



ROLE OF MICROFINANCE FOR THE EMPOWERMENT OF FISHERWOMEN IN PALGHAR DISTRICT

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Abstract:

In India, women play an important role in fish processing and marketing. This helps them to generate income to support their families. This research will help us to understand the problems and ways of empowerment of the fisherwomen in Palghar district with the help to micro – credit schemes. The methodology consists of five years of data on fish production, micro-credit, SHG growth, banking access, repayment, field visits, semi-structured interviews and observation at local markets. Results show a steady rise in fish production and more women joining Self-Help Groups. Banks reach more women now, and repayment rates are very strong. In spite of this there is a mismatch between fish production & formal credit. Field visits show that many women still rely on informal credit and use daily savings routines that aren't regulated. That makes it tough for them to save up and stand on their own. Increased microfinance outreach, digital payments, improved financial education, and credit solutions that adapt to the fluctuations of the fishing industry are all recommended by the study. These women's economic independence and resilience might be greatly increased by addressing these more significant financial obstacles and creating an inclusive financial system. Ultimately, the goal is to make coastal development more sustainable and to encourage women-led growth in the blue industry.

Keywords: *Microfinance, Fisherwomen, Socio-Economic Status, Financial Inclusion, Women Empowerment.*

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Introduction:

“Half of the world are women and other half are their children” Women constitute nearly half of world population hence their economic empowerment is crucial in achieving sustainable growth & development. Definitions of empowerment have become diluted to mean insignificant increases in individual income and self-confidence. In recent decades, there is a lot of increase in women's participation in economic activities. In districts such as

Palghar in Maharashtra, fishing and allied activities form a significant source of livelihood for many families. Fisherwomen are facing several challenges such as irregular income, limited access to institutional credit, as well as informal saving. Microfinance has emerged as an important tool for providing financial inclusion to women working in the informal sector. Through small loans, savings facilities, and group-based lending models, microfinance institutions and Self-Help Groups (SHGs) provide financial support



without requiring collateral. Access to microfinance enables fisherwomen to manage working capital, invest in basic equipment such as ice boxes, drying mats, and storage facilities, and reduce post-harvest losses. Beyond economic benefits, participation in microfinance and SHGs also enhances women's financial literacy, confidence, and decision-making power within households and communities. Therefore, microfinance can play a significant role in improving the socio-economic conditions and empowerment of fisherwomen, particularly in coastal regions like Palghar district.

Review of Literature:

Ashwini Pandhare Praveen Naik Bellampalli and Neelam Yadava (2024) examined the impact of microfinance and entrepreneurship among women participating in Self-Help Groups in rural area. The study found that access to microfinance significantly improves women's economic independence, social participation, and psychological confidence. The research concluded that microfinance and entrepreneurial activities together play an important role in promoting women's empowerment and improving their socio-economic status.

Nisha Bhatt Tiwari and Padam S. Bisht (2024) analysed the role of microfinance in women's empowerment in rural areas of the Himalayan region. According to the study, microfinance programs that offer small loans, savings possibilities, and financial literacy training help women become more financially independent and increase their involvement in activities that generate income. According to the study, microfinance improves women's social standing and financial security in rural areas.

Prasad H. K. (2024) conducted a secondary data study based on reports of National Bank for Agriculture and Rural Development to analyse the role of microfinance in women's empowerment in India. The study observed a steady increase in the number of Self-Help Groups,

credit disbursement, and women beneficiaries. The findings suggest that microfinance programs contribute significantly to financial inclusion, income generation, and economic empowerment of rural women.

Fredrick Kamau Gacheru (2025) conducted a global review on the contribution of microfinance to women's empowerment in developing countries. The study reviewed several empirical studies and found that women constitute a large proportion of microfinance borrowers because they demonstrate strong repayment behaviour and use credit for household welfare and small businesses. The study concluded that microfinance plays a crucial role in poverty reduction and women's socio-economic development.

Gagaring Pagalung and colleagues (2025) analysed the impact of microfinance on women-led micro enterprises. The study found that access to microfinance improved women's income, financial knowledge, and decision-making power within households and communities. The research concluded that microfinance has both economic and social benefits for women, strengthening their independence and confidence.

Statement of the Problem:

The community of traditional fishermen is a weaker segment of society. As a result, even if moneylenders, retailers, and middlemen demand exorbitant interest rates that exacerbate their financial situation, they mostly draw credit from them. They steer clear of bank loans and credits because they lack collateral security. As a result, a sizable portion of fisherwomen continue to operate outside of institutional finance. Low-income women can now receive small loans from microfinance institutions. However, the extent to which microfinance has improved the socio-economic status of fisherwomen requires systematic analysis. Therefore, the present study aims to examine the role of microfinance in improving the socio-



economic status of fisherwomen using secondary data sources and field visits.

Objectives of the Study:

1. To discuss the micro credit loan extended to fisherwomen community.
2. To examine how fisherwomen used the loan for their livelihood promotion
3. To examine the impact of microfinance on the income level of fisherwomen.
4. To study the contribution of microfinance in improving the socio-economic status of fisherwomen.

Hypothesis of the Study

- H0 (Null Hypothesis): Microfinance has no significant impact on the socio-economic status of fisherwomen.
- H1 (Alternative Hypothesis): Microfinance has a significant positive impact on the socio-economic status of fisherwomen.

Research Gap

- Several studies observed the role of microfinance in women's empowerment and poverty reduction.
- Most existing studies focus on rural women involved in agriculture, small businesses, or micro-enterprises.
- Limited research is available on women engaged in fisheries-related activities, especially fisherwomen involved in fish marketing and processing.

Findings and Interpretation:

Table 1: Fisherwomen Receiving Microfinance Loans in Palghar District (2019–2025)

YEAR	FISHERWOMEN BENEFICIARIES	Percentage Share
2019	520	10%
2020	590	12%
2021	670	14%
2022	760	16%
2023	880	18%
2024	960	20%
2025	1040	22%

- There is very little research focusing on the role of microfinance in improving the socio-economic status of fisherwomen in Palghar district.
- Therefore, the present study attempts to fill this gap by analysing how microfinance contributes to the financial inclusion and empowerment of fisherwomen.

Methodology:

This research uses a mixed-methods approach of descriptive and analytical research design to understand the role of microfinance in improving the socio-economic status of fisherwomen. This research mainly includes semi-structured interviews and direct observation with fisherwomen. The study also utilized secondary data collected for the period 2019 to 2025 was based on government records, journals and documents. The data relating to the number of fisherwomen receiving microfinance loans, loan distribution, income levels, purpose of loans, fisheries activities, and savings were assembled and arranged in tabular form and then analysis and interpretation was done using simple statistical tools such as percentage and graphical representation through pie charts to understand the trends and patterns of microfinance. This study focuses specifically on Palghar district, where fisheries-related activities provide a livelihood to many women, and aims to evaluate how microfinance makes a significant contribution to the economy.



The number of fisherwomen receiving microfinance loans increased steadily from 10% in 2019 to 22% in 2025. This indicates expansion of financial inclusion programs among fisherwomen. The increasing participation shows growing awareness and accessibility of microfinance services.

Table 2: Microfinance Loan Distribution to Fisherwomen (₹ Lakhs)

Year	Loan Amount (₹ Lakhs)	Percentage Share
2019	95	9%
2020	110	11%
2021	128	13%
2022	150	16%
2023	178	19%
2024	205	21%
2025	230	24%

Microfinance loan distribution increased from ₹95 lakhs in 2019 to ₹230 lakhs in 2025. This shows growing financial support for fisherwomen's economic activities. Higher loan availability enables fisherwomen to expand fish marketing, processing, and related businesses.

Table 3: Average Annual Income of Fisherwomen

Year	Average Income (₹)	Percentage Share
2019	78,000	10%
2020	84,000	11%
2021	92,000	13%
2022	1,05,000	15%
2023	1,18,000	17%
2024	1,30,000	18%
2025	1,45,000	21%

The average annual income increased from 10% in 2019 to 21% in 2025. This shows significant development in livelihood through microfinance. This rising income trend reflects positive socio-economic development among fisherwomen.

Table 4: Purpose of Microfinance Loans among Fisherwomen (2025 Survey)

Purpose of Loan	Number of Fisherwomen	Percentage
Fish vending business	420	36%
Fish processing & drying	300	26%
Purchase of fishing equipment	210	18%
Small retail business	150	13%
Household support	90	7%

36% loans are used for fish selling businesses, and 26% loans were used for fish processing and drying activities.

Table 5: Fisheries Activities Performed by Fisherwomen

Activity	Number of Fisherwomen	Percentage
Fish selling in markets	480	43%
Fish drying and processing	310	28%
Fish packaging and storage	200	18%
Fish transportation	120	11%

Most fisherwomen (43%) are engaged in fish selling activities in markets.

Around 28% participate in fish drying and processing work.

Table 6: Savings Behaviour of Fisherwomen after Joining Microfinance

Savings Level	Number of Fisherwomen	Percentage
Less than ₹10,000	240	24%
₹10,000 – ₹20,000	330	33%
₹20,000 – ₹30,000	260	26%
Above ₹30,000	180	17%

Interpretation:

1. The highest percentage (33%) of fisherwomen save between ₹10,000 and ₹20,000 annually.
2. Around 26% save between ₹20,000 and ₹30,000, indicating improved financial stability.
3. Microfinance programs have helped develop saving habits and financial security among fisherwomen.

Thus, microfinance has a positive impact on the socio-economic status of fisherwomen in Palghar district. This shows microfinance mainly supports income-generating fisheries activities

Table 7: Socio-Economic & Credit Indicators (Palghar District)

Indicator	2020-21	2021-22	2022-23	2023-24	2024-25
Fish Production (Tonnes)	21.45	45.20	82.10	112.50	138.54
Active Women SHGs	1,240	1,380	1,550	1,720	1,910
Avg. Micro-Credit Disbursed (₹)	12,000	18,000	25,000	34,000	42,000
% Women with Bank Accounts	62%	68%	75%	84%	91%
Repayment Rate (%)	92%	94%	95%	97%	98%

According to the data, fish production increased significantly in five years, from 21.45 tonnes to 138.54 tonnes. The production's computed Compound Annual Growth Rate (CAGR) of 59.3% reflects the need for services related to processing, storage, transportation, and marketing activities. In contrast, the average microcredit disbursement over the same period had a CAGR of 36.7%. the growth rate of financial support is far slower than the growth rate of production. This reflects the existence of a "credit gap" Over the course of five years, the number of active women's Self-Help Groups (SHGs) increased steadily from 1,240 to 1,910 and the number of women with bank accounts increased from 62% to 91%. The repayment percentage rose from 92% to 98% which indicates strong financial discipline.



Findings of the Study:

1. Fisherwomen now have better access to loans thanks to microfinance institutions.
2. Income-generating prospects have increased as a result of participation in microfinance programs.
3. Financial independence is better among fishermen who participate in microfinance programs.
4. Women's financial inclusion and saving practices are encouraged by microfinance initiatives.
5. Fisherwomen's social support networks are strengthened by self-help groups connected to microfinance institutions.

Discussion and Conclusion:

According to this study, many fishermen fall into the credit trap when they lease their gold ornaments to informal money lenders in order to get loans for their fishing businesses. Due to a shortage of funds, the study also reveals that many fishermen purchase fish from wholesalers on credit. This emphasizes how important entrepreneurial finance is. Therefore, a new empowerment vision for microfinance within the framework of macro and micro level tactics is required. Due to low financial and digital literacy, dependency on informal credit providers, lack of training, and limited awareness of government programs results into unreached credit delivery. The study emphasizes the government's role in developing a financial system through digital payment adoption, financial literacy initiatives, and adaptable lending arrangements in line with seasonal fishing cycles. The study concludes that microfinance plays an important role in improving the socio-economic status of fisherwomen. By providing access to financial resources, microfinance enables women to engage in income-generating activities and improve their livelihood.

Limitations of the Study:

1. The study is based only on secondary data and observation.

2. The findings are limited to Palghar district and may not represent all coastal regions.
3. Some data values are based on available estimates and published reports, which may vary across sources.

Scope of the Study:

1. Research can be conducted on the sources from where fisherwomen take loans.
2. Research can be conducted on the knowledge of fisherwomen about various government schemes.
3. Research can be conducted on the difficulties in the adoption of digital payment by fisherwomen.

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