# From Agricultural Laborers to 'Masalawali Baheno': Women's Economic Transformation Through Self-Help Groups in Tribal Gujarat

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## Abstract:

This study examines the transformation of rural women from agricultural laborers to entrepreneurs through the self-help group model in Gunasada village, Tapi district, Gujarat. Using focus group discussions with 15 members of Jhanvi Sakhi Mandal—a Village Organization comprising 10 SHGs with 115 members—the research investigates how collective action enables economic diversification and women's empowerment in tribal areas. Formed in 2021 under DAY-NRLM, the group established three enterprises: spice production, catering services, and millet laddu manufacturing, generating ₹6,000 to ₹20,000 monthly per member. Key findings reveal liberation from exploitative moneylenders (interest reduced from 5% to 2% monthly), enhanced financial autonomy with all members now exercising decision-making independence, comprehensive financial literacy among previously bank-excluded women, and emergence of a new entrepreneurial identity as "Masalawali Baheno" (the spice ladies). The study demonstrates that sustainable women's entrepreneurship requires convergence of institutional support—government training, local governance, NGO partnerships, and market linkages—combined with collective determination, offering a replicable model for rural women's economic

## Introduction:

Walking through the narrow lanes of Gunasada village in Tapi district, one encounters a group of women who have defied conventional economic limitations. They call themselves "Masalawali baheno"(the spice ladies) a name that captures both their entrepreneurial identity and the respect they have earned within their community. Their story exemplifies the transformative potential of India's self-help group movement, particularly under the National Rural Livelihoods Mission (NRLM), launched in 2011 and later renamed Deendayal Antyodaya Yojana-NRLM. The microfinance model works on a straightforward yet powerful premise: when poor women organize into collectives of 10-20 members, practice regular savings, access affordable credit, and engage in income-generating activities, they can break cycles of poverty and dependence that have constrained them for generations. By March 2023, NRLM had mobilized over 9 million self-help groups covering approximately 100 million rural women across India, creating one of the world's largest microfinance initiatives aimed at women's economic empowerment. In Gujarat's tribal and rural areas, thousands of such SHGs have formed, reaching women previously excluded from formal financial systems and providing them not just loans but also training, market linkages, and collective strength. The Jhanvi Sakhi Mandal of Gunasada village represents a compelling case where the transition from financial inclusion to genuine entrepreneurship has succeeded. Formed in 2021 with 115

women from 10 self-help groups, this Village Organization moved beyond savings and credit to establish three distinct enterprises—spice production, catering services, and millet laddu manufacturing. Within three years, these women transformed from agricultural laborers who had never entered a bank to confident businesswomen managing multiple income streams. Their journey offers valuable insights into what enables some SHGs to achieve transformative impact while others struggle to move beyond basic financial services, revealing both the potential and prerequisites for women's collective entrepreneurship in rural India.

## Literature Review

Self-Help Groups operate on the principles of mutual aid, collective responsibility, and democratic participation. The theoretical foundation draws from social capital theory (Putnam, 1995), which emphasizes the importance of social networks, trust, and reciprocity in facilitating economic development. The SHG model leverages existing social bonds while creating new institutional structures that enable collective action.

Research by Mayoux (2001) identifies three paradigms for understanding SHG impact: the financial self-sustainability paradigm focusing on micro-credit delivery, the poverty alleviation paradigm emphasizing income generation, and the feminist empowerment paradigm highlighting women's agency and social transformation. The Jhanvi Sakhi Mandal case demonstrates elements of all three paradigms.

Studies across India have documented significant positive impacts of SHG participation on women's economic status. Garikipati (2008) found that SHG membership increased women's control over household resources and decision-making power. Similarly, Deininger and Liu (2013) demonstrated that SHG participation led to increased savings, improved access to credit, and higher investment in income-generating activities.

The transition from traditional economic activities to entrepreneurship represents a critical pathway for rural transformation. Research by Fletschner and Kenney (2014) highlights how collective action can overcome individual constraints faced by women entrepreneurs, including limited access to markets, technology, and financial services.

The role of institutional support in SHG success has been well-documented. Studies emphasize the importance of government programs, NGO partnerships, and market linkages in scaling up SHG activities (Reddy & Malik, 2011). The convergence of multiple support agencies, as observed in the Jhanvi Sakhi Mandal case, represents best practices in institutional coordination.

## Methodology

This study employs a qualitative research approach using Focus Group Discussion (FGD) as the primary data collection method. The FGD was conducted with 15 members from Jhanvi Sakhi Mandal, a Village Organization comprising 10 self-help groups in Gunasada village, Songadh taluka, Tapi district. The participants represented seven different self-help groups within the VO, including key office bearers (President, Minister, and Treasurer) and ordinary members engaged in various economic activities. The discussion explored multiple dimensions including group formation and governance, financial practices, entrepreneurial initiatives, socioeconomic changes pre- and post-SHG membership, and empowerment indicators. The FGD method was selected for its ability to capture collective experiences, group dynamics, and shared narratives of transformation, which are particularly relevant for understanding community-based interventions like self-help groups. Data was collected through semi-structured discussions that allowed participants to freely share their experiences while ensuring coverage of key thematic areas including savings behavior, credit access, income generation, decision-making autonomy, skill acquisition, and social recognition. The interactive nature of the FGD enabled participants to build upon each other's responses, providing rich contextual insights into the multifaceted impact of SHG membership on rural women's lives.

## Focus group discussion

- Name of the group – Jhanvi Sakhi Mandal (Village Union)
- Village – Gunasada
- Taluka – Songadh
- District – Tapi
- Year of formation of the group – 2021
- Number of groups in the village union – 10 self-help groups (115 members)
- Economic activity – Spice making and catering work




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**Background and Formation**

The Jhanvi Sakhi Mandal, a Village Organization (VO) established in 2021, represents a remarkable journey of rural women's economic empowerment in Gunasada village. This collective comprises 10 self-help groups (SHGs) with 115 members who have transformed their economic circumstances through collective action and entrepreneurship.

The organization operates under the leadership of President Kusumben Gamit, Minister Sunaben Gamit, and Treasurer Estherben Gamit. The VO follows the Panchasutra principles regularly, maintaining disciplined financial practices across all member groups.

Financial Structure and Governance

The VO's financial architecture demonstrates a well-organized system of savings and credit. Among the member groups, two maintain monthly savings of ₹200 per member, while the remaining groups save ₹100 monthly. Internal lending operates at a 2% interest rate, providing members with accessible credit without exploiting high-interest alternatives.

Book-keeping responsibilities are shared between group ministers (10 groups) and presidents (5 groups), ensuring transparency and accountability. Six groups have received revolving funds of ₹12,000, while one group received ₹5,000, which has been strategically utilized for internal financing to meet members' credit needs.

**The Spice-Making Enterprise: A New Beginning**

The entrepreneurial journey began in 2022 when 10 members, having received training from RSETI (Rural Self Employment Training Institute) in spice making, decided to transform their newly acquired skills into a viable business. These women procure whole spices from Nandurbar district in Maharashtra, processing them through grinding and packaging before distribution.

The village Sarpanch played a crucial role by facilitating access to a vacant house in the village, which became their production center. This support from local governance structures proved instrumental in establishing their enterprise.

**Market Presence and Growth**

The group's market strategy focused on government-organized fairs and exhibitions that specifically provide platforms for SHG products. Their debut came at the 2022 Sakhi Mela and Vande Gujarat Exhibition in Vyara taluka, which ran for seven days. This initial success opened doors to numerous other opportunities.

Subsequently, the members participated in various events including festival sales organized by district authorities in Vyara and Songadh talukas, the 2023 Sarsa Mela in Surat district, and the 2024 Palas Parva in Vyara taluka. Each participation strengthened their market presence and brand recognition.

The guidance of Taluka Level Manager (TLM) Balwantbhai proved invaluable. He encouraged the women to participate in fairs and provided comprehensive information about these marketing opportunities. The members acknowledge that the mission's support staff at the taluka level offered crucial cooperation and encouragement during the challenging initial phase when questions about marketability loomed large.

**Financial Performance of the Spice Business**

The venture was initiated with a ₹50,000 loan from the VO. While income fluctuated, the business typically generated ₹10,000 to ₹15,000 monthly, ensuring each member earned at least ₹1,000 per month. Fair participation provided additional income streams, contributing significantly to the business's profitability.

**Diversification into Catering Services**

In 2022, the Spurs Foundation, a local organization, approached the group for tea and snacks catering services. Recognizing this as an expansion opportunity, the members decided to add catering to their business portfolio. The foundation's support proved transformative, initially ordering refreshments for all their meetings, which helped the women establish credibility.

This initial partnership led to orders from small programs and events within their villages. The Spurs Foundation further supported the business by gifting utensils for expansion. Additional equipment was purchased using profits from the spice and catering operations.

Kusumben (VO President) and Sunaben (VO Minister) emerged as key drivers of both enterprises. During periods of heavy workload, they engage other VO members as daily wage workers at ₹200 per day, creating additional employment opportunities within the collective.

**Millet Laddu Production: The Latest Addition**

January 2024 marked another milestone with the introduction of millet laddu production. The Spurs Foundation became their primary client, ordering 35 kg of laddus weekly for distribution to Anganwadi children. This initiative aligns with nutritional programs while providing steady income to the members.

The pricing structure reflects careful cost calculation. Each kilogram of laddus is priced at ₹290, generating monthly sales of ₹40,000 to ₹45,000. Production costs range from ₹20,000 to ₹25,000 monthly, yielding healthy profit margins. The group produces varieties using nagli (finger millet), corn, jowar (sorghum), and besan (gram flour).

All 10 core members participate in this enterprise, with each earning at least ₹5,000 monthly. The President emphasized their scientific approach to pricing, calculating all cost components before determining the final price for any product.







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**Socioeconomic Transformation**

- Financial Behavior and Inclusion

The impact on members' financial behavior has been profound. Ten out of 15 surveyed members reported no savings habit before joining, but all now save regularly. The remaining five members who previously saved report significant increases in their savings rates. Importantly, members now have access to a secure savings mechanism.

Before group membership, nine members borrowed from moneylenders at 5% monthly interest—an exploitative rate that trapped many in debt cycles. Post-membership, they access group credit at substantially lower rates, eliminating dependence on predatory lending sources. All 15 members confirmed that the group now fulfills their credit requirements for both minor and major needs, effectively solving their credit access problems.

The credit accessed from groups has primarily financed agriculture and animal husbandry activities, stabilizing and increasing income from these traditional occupations.

**Income and Employment**

Before joining, 14 of the 15 members depended solely on agriculture and animal husbandry, with one operating a grocery shop. After group membership, 10 members initiated new economic activities, reporting increased income and improved financial conditions. Previously, household income barely covered expenses with no surplus for savings. Now, supplementary income from spice-making and catering has created savings capacity alongside traditional farming income.

All 10 members engaged in the new enterprises confirmed income increases. Regarding financial autonomy, only eight members had independence in income and expenditure decisions before joining; now all 15 exercise this autonomy. Members particularly appreciate the freedom to utilize income from their entrepreneurial activities according to their own decisions. Ten members identified the creation of new employment opportunities as a direct benefit of group membership.

**Empowerment and Social Capital**

Seven members reported increased confidence in public speaking and initiating new economic ventures—crucial indicators of psychological empowerment. Members noted that their limited involvement in household decision-making when engaged only in agriculture has transformed. Their new enterprises, group loans, and financial contributions to families have elevated their participation in family decision-making processes. While members received respect within families before joining groups, they report notably increased respect after demonstrating entrepreneurial success and financial contribution.

**Skills and Knowledge Acquisition**

Ten members who had never entered a bank before joining learned essential banking operations including money transactions, loan applications, account opening, online payments, and debit card usage. This financial literacy represents a significant advancement in their capability to navigate formal financial systems. Political awareness and engagement also characterize this group, with members expressing support for increased women's political participation—suggesting consciousness beyond economic concerns.

**Recognition and Identity**

The President shared that group membership has provided them with a new identity—the entire village now refers to them as "Masalawali baheno" (the spice ladies). This recognition reflects their successful establishment of a distinct brand identity within their community. The President acknowledged the critical role played by mission employees and the Spurs Foundation in their entrepreneurial journey, emphasizing that external support combined with internal determination created their success story.

## Major Findings

**Liberation from Exploitative Credit Sources**

SHG membership dramatically reduced financial vulnerability. Nine of 15 members who previously borrowed from moneylenders at 5% monthly interest now access group credit at 2% monthly interest—a 60% reduction. Revolving funds (₹12,000 for six groups, ₹5,000 for one group) created a sustainable internal credit system, eliminating dependence on predatory lenders.

**Economic Diversification Through Collective Entrepreneurship**

Ten members transitioned from agriculture-only income to diversified livelihoods by establishing three enterprises: spice production, catering services, and millet laddu manufacturing. These ventures generate ₹6,000 to ₹20,000 monthly per member, reducing agricultural vulnerability while creating year-round employment through collective training, investment (₹50,000 VO loan), and market access.

**Economic Empowerment Catalyzing Social Agency**

Financial contribution transformed household dynamics. All 15 members now exercise autonomy over income decisions (up from eight pre-membership), with increased participation in household decision-making. Seven members reported enhanced confidence in public speaking and entrepreneurship. The community now recognizes them as "Masalawali Sheeshani" (spice ladies), reflecting their new entrepreneurial identity.

**Institutional Ecosystem as Success Enabler**

Success emerged from coordinated institutional support: RSETI provided training, the village Sarpanch facilitated production space, TLM offered market guidance, government programs enabled fair participation, and Spurs Foundation provided orders and equipment. This convergence demonstrates that women's collective action requires an enabling institutional environment for sustainable entrepreneurship.

**Financial Literacy and Banking Integration**

Ten members who had never entered a bank acquired comprehensive banking literacy including account management, loan applications, online payments, and debit card usage. This transformation from complete financial exclusion to confident formal system navigation within 3-4 years demonstrates SHGs function as capacity-building platforms bridging rural women to formal financial infrastructure.

## Conclusion

The Jhanvi Sakhi Mandal exemplifies how well-structured self-help groups can catalyze comprehensive socioeconomic transformation in rural areas. Beyond mere financial inclusion, these groups have enabled entrepreneurship, enhanced social capital, developed new skills, and fundamentally altered power dynamics within households and communities.

The convergence of government schemes (RSETI training, fair participation opportunities), local institutional support (village governance, Spurs Foundation), mission guidance (TLM support), and collective determination has created a replicable model for rural women's empowerment. The members' journey from agricultural laborers to recognized entrepreneurs—the "Masalawali Sheeshani"—demonstrates that with appropriate support structures and collective action, rural women can transcend traditional economic constraints and create sustainable livelihoods while maintaining dignity and autonomy.

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