



Microfinance as a catalyst for women's empowerment: An empirical study of JEEViKA self-help groups in Bihar, India

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Abstract

Women's empowerment has emerged as a central objective of development policy in developing economies, particularly in rural regions characterized by poverty, gender inequality, and limited financial access. Microfinance initiatives, especially those implemented through Self-Help Groups (SHGs), have been recognized as an effective instrument for enhancing women's socio-economic status. In India, the JEEViKA project—Bihar Rural Livelihoods Promotion Society—has played a transformative role in organizing rural women into SHGs and facilitating financial inclusion, livelihood generation, and social empowerment.

The present study empirically examines the role of microfinance provided through JEEViKA SHGs in empowering women in rural Bihar. Using primary data collected from women members across selected districts of Bihar, the study evaluates empowerment across four dimensions: economic, social, psychological, and decision-making empowerment. A structured questionnaire was administered to SHG members, and statistical tools such as descriptive analysis, correlation, and regression were applied.

The findings indicate that access to microfinance through JEEViKA significantly enhances women's income-generating capacity, financial autonomy, self-confidence, and participation in household and community-level decision-making. The study contributes to the literature by providing region-specific evidence on the effectiveness of state-supported SHG-based microfinance programs. Policy implications highlight the need for strengthening credit access, skill development, and institutional support to sustain women empowerment outcomes.

Keywords: Microfinance, women empowerment, JEEViKA, self-help groups, financial inclusion, Bihar

Introduction

Women constitute nearly half of India's population, yet their participation in economic and social decision-making remains disproportionately low, particularly in rural areas. Structural barriers such as poverty, illiteracy, lack of property rights, and restricted access to formal financial institutions have historically marginalized women from mainstream development processes. Recognizing this gap, microfinance has emerged as a powerful development strategy aimed at providing financial services to underserved populations, especially women.

Microfinance, when delivered through collective mechanisms such as Self-Help Groups (SHGs), not only facilitates access to credit and savings but also fosters solidarity, confidence, and social capital among women. In India, SHG-based microfinance has gained significant momentum, supported by government initiatives and development agencies.

In Bihar, one of India's economically backward states, the JEEViKA program has become a cornerstone of rural development and women empowerment. By mobilizing women into SHGs, promoting thrift and credit activities, and linking groups with banks and livelihood opportunities, JEEViKA seeks to create sustainable pathways out of poverty.

Despite the widespread implementation of JEEViKA, empirical studies examining its impact on multidimensional women empowerment remain limited. This study attempts to bridge this gap by systematically analyzing how microfinance under JEEViKA influences economic, social,

psychological, and decision-making empowerment of rural women in Bihar.

Review of Literature

1. Concept of Microfinance

Microfinance refers to the provision of financial services such as microcredit, savings, insurance, and remittances to low-income individuals who lack access to formal banking systems. The core philosophy of microfinance lies in enabling self-employment and income generation among the poor, particularly women.

Several studies have highlighted that microfinance, when combined with group-based lending models, reduces transaction costs, improves repayment rates, and enhances financial discipline among borrowers. SHGs serve as an effective intermediary by pooling savings, facilitating internal lending, and ensuring peer accountability.

2. Women Empowerment: A Multidimensional Perspective

Women empowerment is a multidimensional process involving economic independence, social recognition, psychological confidence, and participation in decision-making. It extends beyond income enhancement to include control over resources, mobility, leadership, and self-expression.

Researchers have emphasized that empowerment should be assessed not merely by financial indicators but also by changes in attitudes, self-esteem, and agency within households and communities.

3. Microfinance and Women Empowerment

A substantial body of literature suggests a positive relationship between microfinance participation and women empowerment. Access to credit enables women to start micro-enterprises, contribute to household income, and reduce dependence on male family members. Participation in SHGs also enhances social networks and collective bargaining power.

However, some studies caution that empowerment outcomes depend on contextual factors such as education, cultural norms, and institutional support. Therefore, region-specific empirical studies are essential to understand localized impacts.

4. JEEViKA and Rural Women in Bihar

JEEViKA has been widely acknowledged for its role in poverty alleviation and women mobilization in Bihar. Existing studies indicate improvements in income levels, savings behavior, and livelihood diversification among SHG members. Nonetheless, limited research has comprehensively examined empowerment across multiple dimensions using primary data.

Research Gap

While numerous studies have explored microfinance and women empowerment at the national level, there is a lack of empirical research focusing specifically on JEEViKA SHGs in Bihar. Moreover, most existing studies emphasize economic outcomes, neglecting social, psychological, and decision-making dimensions. This study addresses this gap by adopting a holistic empowerment framework.

Objectives of the Study

1. To examine the role of microfinance through JEEViKA SHGs in enhancing economic empowerment of women.
2. To assess the impact of SHG participation on social and psychological empowerment.
3. To analyze changes in women’s participation in household and community-level decision-making.
4. To propose policy recommendations for strengthening women empowerment through microfinance.

Conceptual Framework

The conceptual framework of the study is based on the premise that microfinance access through JEEViKA SHGs acts as an independent variable influencing women empowerment, the dependent variable.

Independent Variable

- Access to microcredit
- Savings behavior
- Training and capacity building
- Group participation and peer support

Intervening Factors

- Education level
- Duration of SHG membership
- Nature of livelihood activities

Dependent Variable: Women Empowerment

- **Economic Empowerment:** Income generation, savings, asset ownership
- **Social Empowerment:** Mobility, social recognition, participation in community activities

- **Psychological Empowerment:** Self-confidence, self-esteem, risk-taking ability
- **Decision-Making Empowerment:** Role in household financial and social decisions

Hypotheses of the Study

H1: Participation in JEEViKA SHGs has a significant positive impact on women’s economic empowerment.

H2: Microfinance access through JEEViKA SHGs positively influences women’s social empowerment.

H3: Participation in SHGs significantly enhances psychological empowerment of women.

H4: Women associated with JEEViKA SHGs demonstrate higher involvement in household and community decision-making.

H5: Duration of SHG membership is positively associated with overall women empowerment.

Research Methodology

1. Research Design

The study adopts a descriptive and analytical research design based on primary data.

2. Sampling

A multistage sampling technique was used. Selected districts with active JEEViKA SHGs were chosen, followed by random selection of SHGs and members. The sample comprised 300 women SHG members.

3. Data Collection

Primary data were collected through a structured questionnaire using a five-point Likert scale. Secondary data were obtained from reports, journals, and government publications.

4. Tools of Analysis

- Percentage analysis
- Mean and standard deviation
- Correlation analysis
- Multiple regression analysis

Results and Analysis

Variable	Mean	Std. Dev	Interpretation
Income Level	3.8	0.6	High
Savings Habit	4.1	0.5	Very High
Decision Making	3.9	0.7	High

Regression Analysis

Independent Variable: Microfinance Access
Dependent Variable: Women Empowerment $R^2 = 0.62$
 Significant at 5% level

Data Analysis and Interpretation

The analysis revealed significant improvement in women’s income, savings habits, and asset creation after joining SHGs. Respondents reported increased confidence in managing finances and participating in household decisions. Regression results confirmed that microfinance variables significantly predict empowerment outcomes.

Findings of the Study

- Majority of respondents reported increased income and financial independence.
- SHG participation enhanced social interaction and community recognition.

- Psychological empowerment was reflected in higher self-confidence and leadership skills.
- Decision-making power within households improved significantly.
- Longer SHG association led to higher empowerment levels.

Policy Implications

- Strengthening credit limits for mature SHGs.
- Integrating skill development with microfinance.
- Promoting digital financial literacy among rural women.
- Enhancing market linkage support for SHG products.

Conclusion

The study concludes that microfinance delivered through JEEViKA SHGs plays a vital role in empowering rural women in Bihar. Empowerment is not limited to economic gains but extends to social, psychological, and decision-making domains. Sustained institutional support and inclusive policy interventions can further amplify these outcomes, contributing to inclusive and sustainable rural development.

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