livelihoods Mission (UMED). The available data used in the study report 6,62,944 SHGs covering approximately 65.08 lakh members in the state.

The economic contribution of SHGs is particularly reflected in income generation, savings and access to credit. SHGs provide a collective platform through which members can undertake agriculture and allied activities, livestock rearing, food processing, tailoring, retail businesses, handicrafts and other micro- enterprises. Such activities help diversify household livelihoods, create additional income opportunities and strengthen the economic position of rural women. Livelihood diversification through SHG-supported activities can also help households reduce their dependence on a single source of income.

Savings form the financial foundation of the SHG system. Regular and small contributions to a common fund encourage saving habits and financial discipline among members. Collective savings provide financial support during emergencies and create a base for internal lending. They also enable members to meet financial requirements without depending exclusively on informal sources of finance. Thus, SHG participation can strengthen financial security and encourage more organised financial management among rural women.

Access to timely and affordable credit is another important contribution of SHGs. Internal lending and linkages with formal financial institutions enable members to obtain funds for productive and household requirements. Credit can be used for agriculture, livestock, small enterprises, working capital and other livelihood activities. Regular savings, timely repayment and proper record keeping can strengthen the financial discipline and creditworthiness of SHGs. In this way, savings and credit become important instruments for productive investment and income generation.

SHGs also contribute to financial inclusion by bringing rural women into the formal financial system and encouraging regular banking and financial management practices. Access to institutional credit can enable members to invest in productive assets, purchase inputs, expand small enterprises and meet working-capital requirements. Such access may reduce dependence on informal moneylenders and improve the ability of households to manage financial risks. Collective action within SHGs can also facilitate access to training, technical guidance, market information and institutional support, thereby improving the potential of members to convert financial resources into sustainable livelihood opportunities.

The Self-Help Group-Bank Linkage Programme (SBLP) has strengthened the connection between SHGs and the formal banking system. NABARD launched the programme on a pilot basis in 1992, creating a mechanism through which informal SHGs could access institutional credit while developing regular savings practices. NABARD has also supported SHGs through capacity building, financial literacy, livelihood development and enterprise promotion. According to the information used in the present study, as of 31 March 2024, 144.22 lakh SHGs were linked with banks for savings, including 120.44 lakh exclusively women SHGs, while 54.82 lakh SHGs were credit-linked during 2023-24 (NABARD, Status of Microfinance in India 2024-25).

The Lakhpati Didi initiative under DAY-NRLM further reflects the emphasis on sustainable income generation among SHG members. The initiative seeks to enable SHG women to achieve sustainable annual incomes of ₹1 lakh or more through diversified livelihood activities such as agriculture, allied

activities, handicrafts, services and other enterprises. The initial target of creating 2 crore Lakhpati Didis was increased to 3 crores in the Interim Budget 2024-25, with a subsequent target of 6 crore Lakhpati Didis by March 2029. The initiative highlights the increasing emphasis on sustainable livelihood development and income enhancement among rural women.

At the district level, SHGs have contributed to strengthening women's economic opportunities in Parbhani district of Maharashtra through financial support and collective enterprises. In recent years, loans of ₹5 lakh were provided to 1,050 SHGs in the district, highlighting the role of credit in supporting SHG-based economic activities (Agrowon, 10 March 2025) ^[4]. In addition, three Women Producer Companies Srushti Mahila Shetkari Utpadak Company in Purna, Aakanksha Mahila Shetkari Utpadak Company in Parbhani, and Vrindali Mahila Shetkari Utpadak Company in Singnapur are being established to promote women-led economic activities and livelihood opportunities.

The relationship between savings, credit, productive investment and income generation is therefore central to understanding the economic role of SHGs. Regular savings create a financial base, credit facilitates investment in productive activities, and productive investment can contribute to increased income and livelihood improvement. The effectiveness of SHGs can therefore be assessed not only through the availability of credit but also through the extent to which members are able to convert savings and borrowed funds into productive economic activities and increased income. Examining changes in income and savings before and after SHG membership, together with sources and use of credit, provides a comprehensive understanding of the economic contribution of SHGs.

Although SHGs have expanded considerably, their economic contribution may vary according to local socioeconomic conditions, livelihood opportunities and access to institutional support. Therefore, a district-level assessment is necessary to understand the actual economic contribution of SHGs under the local conditions of Parbhani district. The present study focuses on evaluating the role of SHGs in income generation, savings and access to credit among rural women in Parbhani district of Maharashtra. The study examines changes in income, saving practices and access to credit associated with SHG membership and provides area-specific evidence on the contribution of SHGs to the economic and financial position of their members.

Objective of the study

To evaluate the role of Self-Help Groups in income generation, savings and access to credit.

Material and methods

The study was conducted in Parbhani district of Maharashtra to evaluate the role of Self-Help Groups (SHGs) in income generation, savings and access to credit among rural women. Three talukas, namely Parbhani, Purna and Manwat, were purposively selected for the study. From each selected taluka, two villages were selected, and two SHGs from each village were selected, resulting in a total of 12 SHGs comprising 105 members. Primary data were collected from the selected SHG members and group leaders through a structured and pre-tested questionnaire and personal interviews. The information collected covered income, savings, sources and access to credit, loan utilization and repayment practices before and after SHG membership.

A before-and-after comparative approach was adopted to evaluate the role of SHGs in income generation, savings and

access to credit. The economic and financial conditions of respondents before joining SHGs were compared with their conditions after becoming SHG members. For income generation, the mean monthly income before and after SHG membership, absolute change and percentage increase were calculated. The percentage increase was estimated using:

$$\text{Percentage Increase} = \frac{\text{After Income} - \text{Before Income}}{\text{Before Income}} \times 100$$

Also, Net increase was estimated using:

$$\text{Net Income} = \text{Gross Income} - \text{Total Expenses}$$

Savings were assessed by comparing the saving practices and amount of savings before and after SHG participation. Access to credit was assessed in terms of sources of credit, availability of loans, amount of credit accessed, purpose of borrowing and

repayment status, with particular emphasis on SHG and institutional bank credit.

The collected data were classified, tabulated and analysed using frequency, percentage, mean and comparative analysis. The before-and-after comparison was used to determine the extent of change in income, savings and access to credit associated with SHG membership. The findings were interpreted to assess the contribution of SHGs to the economic and financial improvement of rural women in the selected areas of Parbhani district.

Result and discussion

Distribution of respondents according to monthly income before and after joining SHG Monthly income is an important indicator for assessing the economic impact of Self-Help Groups (SHGs) on the livelihood of their members. A comparison of respondents' monthly income before and after joining SHGs is presented in Table 1.

Table 1: Distribution of respondents according to monthly income before and after joining SHG

Sr. No.	Particulars	Before SHG (₹/month)	%	After SHG (₹/month)	%
1	Agricultural allied activities	5,200	61.18	7,800	54.93
2	SHG Micro Enterprise Activity	1,100	12.94	4,200	29.58
3	Wage labour / Other sources	2,200	25.88	2,900	31.82
Total Average Monthly Income		8,500	100.00	14,900	75.29

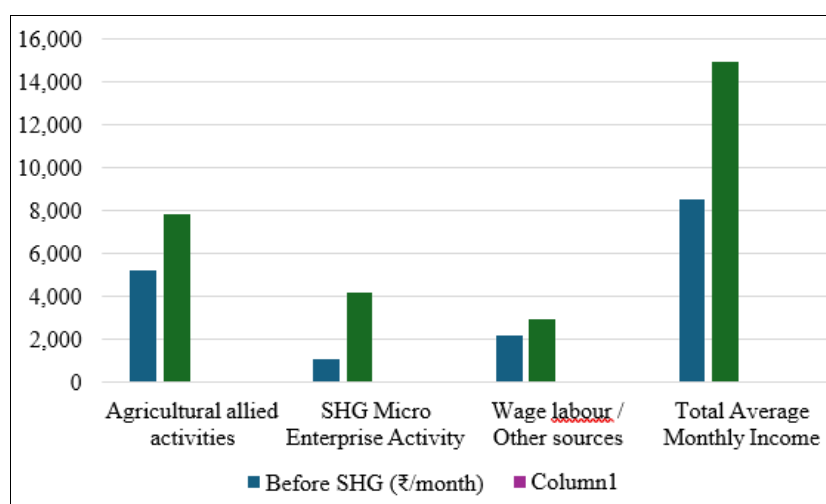


Fig 1: Distribution of respondents according to monthly income before and after joining SHG

The results presented in Table 1 reveal a substantial improvement in the average monthly income of respondents after joining SHGs. The overall average monthly income increased from ₹8,500 before SHG participation to ₹14,900 after joining SHGs, showing an increase of ₹6,400 per month or 75.29 per cent.

Among the different sources of income, SHG micro-enterprise activities recorded the highest percentage increase of 281.82 per cent, increasing from ₹1,100 to ₹4,200 per month. This indicates that participation in SHGs provided women with opportunities to undertake small-scale enterprises and strengthen their entrepreneurial activities. Agricultural allied activities recorded the second-highest absolute increase, rising from ₹5,200 to ₹7,800 per month. The increase of ₹2,600 represents a 50.00 per cent improvement.

This suggests that SHG members were able to strengthen their existing agricultural and allied livelihood activities through improved access to savings, credit and group-based support.

Wage labour and other sources recorded an increase from ₹2,200 to ₹2,900 per month, representing an increase of ₹700 or 31.82 per cent. Although this was the lowest percentage increase among the three sources, the positive change indicates that the overall earning opportunities of the respondents improved after SHG participation.

The findings clearly indicate that the major contribution of SHGs was not limited to providing credit but extended to promoting income diversification, micro-enterprise development and livelihood enhancement. The considerably higher growth in income from SHG micro-enterprises suggests that group-based financial support and collective activities created additional earning opportunities for women.

Therefore, it may be concluded that SHGs had a positive role in enhancing the average monthly income of their members. The increase from ₹8,500 to ₹14,900 demonstrates a considerable improvement in the economic position of the respondents. The

findings also suggest that strengthening SHG enterprises, providing timely credit, improving market access and developing entrepreneurial skills could further increase the income-generating potential of SHG members.

Change in average monthly income of respondents before and after joining SHG: Monthly income is an important indicator of

the economic well-being of rural households. A comparison of respondents' average monthly income before and after joining Self-Help Groups (SHGs) helps assess the effectiveness of SHGs in improving their members' livelihoods and financial status.

Table 2: Change in average monthly income of respondents before and after joining SHG

Sr. No.	Particulars	Pre-SHG Average (₹/month)	Post-SHG Average (₹/month)	Net Increase (₹)	% Increase
1	Agricultural allied activities	5,200	7,800	2,600	50.00
2	SHG Micro Enterprise Activity	1,100	4,200	3,100	286.36
3	Wage labour / Other sources	2,200	2,900	700	31.82
Total	Overall Average Monthly Income	8,500	14,900	6400	75.29

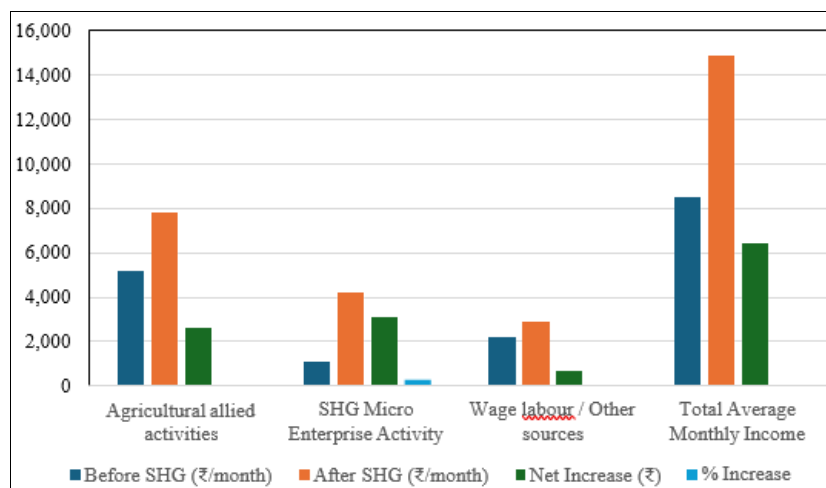


Fig 2: Change in average monthly income of respondents before and after joining SHG

The results presented in Table 2 revealed that the overall average monthly income of the respondents increased substantially after joining SHGs. The average monthly income increased from ₹8,500 before joining SHGs to ₹14,900 after joining SHGs, registering a net increase of ₹6,400 per month or 75.29 per cent. This considerable increase indicates that participation in SHGs contributed positively to the income-generating capacity and economic condition of the members.

Among the different sources of income, agricultural allied activities constituted the major source of income before as well as after joining SHGs. The average income from agricultural allied activities increased from ₹5,200 to ₹7,800 per month, resulting in a net increase of ₹2,600 or 50.00 per cent. The increase suggests that SHG members were able to strengthen their existing agricultural allied activities through improved access to savings, credit and financial resources.

The income generated from SHG micro-enterprise activities recorded the highest increase among all sources. The average monthly income increased from ₹1,100 before joining SHGs to ₹4,200 after joining SHGs, showing a net increase of ₹3,100 or 281.82 per cent. This substantial increase indicates the important role of SHGs in promoting entrepreneurship and small-scale income-generating activities among women. The development of activities such as Dal mill, goat farming, Kapad Dukan, Shevaya Machine and Kirana Shop provided members with additional opportunities for employment and income generation. The study data also show that Dal mill was the predominant SHG activity among the respondents.

The average income from wage labour and other sources increased from ₹2,200 before joining SHGs to ₹2,900 after joining SHGs. Thus, a net increase of ₹700 per month or 31.82

per cent was observed. The increase indicates an improvement in the overall earning opportunities available to the respondents after becoming members of SHGs. However, the comparatively higher increase in income from SHG micro-enterprises indicates a gradual shift towards more diversified livelihood and entrepreneurial activities.

The highest percentage increase was observed in SHG micro-enterprise income (281.82%), followed by agricultural allied activities (50.00%) and wage labour/other sources (31.82%). This indicates that SHGs were particularly effective in creating opportunities for members to participate in enterprise-based activities rather than depending solely on traditional sources of income.

The overall increase of 75.29 per cent in average monthly income demonstrates a favourable change in the economic position of the respondents after joining SHGs. The findings suggest that SHGs not only facilitated access to financial resources but also encouraged members to undertake productive activities, diversify their livelihood sources and improve their income-generating capacity.

Distribution of Respondents According to Source of Credit

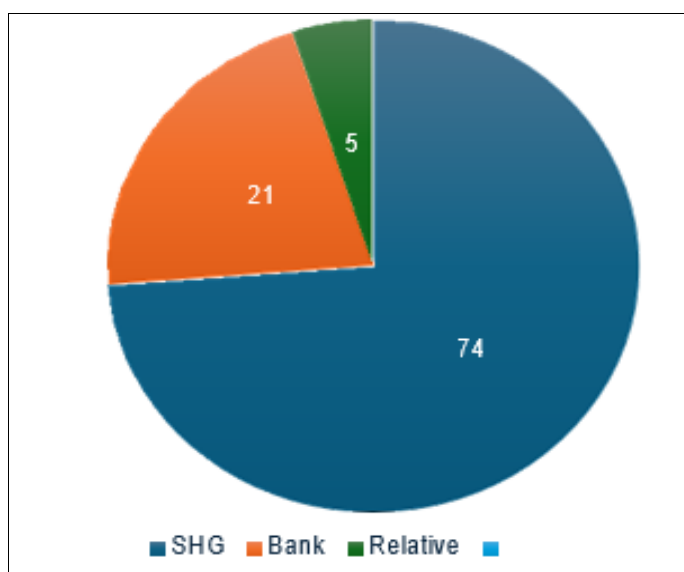
Access to credit is one of the major objectives of Self-Help Groups (SHGs), as it enables members to meet their financial requirements for agriculture, household needs and income-generating activities. Since respondents could obtain credit from more than one source, multiple responses were recorded; therefore, the total frequency exceeds the total number of respondents (105).

Table 3: Distribution of respondents according to source of credit

Sr. No.	Source of Loan	Frequency	Percentage
1	SHG	104	73.76
2	Bank	30	21.28
3	Relative	7	4.96
	Total	141	100

The data presented in Table 3 indicate that SHGs were the major source of credit, accounting for 104 responses (73.76%). This was followed by banks, with 30 responses (21.28%), while relatives accounted for 7 responses (4.96%). The predominance of SHGs as a source of credit indicates that they provide timely, convenient and accessible financial assistance to rural women. Bank credit also contributed to meeting the financial needs of the respondents, whereas borrowing from relatives was comparatively limited.

The findings suggest that SHGs have played a significant role in improving women's access to institutional credit, thereby reducing dependence on informal borrowing and supporting income-generating and livelihood activities.

**Fig 3:** Distribution of respondents according to source of credit
Distribution of respondents according to loan repayment status

Timely repayment of loans is an important indicator of the financial discipline, creditworthiness and sustainability of Self-Help Groups (SHGs). It reflects the repayment capacity of members and the effective utilization of borrowed funds. The distribution of respondents according to their loan repayment status is presented in Table 4.

Table 4: Distribution of respondents according to loan repayment status

Sr. No.	Repayment Status	Frequency	Percentage
1	Fully repaid	105	100
2	Partially repaid	0	0
3	Outstanding	0	0
	Total	105	100

The data presented in Table 4 reveal that all the respondents (105 respondents, 100.00%) had fully repaid their loans. None of the respondents were found in the categories of partially repaid or outstanding loans. This indicates an excellent repayment performance among SHG members in the study area.

The findings suggest that SHG members have maintained strong financial discipline and are committed to repaying their loans within the stipulated period. The complete repayment of loans may be attributed to regular group meetings, peer monitoring, proper utilization of credit for productive purposes and the collective responsibility promoted through the SHG approach. Such a repayment pattern enhances the credibility of SHGs and facilitates continued access to institutional credit for future income-generating activities. Overall, the results indicate that the loan repayment performance of SHG members in the study area was highly satisfactory, reflecting the effectiveness and sustainability of the SHG programme.

Distribution of respondents according to purpose of loan utilization

The purpose for which loans are utilized reflects the productive use of credit and the role of Self-Help Groups (SHGs) in promoting livelihood opportunities among rural women. The distribution of respondents according to the purpose of loan is presented in Table 5.

Table 5: Distribution of respondents according to purpose of loan

Sr. No.	Purpose	Frequency	Percentage
1	Dal mill	5	4.76
2	Goat Farming	7	6.67
3	Kapad dukan	5	4.76
4	Beauty Parlour	9	8.57
5	Tailoring	17	16.19
6	Flour mill	4	3.81
7	Shevaya Machine	5	4.76
8	Papad Udyog	3	2.86
9	women emporium	4	3.81
10	Purchasing Bullock, Cow and Buffaloe	18	17.14
11	Masala Udyog	8	7.62
12	Kirana Store	9	8.57
13	Xerox Shoppe	1	0.95
14	Sugarcane Juice Stall	5	4.76
15	Others	5	4.76
	Total	105	100.00

The data reveal that the highest proportion of respondents 18 (17.14%) utilized loans for purchasing bullocks, cows and

buffaloes, followed by tailoring with 17 respondents (16.19%). Beauty parlour and Kirana store activities each accounted for 9

respondents (8.57%), while Masala Udyog accounted for 8 respondents (7.62%). Loans for goat farming were utilized by 7 respondents (6.67%). Further, Dal mill, Kapad Dukan, Shevaya Machine, Sugarcane Juice Stall and Other activities each accounted for 5 respondents (4.76%), whereas Flour mill and Women Emporium were reported by 4 respondents (3.81%) each. Papad Udyog accounted for 3 respondents (2.86%), while only 1 respondent (0.95%) utilized the loan for establishing a Xerox Shop.

The findings indicate that the respondents primarily utilized SHG loans for productive and income-generating activities, particularly livestock rearing, tailoring, retail businesses and small-scale enterprises. This reflects the positive role of SHGs in promoting self-employment, enterprise development and livelihood diversification among rural women, thereby contributing to their economic empowerment and financial sustainability.

Distribution of Respondents According to Annual Family Income from Other Sources

Annual family income from other sources is an important indicator of the economic condition of rural households. It reflects the contribution of income earned from sources other than SHG activities, such as agriculture, service, business and other family occupations. The distribution of respondents according to annual family income from other sources is presented in Table 6.

Table 6: Distribution of Respondents according to members' Annual Income of family from other sources

Sr. No.	Income	Frequency	Percentage
1	Low (Upto 200000)	0	0
2	Medium (200001 - 400000)	29	27.62
3	High (Above 400001)	76	72.38
Total		105	100

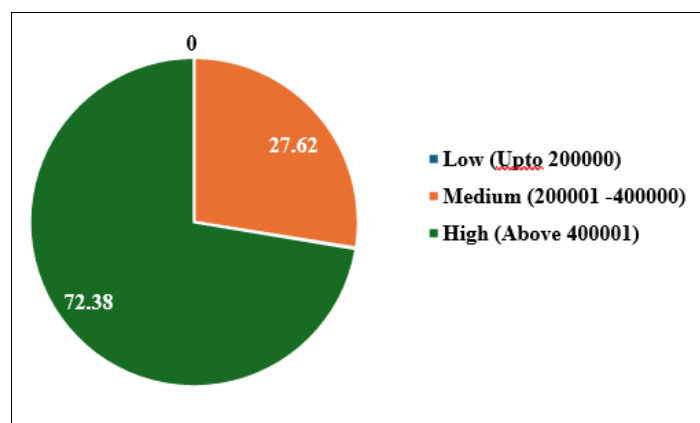


Fig 4: Distribution of Respondents according to members' Annual Income of family from other sources

The data presented in Table 6 reveal that the majority of the respondents (76 respondents, 72.38%) belonged to the high-income category (above ₹4,00,001). This was followed by 29 respondents (27.62%) who belonged to the medium-income category (₹2,00,001-₹4,00,000). None of the respondents were found in the low-income category (up to ₹2,00,000).

The findings indicate that most respondents belonged to households with relatively higher annual income from other sources. This suggests that SHG members supplemented their

income through agriculture, livestock, business and other family occupations, which strengthened their overall economic condition. The absence of respondents in the low-income category further indicates a comparatively stable income profile among the selected SHG members.

Overall, the results suggest that the respondents had a satisfactory annual family income from other sources, which, together with SHG activities, contributed to improving their household income and economic well-being.

Change in Monthly Saving Pattern (Before SHG and After SHG Stage): Savings are an important indicator of financial security and economic stability. The saving pattern of the respondents before and after joining Self-Help Groups (SHGs) was analysed to assess the impact of SHGs on financial behaviour. The study comprised 105 respondents; however, since respondents could adopt more than one saving method, multiple responses were recorded.

Table 7: Change in Monthly Saving Pattern (Before SHG and After SHG Stage)

	Pre-SHG Stage		Post-SHG Stage	
	No of Respondents	Percentage	Respondents	Percentage
Savings at home	65	49.62	105	24.36
Fixed deposit	35	26.72	92	21.35
Recurring deposit	0	0.00	60	13.92
SHG	0	0.00	105	24.36
Voluntary Contribution	31	23.66	69	16.01
Total	131	100	431	100

The data presented in Table 7 indicate that before joining SHGs, saving at home was the most common practice, accounting for 65 responses (49.62%), followed by fixed deposits with 35 responses (26.72%) and voluntary contributions with 31 responses (23.66%). None of the respondents reported savings through recurring deposits or SHGs during the pre-SHG stage.

After joining SHGs, the saving pattern changed considerably. Savings through SHGs and saving at home each accounted for 105 responses (24.36%), followed by fixed deposits (92 responses; 21.35%), voluntary contributions (69 responses; 16.01%) and recurring deposits (60 responses; 13.92%). The increase in formal saving methods indicates that SHG participation encouraged regular and diversified saving practices among the respondents.

Overall, the findings suggest that SHGs have significantly improved the saving behaviour and financial discipline of rural women by promoting organized and multiple saving avenues.

Distribution of Respondents according to Income Generated from Activity under SHG's

Self-Help Groups (SHGs) promote income generation through both group ventures and individual ventures. In group ventures, members collectively undertake an economic activity and share the responsibilities, investment and income. In contrast, individual ventures are enterprises established and managed independently by members with the financial support of SHGs. Both types of ventures contribute to improving the livelihood and economic empowerment of rural women.

Table 8: Distribution of Respondents according to Income Generation through group vs individual ventures

Sr. No.	Particular	Frequency	Percentage
I Group ventures			
1	Dal mill	62	59.05
2	Goat Farming	18	17.14
3	Kapad Dukan	9	8.57
4	Shevaya Machine	8	7.62
5	Kirana Shop	8	7.62
	Total	105	100
II Individual ventures			
1	Dal mill	5	4.76
2	Goat Farming	7	6.67
3	kapad dukan	5	4.76
4	Beauty Parlour	9	8.57
5	Tailoring	17	16.19
6	Flour mill	4	3.81
7	Shevaya Machine	5	4.76
8	Papad Udyog	3	2.86
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10	Purchasing Cow and Buffaloe	18	17.14
11	Masala Udyog	8	7.62
12	Kirana Store	9	8.57
13	Xerox Shoppe	1	0.95
14	Sugarcane Juice Stall	5	4.76
15	Others	5	4.76
	Total	105	100.00

The data presented in Table 8 reveal that under group ventures, Dal Mill was the most common activity, involving 62 respondents (59.05%), followed by Goat Farming with 18 respondents (17.14%). Kapad Dukan accounted for 9 respondents (8.57%), while Shevaya Machine and Kirana Shop each involved 8 respondents (7.62%). This indicates that Dal Mill was the most preferred collective enterprise among SHG members because of its income-generating potential and scope for shared management.

Under individual ventures, the highest proportion of respondents was engaged in purchasing cows and buffaloes (18 respondents; 17.14%) and Tailoring (17 respondents; 16.19%). Beauty Parlour and Kirana Store each accounted for 9 respondents (8.57%), followed by Masala Udyog (8 respondents; 7.62%) and Goat Farming (7 respondents; 6.67%). The remaining respondents were involved in enterprises such as Dal Mill, Kapad Dukan, Shevaya Machine, Flour Mill, Papad Udyog, Women Emporium, Xerox Shop, Sugarcane Juice Stall and other small businesses.

The findings indicate that SHGs have successfully encouraged both collective and individual entrepreneurship. While group ventures strengthened cooperation, resource sharing and collective income generation, individual ventures promoted self-employment, entrepreneurship and financial independence. Thus, both forms of enterprises have contributed significantly to increasing household income and enhancing the economic empowerment of rural women in the study area.

Conclusion

The study concluded that Self-Help Groups (SHGs) have made a positive contribution to the economic and financial improvement of rural women in Parbhani district. The findings indicate that SHG participation strengthened income-generating opportunities, saving practices and access to credit. The overall average monthly income of respondents increased from ₹8,500 before joining SHGs to ₹14,900 after joining SHGs, showing a net increase of ₹6,400 (75.29%). The highest increase was observed in SHG micro-enterprise activities (286.36%), followed by agricultural allied activities (50.00%) and wage labour/other sources (31.82%). This indicates that SHGs encouraged members to diversify their livelihood activities and participate more actively in income-generating enterprises.

SHGs also played an important role in promoting regular savings and financial discipline among members. Collective savings created a financial base for internal lending and helped members meet financial requirements. In addition, SHG participation improved access to credit through internal lending and linkages with formal financial institutions. This enabled member to obtain credit for productive and household purposes and reduced their dependence on informal sources of finance.

Overall, the findings demonstrate that SHGs serve as an important mechanism for linking savings, credit and productive investment, thereby contributing to improved income and financial security. Strengthening training, enterprise development, market linkages, financial literacy and institutional credit facilities can further enhance the economic benefits of SHGs. Thus, SHGs have considerable potential to support sustainable livelihood development, financial inclusion and economic empowerment of rural women in Parbhani district.

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