

The role of SHG in economic empowerment of Women: A Case Study Of Katihar District of Bihar

Priti Das

Research scholar

Patliputra University, Patna

E-mail-: pritidas363@gmail.com

Dr. Sangita Kumari

(Assistant Professor)

Department of economics

Collage of Commerce, Art & Science

Patliputra University, Patna

Pin- 800020

Abstract

Empowerment is most important for women's development when a woman is empowered, she raises her hand to save her life. The main aim of this study is the role of self-help groups in women's empowerment in the Katihar district of Bihar. For this study, 100 data are collected from the respondents of SHG beneficiary women through a questionnaire. The correlation method is used for data analysis and the data was analysed by MS Excel. The finding of this study shows that 49% of respondents are illiterate, only 51% of respondents are literate and most of the (90%) married respondent are involved in SHGs. The second finding show that that there was a positive relationship between the amount of loan and annual income of the respondents.

Key Word: *SHGs, Economic empowerment, microfinance, rural women*

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I. Introduction

Empowerment as a multidimensional process that is self-strength, self-control, self-power, self-reliance, own choice, life of dignity in accordance with one's values, capable of fighting for one's rights, independence, own decision making, being free, awakening and capacity building. It enables an individual to realize their full capacity, capability and powers in every walk of life. It means escalating one's authority and control over the resources and decision-making power that affects their lives and also freeing them from the constrains of irrelevant customs, beliefs and practices.

The Government of Bihar (GoB), Through the Bihar Rural Livelihoods Society (BRLPS), an autonomous body under the Department of Rural Development, is spearheading the World Bank aided Bihar Rural Livelihoods Project (BRLP), known as JEEVIKA in Bihar with the objective of social & economic empowerment of the rural poor.

The beginning of Jeevika was on 2nd OCT 2007. In The first phase it was started in 6 Districts 1. Madhubani 2. Muzaffarpur 3. Khagaria 4. Nalanda 5. Gaya and 6. Purnea. At present, almost all the districts are doing jeevika work. Total 10,69,958 SHG groups are working under the jeevika, 35,858 under Katihar District. Till date-06 dec 2023

Jeevika works through small groups which we know as a self-help group (SHGs) a group in which members collect money to meet their living needs especially in rural areas poor women are included in this group. Each group has 10-15 members, A group is not formed with less than 10 members and no more than 15 members, 12 members is a group considered best. When a group is formed all the 'Didi's' must be present in the group. There is a register of the group in which the date of formation of the group and the name of the group are written like – Radha, maa, Sita etc. Apart from this the names of all the sisters associated with the group are written and the signatures of the sisters are also there in the register. On the day the group is formed, all the 'Didi's' have to deposit Rs 10 in the group meeting held every week. the 'Didi's' associated with the group are given information related to loans, health information and benefits of joining the group and also all the 'Didi's' have to deposit Rs 10 in the weekly meeting and the village organization (VO) meeting. 10 rupees have to be deposited in each group

that has a president a treasurer, and a secretary. The money deposited in the group is given to the treasurer. Each group has a bank account, The money deposited in the group is deposited in the same bank account. If a 'Didi's' needs Money for any reason, then the money deposited in the bank is given to her for a fixed period at the rate of 1 percent interest rate. When Jeevika started a grant of Rs 80000 crore was given by the World Bank.

As per the guidelines of the Reserve Bank of India, NABARD each year since 2006-2007 publishes data on microfinance institution. This year 2022-2023, as reported 12 Public Sector Bank, 22 Private Sector Bank, 43 Regional Rural Bank, 34 State Cooperative Bank and 350 District Central Cooperative Bank, as also intervention by various agencies are included in this annual report.

Today has touched 16.23 crore household (14 crore families in the previous year) with 1.34 crore SHGs are credit linked. Bank loans outstanding as on 31 March 2023 was Rs 1.88 lakh crore, registering an average of Rs2.70 lakh per SHG which was Rs 2.24 lakh during 2021-2022. (Source-NABARD annual report 2023 (Status of microfinance in India 2022-2023))

II. REVIEW OF LITRATURE

Misal D.M has defined microfinance as an important tool for women empowerment and poverty alleviation. If used properly, it plays an important role in economic development. Apart from this, it helps in increasing income, empowering women and enhancing the skills of entrepreneurs. Sneha Gopikrishna has described microfinance as essential for development but cannot help in eradicating poverty.

Research studies conducted by Bandana Kumari Jain found that the use of microfinance services has helped empower women, savings services are significantly related to their decision-making in the family and availability of basic household needs. Microfinance services contribute to the socio-economic empowerment of women and the education of their children. Fwamba Rashid et. all also found that information is beneficial for women. Additionally, their thinking ability has increased due to their involvement in advisory services.

Venkatesh et.all has studied the role of SHGs in empowering rural women in which he found that women's income increased after joining SHGs and women repaid loans on time. Rahul Sarania has examined the effectiveness of SHGs on women of Assam in which he found that microfinance helps in increasing women's income as well as savings.

Sheena Jose has studied the impact of microfinance on women empowerment in which she found that microfinance has helped women in economic empowerment, social empowerment, political empowerment and self-empowerment. Poren and Wijekoon found in their research that microfinance has impacted the social and economic empowerment of rural poor women.

Dr. R. Radhika concluded in her research paper that microfinance is playing an important role in women's development and Mulla ji also found in his research that microfinance is playing an important role in women's development and microfinance also has an important role in rural development.

Ravi Ranjan has seen a negligible effect of microfinance in his research study. Many reasons have been seen for this such as women being uneducated, not participating in skill development programs. Apart from this, most women are interested in agriculture work, they have no interest in starting a new business. Shiviani Chaudhary also found in her research study that due to lack of education, people are more involved in agriculture work.

Objective of the study:

1. Identify the socio-economic profile of the SHG member in Katihar district.
2. To find out the income of the women after joining SHG.

III. Research Methodology:

The present article has been conducted in Katihar district of Bihar. In which the effects of microfinance program . The study has been done in two blocks of Katihar district in which 4 panchayats of two blocks have been selected by random sampling method and the data has been collected by going to the selected panchayats and through questionnaires.

The study is mainly based on primary data. Primary data have been collected from the field survey using questionnaire. percentage and average method have been used for data analysis.

FINDIND:

- i. The age wise classification of the SHGs member is given in table no 1 show that **most of the respondents in the age group of 30-40** and 31 percent of respondents in the age group of 20-30, Respondent in the group 20-30 are mostly engaged in household chores and child care, so their percentage is seen to be lower then age group 30-40. 20 percent respondents in the 40-50 age group and 10 percent respondents in the age group of 50-60.

Table 1 : age group of the respondent

Age group	No. of respondents	percentage
20-30	31	31%
30-40	39	39%
40-50	20	20%
50-60	10	10%
total	100	100%

Sources- field survey

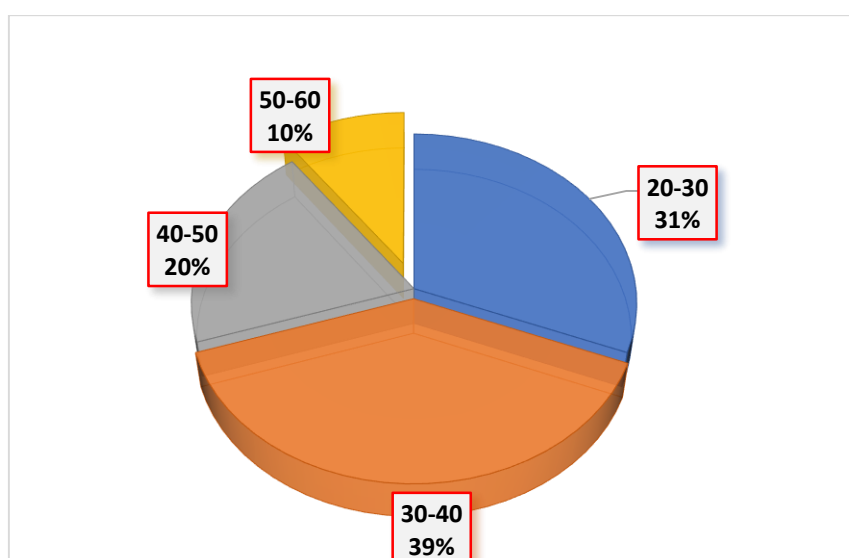


Table 2 show the education wise classification of the respondents. 49 percent of respondents are illiterate, and only 51 percent of respondents are literate, out of which 7 percent women are graduates, 26 percent of respond have complete secondary level and 18 percent of the respondent have completed just primary level.

Table 2 : Education status of the respondent

Education status	No. of respondent	percentage
illiterate	49	49%
0-5	18	18%
5-10	26	26%
Above 10	7	7%
	100	100%

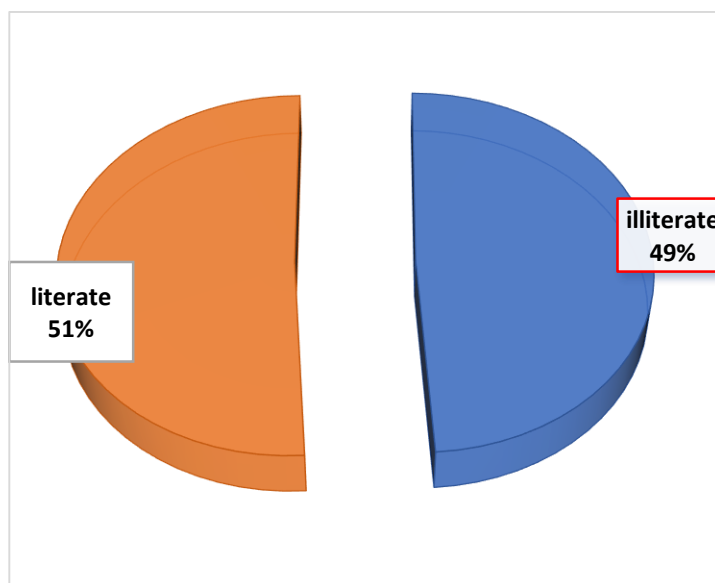
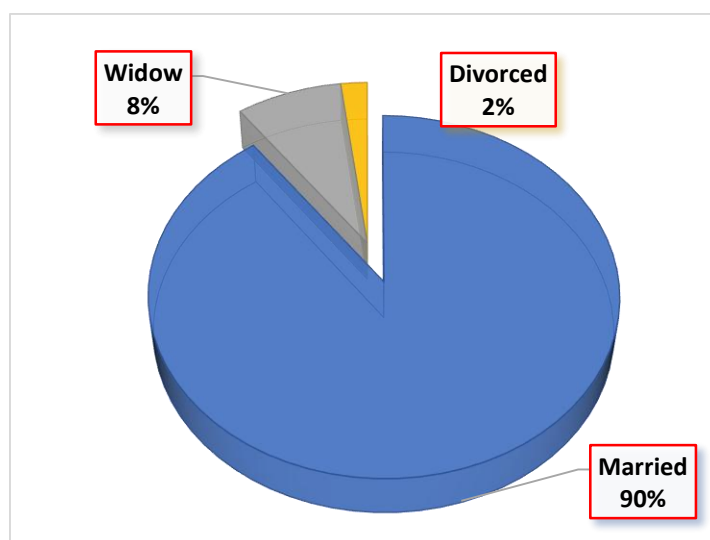


Table 3 show the married status of the respondents. 90 percent of respondents are married, 8 percent of respondent are widow and 2 percent of respondent are divorced. Table 3 show that SHGs have played a great role in the economic upliftment of married women in Katihar district. The programme is also important to the widow women.

Table 3 : marital status of the respondent

Marital status	No. of respondent	percentage
Married	90	90%
Unmarried	-	-
Widow	8	8%
Divorced	2	2%
Total	100	100%

Sources- field survey



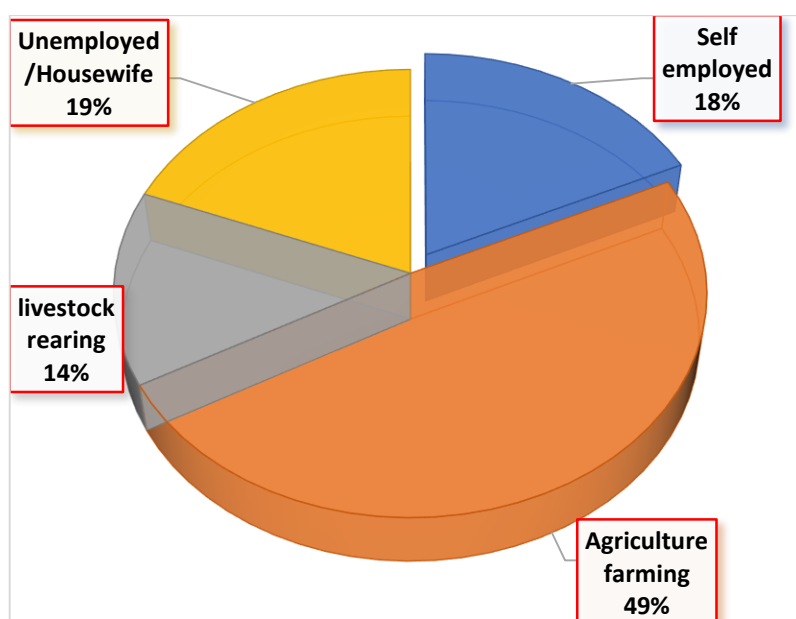
The profile of the respondents reveals that the majority belongs to the age group of 30-40, most of the respondents are literate, most of them are married.

Table 4 show the occupation of the respondents. 18 percent of the respondents are self-employed, 49 percent of the respondents are agriculture farming, 14 percent of the respondents are livestock rearing and 19 percent of the respondents are unemployed. The occupation-wise classification reveals that the SHG member are engaged in various self-employed activities such as Own shop and handloom. Most of the respondents involved in Agriculture farming.

Table 4 : Occupation of the respondent

Occupation	No. of respondent	Percentage
Self- employed	18	18%
Agriculture farming	49	49%
Livestock rearing	14	14%
Unemployed/Housewife	19	19%
Total	100	100%

Sources-filed survey



Empowerment of women is major problem in developing countries like India. The government of India has implemented various policies to empower women but the most affected policy is self-help group (SHGs). This paper judges the effectiveness of SHGs on economic empowerment.

Table 5 show the change of annual income level of the respondent before and after joining the SHGs. After joining the SHG respondents' annual income were increased but still, 24 percent of women are unemployed/Housewife.

Table 5 : Annual income of the respondent

Annual income	Before joining SHG		After joining SHG	
	No. of respondent	percentage	No. of respondent	percentage
Below 10000	29	29%	10	10%
10000-20000	12	12%	12	12%
20000-30000	8	8%	38	38%
Above 30000	1	1%	16	16%
total	50	50%	76	76%

Source- field survey

IV. Conclusion and recommendations:

The economic empowerment of women in developing countries is equally important as man. SHGs not only improved their economic condition but also helped in changing their social condition. Annual income of the respondents has increased after joining the SHG. But still, 24 percent of the respondents are unemployed/housewife and 49 percent of the respondents are illiterate. various training programme should be implemented to improve the education level and invest in various sector.

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