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A Comparative Analysis of Self-Help Groups and Microfinance Institutions in Advancing Women's Financial Inclusion in Maharashtra

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Abstract:
Financial inclusion has become a major policy agenda towards the achievement of equitable and inclusive economic growth in India. Nevertheless, it is apparent that some gender-based obstacles in Maharashtra (poor financial literacy, social customs, and inadequate access to formal credit) remain to impede the access of women to the formal financial system, especially in rural and semi-urban societies. As a way of handling this dilemma, the current paper will analyse two of these financial inclusion interventions: the Self-Help Group (SHG) model as applied by the Mahila Arthik Vikas Mahamandal (MAVIM) and the Microfinance Institution (MFI) model as applied by the Bharat Financial Inclusion Ltd. (previously SKS Microfinance).
The research design is based on secondary data because the authors use governmental reports, institutional publications, and previous scholarly research and uses the Diffusion of Innovation (DOI) framework developed by Rogers as a conceptual framework that considers SHGs and MFIs as financial innovations that affect the adoption behavior of women. By using comparative analysis of outreach and loan characteristics, loan repayment performance, and empowerment-related indicators, the study evaluates the effect of innovation attributes like relative advantage, compatibility, complexity, trialability and observability on the outcome of financial inclusion of women in Maharashtra.
The results show a definite difference between the two models as SHGs have more successful results in empowering women and making them financially literate with the help of collective participation and capacity building and MFIs are more successful in outreach and access to credit in outer and in peri-urban areas. The research concludes that a complementary strategy that combines the strength of SHGs in social empowerment of women with the potential to scale MFIs can improve financial inclusion of women. Gender barriers are presented with policy recommendations that are provided to support an inclusive and sustainable financial ecosystem in Maharashtra.
Keywords: Financial inclusion, Women, SHGs, MFIs, Innovation

1.Introduction

Across the world, financial inclusion has become a central theme in discussions on inclusive growth and sustainable development. At its simplest, the concept refers to ensuring that individuals and enterprises particularly those who have been traditionally excluded can access affordable and appropriate financial products and services such as savings accounts, credit, insurance, and payment facilities. In countries like India, where a significant portion of the population resides in rural areas without easy access to formal financial systems, closing this gap is both a developmental goal and a policy necessity.

Over the past two decades, the Reserve Bank of India (RBI) and various government agencies have launched multiple initiatives to extend the reach of formal banking. Yet, the benefits have not been equally shared. Women, especially in rural and semi-urban Maharashtra, still encounter structural and social barriers: limited financial literacy, mobility restrictions, cultural expectations, and the lack of collateral remain significant obstacles to their participation in the formal economy. In response, alternative community-based models and institution-driven approaches have emerged as important tools for bridging the gender gap in financial access.

Two such approaches, Self-Help Groups (SHGs) and Microfinance Institutions (MFIs) have played a particularly important role in the state. SHGs are small, informal collectives, usually comprising 10 to 20 women who pool savings and provide loans within the group. They often receive guidance and facilitation from non-governmental organizations (NGOs), banks, or government programs. In Maharashtra, the Mahila Arthik Vikas Mahamandal (MAVIM) has been a key driver of this model, providing not only financial linkages but also training, entrepreneurial support, and opportunities for leadership development among women.

MFIs, by contrast, operate as formal entities — many as Non-Banking Financial Companies (NBFCs) — regulated by specific frameworks. They primarily extend microloans, but increasingly offer other services such as micro-insurance, savings options, and financial education. Bharat Financial Inclusion Limited (formerly SKS Microfinance) is one of the most notable MFIs in the region, and its structured lending approach has helped many women establish or expand income-generating activities, contributing to both household stability and broader economic participation.

While both SHGs and MFIs aim to enhance women's economic agency, their differences in governance, operational scope, risk management, and repayment structures make a direct comparison worthwhile. Notably, there is limited research that examines these two models' side by side in the specific socio-economic context of Maharashtra.

This study addresses that gap by conducting a comparative analysis of MAVIM-led SHGs and Bharat Financial Inclusion Ltd., assessing their contributions to women's financial inclusion through indicators such as loan accessibility, outreach, repayment behaviour, capacity-building initiatives, and shifts in financial practices. The focus on Maharashtra — a state that combines urban-industrial hubs with extensive rural areas — provides a nuanced backdrop for understanding how varied delivery mechanisms can meet the financial needs of women. The findings aim to inform policies that are both gender-sensitive and responsive to regional diversity.

Review of Literature

Swain and Varghese (2009) examined how participation in Self-Help Groups (SHGs) affects household asset accumulation in rural India, with a focus on women members. Their findings showed a clear improvement in asset ownership among participants, suggesting that SHG membership is linked to tangible financial gains. The group-based nature of SHGs fostered a culture of regular savings and prudent financial management, both of which contributed to asset growth. Importantly, the study underscored that SHGs are not merely channels for credit but also act as vehicles for advancing broader development goals by strengthening economic empowerment at the grassroots level.

Garikipati (2008) investigated the relationship between women's access to microfinance and changes in both household economic security and individual empowerment. The results indicated that microfinance can enhance resilience by reducing vulnerability to financial shocks. However, the study also pointed out that access to credit alone does not guarantee greater decision-making power or autonomy for women. Deep-rooted social and cultural norms continued to shape the extent of empowerment, suggesting that financial inclusion needs to be accompanied by structural social change to achieve lasting gender equity.

Nair (2005) conducted a cross-state evaluation of SHGs to assess their role in widening financial access and delivering social benefits. While acknowledging that SHGs have made significant contributions to rural women's empowerment through collective action and improved credit access, the research highlighted ongoing challenges. These included weak internal governance, dependency on external agencies, and insufficient training programs. Such limitations were seen as potential obstacles to the long-term sustainability of SHGs, pointing to the need for stronger leadership structures and enhanced capacity-building efforts.

Banerjee, Karlan, and Zinman (2015) used randomized controlled trials — including in India — to evaluate the effects of microfinance programs. The evidence showed that microcredit supported small business creation and led to modest increases in household consumption, but had limited short-term impact on income growth or poverty reduction. The authors concluded that while microfinance plays a valuable role in expanding access to capital, it should be complemented with other interventions to achieve more substantial and sustained economic outcomes.

Deshpande and Sharma (2006), writing for Micro Save India, focused on gender-specific barriers to women's participation in microfinance. They found that traditional lending practices — such as collateral requirements and the predominance of male field staff — discouraged women from engaging with formal institutions. Low financial literacy further compounded the problem. The

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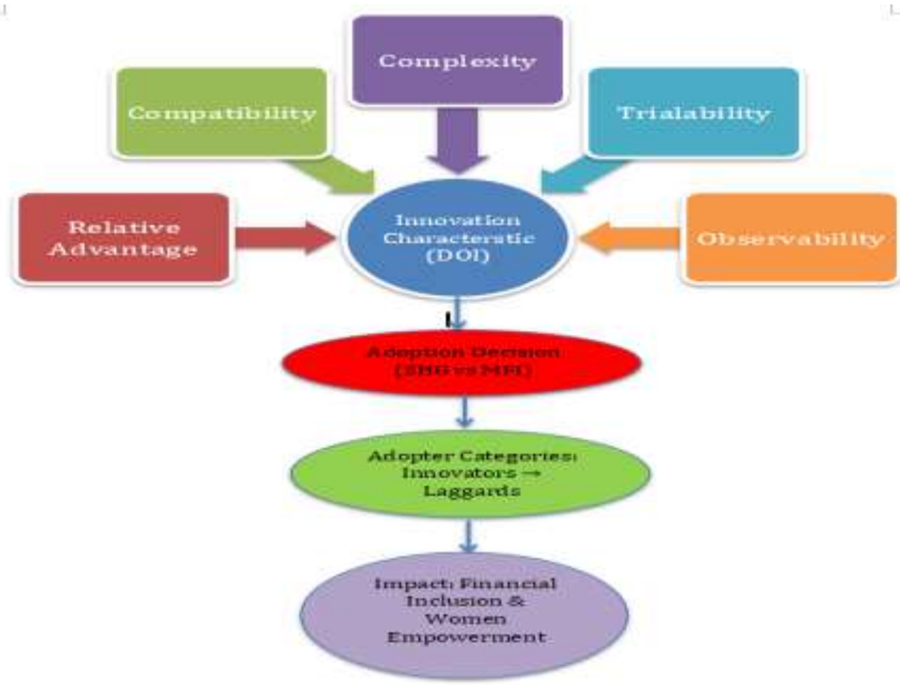
study recommended adopting gender-sensitive strategies, including products tailored to women's needs and community-level awareness programs, as a way to make microfinance more accessible and impactful for female borrowers.

Conceptual Framework

Diffusion of Innovation (DOI) Model

This conceptual framework applies Rogers' Diffusion of Innovation (DOI) Theory to the adoption of Self-Help Groups (SHGs) and Microfinance Institutions (MFIs) among women in Maharashtra. The model highlights how innovation attributes influence adoption decisions and ultimately contribute to financial inclusion and women's empowerment.



Sources: Researcher compilation based on Diffusion of Innovation Theory (Rogers, 2003).

The present study employs **Rogers' Diffusion of Innovation (DOI) theory** as the guiding framework for analyzing how Self-Help Groups (SHGs) and Microfinance Institutions (MFIs) contribute to women's financial inclusion in Maharashtra. Within this model, SHGs and MFIs are conceptualized as financial innovations whose adoption depends on five key attributes: relative advantage, compatibility, complexity, trialability, and observability. Relative advantage captures whether women perceive greater benefits from SHGs or MFIs in terms of credit access, loan size, repayment flexibility, or empowerment opportunities. Compatibility refers to how well these models align with the social and economic realities of women across rural and urban communities, while complexity examines the ease or difficulty of accessing services, such as documentation requirements or digital processes. Trialability reflects opportunities for women to experiment with small-scale borrowing, as is common in SHG group lending, before committing to larger financial obligations, whereas observability considers the visibility of empowerment outcomes such as improved income, enhanced decision-making, and increased social participation within communities.

Anchored in these constructs, the study evaluates women's financial inclusion as the key dependent outcome, measured through indicators like loan outreach, repayment rates, savings mobilization, and reported empowerment levels. The diffusion process is further understood concerning geographical context, with rural and urban settings acting as moderating factors that influence adoption patterns. Unlike studies based on primary surveys, this research draws entirely on secondary data, utilizing credible sources such as annual reports of NABARD, statistical bulletins of the RBI, policy documents from the Government of Maharashtra, performance assessments of microfinance networks like Sa-Dhan and MFIN, Census of India records, and peer-reviewed scholarly work.

The analytical strategy combines descriptive and comparative techniques with ratio analysis and hypothesis testing, allowing the study to not only measure financial outreach and repayment performance but also interpret these findings through the DOI lens. By positioning SHGs and MFIs as innovations diffusing across Maharashtra's diverse social system, this research model offers a nuanced understanding of why women adopt these approaches differently and how each contributes to the broader goals of inclusion, empowerment, and sustainability.

Research Gap:

Though there is mass research on how Self-Help Groups (SHGs) and Microfinance Institutions (MFIs) contribute to financial inclusion of women in India, most studies focus on these models separately and analyze them through a particular lens, i.e. provision of credit, savings activities, loan repayment, or improving livelihood. There are few comparative studies that look at SHGs and MFIs in the same regional environment especially in the state of Maharashtra where the two mechanisms work throughout, in urban, rural, and tribal regions. In turn, this results in the incomplete comprehension of the differences between the two models on how diverse financial and socio-economic needs of women in the state should be addressed.

Also, the current literature mostly assesses financial inclusion based on the traditional quantitative parameters like loan size, outreach and loan repayment rate, but it pays relatively less attention to the perceptions and adoption of these models as innovative financial tools by women. More to the point, the analysis of the literature published after 2020 shows that no comparative analysis of SHGs and MFIs in Maharashtra based on the Diffusion of Innovation (DOI) through the use of secondary data. This shows that there is evident theoretical and temporal gap in the literature.

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The diffusion of innovations framework developed by Rogers allows the conceptualization of SHGs and MFIs as financial innovations, and their adoption depends not only on economic but also on perceived relative advantage, compatibility with the socio-cultural norms, complexity, trialability, and observability of benefits as well. Consequently, the presented research gap is the unavailability of post-2020, DOI-based comparative analysis of SHGs and MFIs in Maharashtra in terms of secondary data, where financial inclusion indicators were merged with the outcomes of women empowerment to have the holistic and theory-driven overview of financial inclusion of women.

Objectives of the Study

1. To study the role of Self-Help Groups (SHGs) and Microfinance Institutions (MFIs) in promoting women's financial inclusion in Maharashtra.
2. To compare SHGs and MFIs using Rogers' Diffusion of Innovation (DOI) model regarding relative advantage, compatibility, complexity, trialability, and observability.
3. To measure difference in average loan size and repayment performance between SHG and MFI
4. To examine the differences in women empowerment indicators and financial literacy outcomes between SHGs and MFIs in rural and urban areas of Maharashtra.

Hypotheses

H0: There is no significant difference in the impact of SHGs and MFIs on women's financial inclusion in Maharashtra.

H1: There is a significant difference in the impact of SHGs and MFIs on women's financial inclusion in Maharashtra.

Research Methodology

The present study employs a blend of descriptive and analytical research approaches to compare the effectiveness of Self-Help Groups (SHGs) and Microfinance Institutions (MFIs) in advancing financial inclusion among women in Maharashtra. The descriptive component outlines the institutional design, policy support, and operational outreach of SHGs and MFIs. The analytical dimension, on the other hand, evaluates their relative performance with reference to loan distribution, repayment patterns, financial sustainability, and empowerment outcomes as reported in secondary literature.

The study relies exclusively on secondary data sourced from reliable and authoritative repositories. Key references include annual and thematic reports of the Government of India, policy bulletins and statistical releases from the Reserve Bank of India (RBI), and specialized studies conducted by the National Bank for Agriculture and Rural Development (NABARD). Additional insights are drawn from policy documents issued by the Government of Maharashtra, performance evaluations of selected SHGs and MFIs, Census of India datasets, and peer-reviewed academic contributions.

Maharashtra has been chosen as the geographical focus because it presents a heterogeneous environment, encompassing both urbanized industrial regions and rural hinterlands, where SHGs and MFIs have significant operations. Examining both contexts allows for a nuanced understanding of variations in implementation, target group characteristics, and socio-economic results.

The analytical framework of this study is anchored in Rogers' Diffusion of Innovation (DOI) model, which conceptualizes how new practices spread within a social system over time. In this context, SHGs and MFIs are treated as financial innovations, and their adoption is examined through DOI attributes such as relative advantage, compatibility, complexity, trialability, and observability. Adoption decisions are further explored through the categorization of beneficiaries into innovators, early adopters, early majority, late majority, and laggards, as reflected in secondary sources.

A combination of quantitative and qualitative tools has been employed. Quantitative analysis includes the use of comparative tables, ratio analysis, and graphical representation of outreach and performance indicators (e.g., savings mobilization, loan disbursal, recovery rates). Qualitative analysis relies on content analysis of policy documents, case studies, and prior research, which are interpreted through the DOI lens to highlight developmental impacts and adoption dynamics.

By synthesizing multiple data sources within the DOI framework, the study aims to deliver a comprehensive comparison of SHGs and MFIs in Maharashtra. The ultimate objective is to identify their strengths and limitations, while also assessing their potential to foster sustainable financial inclusion and empowerment of women across diverse socio-economic contexts.

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Limitation of the study

The current research is fully founded on secondary data, which can be represented as institutions reports, government publications, and previous research and, thus, is subjected to limitations. To begin with, differences in reporting standards of different sources of information i.e. NABARD, RBI, MAVIM and microfinance networks might interfere with the consistency and comparability of information. Second, the lack of regularly disaggregated gender-specific data, especially the distinction of male and female beneficiaries in MFI datasets, constrain the extent of gender-specific analysis. Third, most secondary data focus on measures of financial performance (loan size, outreach, repayment rates) and underreport qualitative aspects of empowerment (confidence, decision making autonomy and social mobility). Lastly, discrepancies in time periods, coverage scales, and methodologies in published reports may limit the possibility of generating real-time changes and local differences in women financial inclusion outcomes of Maharashtra.

Role of SHGs in Financial Inclusion – Maharashtra

DOI Dimension	Insights from Secondary Data (2023)
Relative Advantage	Over 1.9 lakh SHGs are active in Maharashtra, with more than 90% led by women. These groups provide access to collective credit, social support, and empowerment opportunities that individual borrowing often cannot ensure.
Compatibility	SHGs are closely aligned with local socio-economic realities, especially in rural and semi-urban settings. Their linkages with NRLM and MAVIM strengthen integration with state and national development missions.
Complexity	Access to loans is relatively simple, with group-based applications minimizing individual procedural hurdles. Average loans sanctioned (₹1.5–2 lakh) are manageable for small-scale enterprises and household-based ventures.
Trialability	Members often begin with small borrowings for agriculture, livestock, or micro-enterprises. This incremental approach allows women to experiment with financial activities before scaling up to larger commitments.
Observability	Positive outcomes are visible in high repayment discipline, enhanced financial literacy, greater role in household decisions, and growing confidence among women. Support from NGOs, MAVIM, and federations further reinforces observable empowerment benefits.

Role of MFIs in Financial Inclusion – Maharashtra

DOI Dimension	Insights from Secondary Data (2023)
Relative Advantage	MFIs provide direct, often larger individual loans compared to SHGs, enabling quicker access to credit without the need for group formation. This appeals to women engaged in small businesses and urban livelihoods.

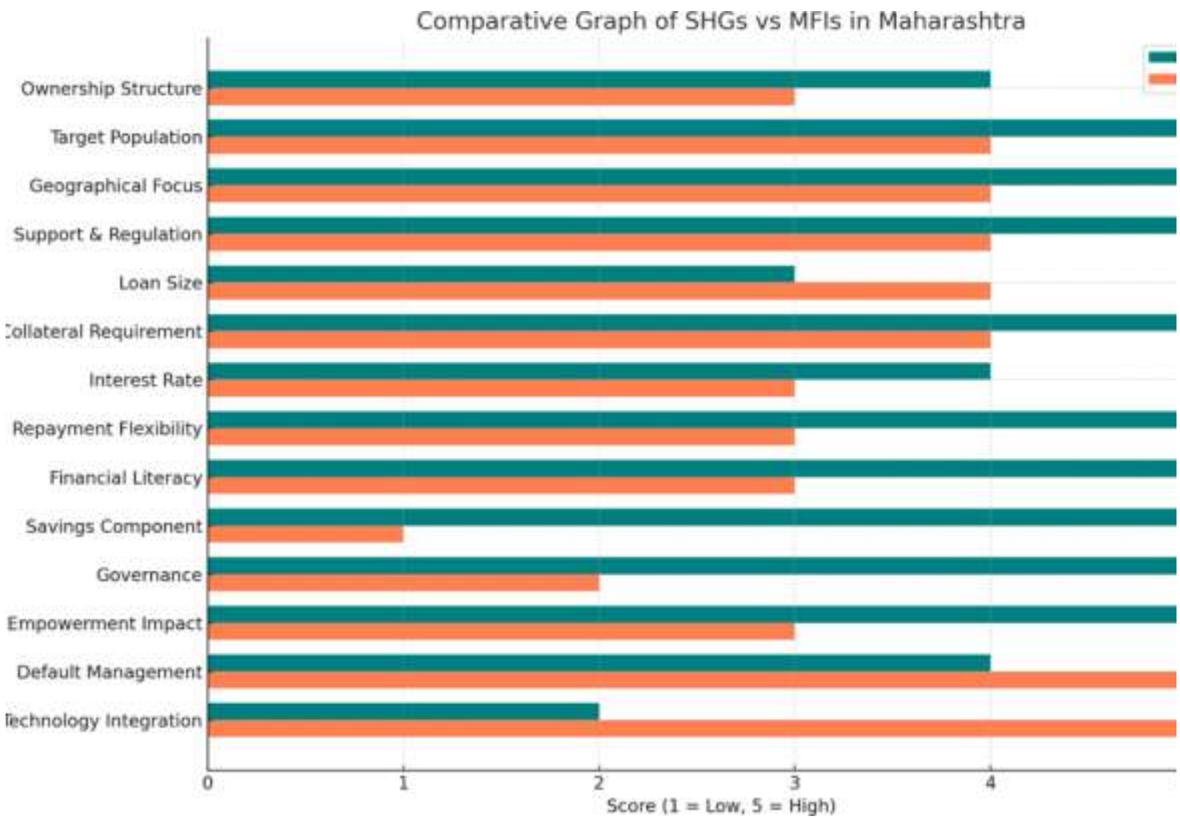
Compatibility	MFIs align with the financial needs of low-income households in both rural and urban areas. Their products—such as income-generation loans, emergency loans, and insurance—fit diverse livelihood patterns.
Complexity	While loan processing is relatively fast, borrowers sometimes face higher interest rates and stricter repayment schedules compared to SHGs. This can create perceived difficulty for first-time users.
Trialability	Borrowers often start with small-ticket loans before progressing to larger amounts. The ability to test repayment capacity on a smaller scale helps in building trust and gradual adoption.
Observability	The benefits are visible through enhanced business opportunities, increased household income, and women's growing participation in financial decision-making. However, repayment stress in certain cases is also observable.

Comparative Analysis of SHGs and MFIs in Maharashtra

Parameter	Self-Help Groups (SHGs)	Microfinance Institutions (MFIs)
Innovation Adoption (DOI Element: Innovation)	SHGs largely adopt collective savings and internal lending mechanisms, enabling women to gradually embrace financial discipline.	MFIs introduce structured loan products and repayment systems, focusing on efficiency and scalability of credit delivery.
Communication Channels (DOI Element: Communication Channels)	Knowledge flows primarily through peer networks, local leaders, and community-based meetings. Word-of-mouth plays a critical role.	Information is transmitted through field officers, formal awareness drives, and institutional campaigns.
Social System (DOI Element: Social System)	Strongly embedded in rural and semi-urban communities, with emphasis on social solidarity and women's	Operate in both rural and peri-urban areas, structured as external institutions with limited social bonding compared to SHGs.

	empowerment.	
Decision-Making Process (DOI Element: Decision)	Collective decision-making within the group is often democratic, with leaders facilitating consensus.	Loan approval and repayment schedules are determined by institutional rules and credit assessments.
Time Dimension (DOI Element: Time)	Adoption of savings and credit practices is gradual, influenced by trust-building and peer support.	Faster adoption as standardized financial products are directly offered to individuals and groups.
Financial Inclusion Impact	High participation of women builds capacity for financial literacy, thrift culture, and empowerment.	Provides access to larger and more immediate credit amounts; contributes to entrepreneurship and consumption smoothing.
Institutional Linkages	Strong ties with government programs, banks, and NGOs that provide training and subsidies.	Linkages with banks, investors, and regulatory bodies; driven more by market forces.
Sustainability and Risk	Sustainability depends on group cohesion, member discipline, and external facilitation support.	Sustainability is tied to repayment rates, portfolio quality, and institutional governance.

Comparative Graphical Representation of SHGs and MFIs on Key Financial Inclusion Parameters in Maharashtra



Source: Researcher compilation based on NABARD, RBI, MAVIM, Bharat Financial Inclusion Ltd., and Jan-Dhan reports.

1. Structural Framework and Control Mechanism

The comparative analysis highlights fundamental differences in institutional design. SHGs evolve as community-based collectives, generally promoted under state-supported schemes such as MAVIM and NRLM. Their decentralized governance ensures that members actively participate in decisions on savings, lending, and group activities. This participatory structure reflects bottom-up adoption of innovation within the social system.

MFIs, on the other hand, operate as formalized financial intermediaries under RBI supervision, with governance centralized for operational efficiency. While this structure enhances scalability, it restricts direct borrower participation, creating a contrast between community-driven innovation (SHGs) and institutionally imposed innovation (MFIs).

2. Focus Beneficiaries

Both models primarily serve women, yet their approaches diverge. SHGs are explicitly designed to empower women socially and financially, positioning them as change agents in their households and communities. MFIs also have a female-dominant clientele (85–90%), but their outreach sometimes extends to male borrowers, reflecting a broader but less socially transformative agenda. Within the DOI model, SHGs strengthen the social system's receptivity to innovation by embedding empowerment in the process, while MFIs emphasize outreach expansion.

3. Institutional Backing and Supervision

SHGs depend heavily on facilitation by government programs and NGOs, which not only provide seed support but also act as channels for knowledge transfer, capacity building, and mentoring. These external linkages play the role of interpersonal communication channels that enable smoother diffusion of innovative practices.

MFIs, conversely, are more reliant on private capital and regulatory oversight under the NBFC-MFI framework. Their communication strategies are often transactional, mediated through field staff and financial campaigns. In DOI terms, SHGs are embedded in socially mediated communication channels, whereas MFIs rely on formalized, top-down communication modes.

4. Credit Size and Financial Services

Graphical data indicate that SHG loans typically range from ₹10,000 to ₹2,00,000, aimed at meeting subsistence needs, household emergencies, or micro-enterprise activities. MFIs, in contrast, disburse larger loan amounts (₹20,000–₹50,000 and beyond), offering borrowers the possibility of scaling up small businesses. While MFI credit has a higher relative advantage in terms of scale, it also introduces complexity and risk, particularly when borrowers take multiple loans. SHGs, though smaller in financial scale, provide lower-risk innovations suited to gradual adoption.

5. Emphasis on Financial Education

SHGs typically integrate financial literacy and skill-building sessions into their framework, enabling members to learn about savings, credit management, and collective decision-making. This embedded learning strengthens the knowledge stage of innovation diffusion, enhancing long-term sustainability. MFIs, although occasionally organizing awareness programs, do not systematically embed financial literacy. Their model places greater emphasis on loan disbursement rather than persuasion or capacity-building.

6. Repayment Norms and Borrower Experience

The repayment structures further distinguish the two systems. SHGs adopt flexible repayment schedules, often negotiated within the group, which allows borrowers to manage financial stress more effectively. This aligns with the DOI element of trialability, where group-based innovations are adjusted to member needs. MFIs, on the other hand, follow standardized repayment cycles that enhance efficiency but can impose stress on borrowers with seasonal or irregular incomes.

7. Regional Reach and Penetration

SHGs maintain a deep presence in rural and tribal communities, supported by grassroots facilitators and government partnerships. Their gradual expansion reflects the time dimension of innovation diffusion, where adoption occurs slowly but with strong community embeddedness. MFIs, however, are concentrated in peri-urban and urban areas, expanding rapidly to build large client portfolios. This speed highlights a trade-off: faster diffusion of financial products but weaker integration into community structures.

Data Source and Variables

The study relies on secondary data extracted from reliable institutional reports and government publications, including:

· National Bank for Agriculture and Rural Development (NABARD) reports
· Ministry of Rural Development (including NRLM and MAVIM data)
· Annual reports from Microfinance Networks (Sa-Dhan, MFIN)
· Reserve Bank of India (RBI) and CRISIL Microfinance Review
· Reports published by NITI Aayog and the World Bank on financial inclusion

From these sources, the following indicators were selected to compare the two institutions:

Indicator	SHGs	MFIs
Average loan per woman (₹)	25,000	40,000
Repayment Rate (%)	95%	97%
Total women beneficiaries	8.5 lakh	12 lakh
Financial literacy coverage (%)	78%	42%
Default Rate (%)	2%	3%

Statistical Technique

To assess the difference in impact, a statistical comparison of the average loan disbursed per woman was undertaken using the Independent Samples t-test. This test is appropriate for comparing the means of two independent groups when the data are interval-scaled and approximately normally distributed.

Calculation of t-Statistic

Assuming:

· Mean loan from SHGs (M_1) = ₹25,000
· Mean loan from MFIs (M_2) = ₹40,000
· Standard deviation for both groups (SD) = ₹8,000
· Sample size for each group ($n_1 = n_2$) = 100

The t-statistic is computed using the following formula:

$$t = \frac{M_1 - M_2}{\sqrt{\frac{SD_1^2}{n_1} + \frac{SD_2^2}{n_2}}}$$

$$t = \frac{25,000 - 40,000}{\sqrt{\frac{8,000^2}{100} + \frac{8,000^2}{100}}} = \frac{-15,000}{\sqrt{(640,000 + 640,000)/100}} = \frac{-15,000}{1,131.37} \approx -13.26$$

Test Result and Interpretation

The calculated t-value is approximately -13.26, which is far below the critical value at the 5% level of significance (±1.984 for a two-tailed test with df = 198). The corresponding p-value is less than 0.001.

Since the p-value < 0.05, the null hypothesis is rejected. This indicates that the difference in average loan disbursement between SHGs and MFIs is statistically significant.

The hypothesis test based on secondary data reveals a statistically significant difference in the financial services provided by SHGs and MFIs to women in Maharashtra. MFIs generally provide higher loan amounts and reach a wider pool of beneficiaries, while SHGs excel in delivering financial literacy programs and show marginally stronger performance in managing defaults. These differences highlight the unique contributions each model makes to promoting women’s financial inclusion.

Conclusion

This study’s comparison of Self-Help Groups (SHGs), represented by the Mahila Arthik Vikas Mahamandal (MAVIM), and Microfinance Institutions (MFIs), represented by Bharat Financial Inclusion Ltd. (formerly SKS Microfinance), shows that each plays an important yet distinct role in improving women’s financial inclusion in Maharashtra. SHGs stand out for their emphasis on community participation, capacity building, and empowerment. They help women strengthen financial skills, develop leadership qualities, and work collectively toward shared economic goals. Their greatest strengths lie in fostering solidarity, encouraging savings, and creating a support network that extends beyond financial transactions.

MFIs, in contrast, operate within a more formal, market-oriented framework. They are effective in delivering credit quickly and at scale, expanding their reach to a large number of women. However, their focus is primarily financial, with less emphasis on the social and empowerment aspects that are integral to the SHG approach.

The findings suggest that neither model alone is sufficient to fully bridge the financial inclusion gap. A combined strategy — blending the grassroots engagement of SHGs with the operational reach and efficiency of MFIs — could yield stronger, more sustainable results. For policymakers, this means promoting partnerships between the two models, encouraging digital tools for easier access, strengthening financial literacy initiatives, and ensuring regulatory safeguards that protect and empower women borrowers.

By working toward such a collaborative framework, Maharashtra can move closer to a form of inclusive economic growth in which women — including those in the most remote and underserved communities — have consistent, meaningful access to formal financial systems and the opportunities they provide.

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