

Socio Economic Empowerment of Women through Self Help Groups and Microfinance: Empirical Evidence from Jharkhand, India

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Abstract:

Microfinance has played a significant role in development and gender equality strategies and microfinance delivery through SHGs has gained much consideration as a tool. In this paper, the impact of Self-Help Groups is analyzed on women empowerment in the state of Jharkhand. While the impact of microfinance on empowerment has been studied extensively in other parts of the country, merely a few quantitative studies have been conducted for the state of Jharkhand. In this study empowerment has been interpreted by identifying four economic and five social variables. Pre and post SHG period studies have been carried out for comparative analysis of the situation. Primary data has been collected from a sample of 270 SHG women members and respondent's views have been determined using a 5 point Likert scale. The study has been done using Factor analysis using rotated component matrix, Paired sample t test, Pearson correlation test etc. After interacting with the sample of the study, the positive relationship has been reported between involvement with SHGs and the socio economic empowerment of women.

Keywords: Microfinance, Self Help Group, Women Empowerment, Poverty, Financial Inclusion.

1. INTRODUCTION

1.1 Research Background

Microfinance is essentially a non-conventional form of banking having a social perspective. It has emerged through the concept that the underprivileged have the ability and willingness to pull themselves out of poverty if they have access to affordable funding (Sarumathi and Mohan, 2011). Both governmental and non-governmental agencies are involved in micro-financing initiatives (Aruna and Jyothirmayi, 2011). Access to credit facilities has gained attention in reference to poverty alleviation and empowerment to women (Swain and Wallentin, 2009).

Women are a significant proportion of beneficiaries. Traditionally, women were not part of the economic

development process. Since ages, they have been oppressed, deprived of capabilities, excluded socially and have been subjected to gender biases. (Patel, Chakravarty and Jha, 2019) Microfinance opens opportunities for women to undertake their new ventures (Sarumathi and Mohan, 2011). Women are more likely to utilize their loans for productive purposes hence having a 'trickle-down effect'. Poor men in rural areas tend to spend money on alcohol and other non-necessities. (Patel, Chakravarty and Jha, 2019). Microfinance helps in generating additional income for the women by providing them training, supply of raw material, marketing platforms, and investment or credits. A Self-Help Group is a voluntary association of 10 to 20 underprivileged members who pool their financial resources to avail credit from Banks: Microfinance Institutions etc. (Patel and Jha, 2017).

1.2 Research Problem

Earlier, the situation of women was worse as they were restricted to social boundaries with no participation in economic activities. Although rural women actively participated in agriculture and animal rearing, however, they were never included in the decision-making process. With the change in the circumstances, women involvement is observed in economic activities (Swain and Wallentin, 2009). In many parts of the country, micro financing has proved to be a tool for the economic empowerment of rural women (Sarumathi and Mohan, 2011). Therefore, a study evaluating the role of micro-financing on socio-economic upliftment of women is considered imperative.

1.3 Research Questions

The Research Questions formulated are as below:

1.3.1 Research question 1: Does participation in SHGs increase the woman's influence over economic resources and participation in economic decision making?

1.3.2 Research question 2: Does participation in SHGs influence the women access to resources and increased importance within the family?

1.3.3 Research question 3: Has participation in SHGs increased a woman's mobility, development of networks and interactions with other members of her group and community?

1.4 Research Objective

1.4.1 To assess the current socio-economic status of economically backward population of Jharkhand in terms of their lifestyle, savings, local modes of borrowing and interest rates.

1.4.2 To study the microfinance intervention relating to the functioning of SHGs, delivery of credit, group dynamics and problems faced.

1.4.3 To evaluate the impact of Microfinance on poverty alleviation, change in socio-economic conditions and empowerment of its SHG members through various economic and social impact variables identified.

1.5 Scope of the Study

The study presents the role played by the microfinance programmes in improving the socio-economic status of rural women of Jharkhand and its role in financial inclusion of the marginalized. The research is efficient in determining the relation between characteristics of microfinance and its impact on its women beneficiaries. The impact is examined on four economic and five social factors.

2. LITERATURE REVIEW

2.1 Overview of microfinance in India

To address the critical issues of development across the nation, microfinance has emerged as a critical strategy over the past few decades (Aruna and Jyothirmayi, 2011). Micro Financing is the financial services provided to the weaker section of society at an affordable rate. Instruments included in the financial services are insurance, loan facility, savings, to name a few. Microloans are made available to poor entrepreneurs who are not capable of taking a loan from banks and do not have any collateral. The explicit goal of microfinance is to empower women (Swain and Wallentin, 2009; Sarumathi and Mohan, 2011) as it is believed that investing in women enables them to make the best choices for themselves, which creates value and a significant contribution in the economic growth and development (Swain and Wallentin, 2009). Microfinance provides the backing to the women in financial terms to start their ventures and business. The financial support includes confidence to better their status and converting them into better decision-maker and inculcating gender equality in the economy (Sarumathi and Mohan, 2011). Communities have started looking at the women's empowerment as a prerequisite of economic development. Female participation in the economy has become a primary concern all over the globe (Aruna and Jyothirmayi, 2011).

2.2 Socio-economic status of the population of Jharkhand

The state of Jharkhand is bestowed with abundant resources and abundance of biodiversity, which are extended to 23605 km (Islam et al., 2015). The tribal of Jharkhand has a mutual relationship with the forests, which is inseparable (Singh and Quli, 2011). Jharkhand has wealthiest reserves of coal and iron in the world accompanied with mineral wealth. 33% of India's coal reserves are in Jharkhand. Still, it is third poorest state, with 36.96% of the population below

the poverty line (Planning Commission, 2011-12). Once, the forest was rich, but the deforestation has led to a decrease in forest land by 28%. The problem of unemployment and poverty is grave. People got engaged in the small activities like pottery, weaving, fishery, to name a few, to make their ends meet as agriculture was not enough. Therefore, micro-financing is an efficient tool to eradicate poverty.

Table 1 – Below Poverty Line data for Jharkhand State

| Sl No. | Year | Rural | | Urban | | Combined | |
|--------|-------------|---------------------------|--------------|---------------------------|--------------|---------------------------|--------------|
| | | No. of Persons (Thousand) | % of Persons | No. of Persons (Thousand) | % of Persons | No. of Persons (Thousand) | % of Persons |
| 1 | 2004 - 2005 | 11,620 | 51.6 | 1,600 | 23.8 | 13,210 | 45.3 |
| 2 | 2009 - 2010 | 10,220 | 41.6 | 2400 | 31.1 | 12,620 | 39.1 |
| 3 | 2011 - 2012 | 10,409 | 40.84 | 2,024 | 24.83 | 12,433 | 36.96 |

Source - Table 154 - Below Poverty Line, rbi.org.in updated on 15th September 2019

Table 2 - Progress of SHG's in Jharkhand

| Sl. No | Particulars | Commercial Banks | | Regional Rural Banks | | Cooperative Banks | | Total | |
|--------|---|------------------|-------------------|----------------------|-------------------|-------------------|-------------------|--------------|-------------------|
| | | No. of SHG's | Amount (Rs Lakhs) | No. of SHG's | Amount (Rs Lakhs) | No. of SHG's | Amount (Rs Lakhs) | No. of SHG's | Amount (Rs Lakhs) |
| 1 | Savings of SHG with Bank (as on 31st March 2019) | 1377 | 18877.62 | 9992 | 10785.41 | 936 | 56.24 | 2385 | 29719.27 |
| 2 | Bank Loans Disbursed (during 2018-2019) | 2700 | 18999.98 | 5994 | 8418 | 139 | 191.7 | 3313 | 27609.68 |
| 3 | Bank Loans Outstanding (as on 31st March, 2019) | 5539 | 31256.18 | 3510 | 15976.76 | 115 | 241.14 | 9061 | 47474.08 |

Source – NABARD Status of Microfinance in India (2018-19)

2.3 Microfinance and women empowerment

Micro-finance programmes aim to target women with the motive to empower them (Swain and

Wallentin, 2009). Study manifested by Sarkar and Baishya (2012), showed that MFIs resulted in an increase in the resources and improvement in the situations of the families of Assam. Decision-making

capacity has improved along with an increase in the participation rate, which indicates that more opportunities have been opened for the women. Improvement in the socio and economic situation is reported in the study of Gowda and Manjula (2012), by helping women to become a decision-maker after joining self-help groups. Bhardwaj and Gebrehiwot (2012) study indicated the same results. Study manifested by Sarumathi and Mohan (2011), recognized that SHGs and microfinancing had inculcated confidence, empowerment, and skill development among the women. The women are involved in social welfare and cooperation in economic development. Microfinance has proved to be a tool which improves the savings, income, and employment of tribal people through social empowerment has been limited for the beneficiaries (Krishnan and Silvi, 2011).

2.4 Role of microfinance in socio-economic upliftment

Empowerment of women is a process in which women can become organized to increase their reliance, rights to make decisions and controlling the resources in hand and eliminating their subordinates (Varghese, 2011). In the words of Duflo (2012), economic development and empowerment are related closely and need for the balance and equality between male and females is the requirement of the hour. A contradictory statement has been given by Husain, Mukerjee and Dutta (2012) that SHGs only attract those women who are active members and the women who need the assistance are majorly excluded.

2.5 Research Gap

From the existing literature it has been observed that studies related to impact of microfinance is skewed towards the western and southern states of India. No comprehensive impact study has been conducted for Jharkhand

3. RESEARCH HYPOTHESIS

H01: There is no significant difference in mean pre and post average annual income

H01: There is a significant difference in mean pre and post average annual income

H02: There is no significant difference in mean pre and post average annual family savings

H02: There is a significant difference in mean pre and post average annual family savings

H03: There is no significant difference in mean pre and post assets

H03: There is a significant difference in mean pre and post assets

H04: There is no significant difference in mean pre and post insurance

H04: There is a significant difference in mean pre and post insurance

4. RESEARCH METHODOLOGY

4.1 *Research Approach* – Quantitative research using 5-point Likert's scale

4.2 *Research Design* – Exploratory and Descriptive

4.3 *Data Collection* – Primary data was collected through structured questionnaire.

The impact assessment variables are divided into subcategories: four economic variables - annual income, savings, assets, insurance and five social variables - decision making, health care and immunization, empowerment, social networking, crisis management.

4.4 *Sampling Method* – In the present study, multi-stage judgmental sampling techniques have been used. The SHG members who have been with the group for at least a period of two years have been considered as sample respondents.

4.5 *Sample Size* - The sample size is 270 SHG members. Two districts from each division have been chosen based on penetration of microfinance activities, followed by selecting two blocks from each district. Afterwards, three SHGs have been chosen from each block. Lastly, five members have been selected from each SHG as the sample respondent.

4.6 *Rating scales used* – Scales used is 5-point Likert's scale

4.7 *Statistical Tools* - Factor analysis using rotated component matrix, paired sample t test, Pearson correlation test.

5. DATA ANALYSIS AND INTERPRETATION

5.1 Demographic description

Majority of the sample in the study belonged to the age group of 31-40 years, and 86.3% were married. 63% of the respondents were Hindus followed by 16% Christians. Most of the respondents had only a primary level of education, and three percent were illiterate. Agriculture is seen as a significant source of income among the respondents. Monthly income was approximately 10,000 per month in most of the sample.

5.2 Information about Microfinance

Majority of the SHG's constituted of 10-20 members. Cumulative of 85% of the respondents had an outstanding loan of 40,000. SHGs are a favorite source of loan among the sample. SHGs help provide credit facility, social security, meeting family expenses, and savings facility. The credit has been taken with the motive to create income for self and family. The rate of interest on loans is mostly in the range of 20 to 30 percent. Appropriate action is taken against the defaulters by SHGs. The group meeting is made every week, and partial involvement is allowed to all the members. Only 10% were represented position holders in the sample, and the rest were ordinary members. SHGs are taking the initiative to provide vocational training.

5.3 Impact Assessment Variables

The study has examined the assessment variables at the economic and social level. A pre and post study has been conducted.

Following provide the analysis of economic variables:

Average annual savings pre SHGs was less than 5000 for most respondents. It was observed that savings increased in the post SHG period, 33.3% stated savings more than 5000 and 29% stated increased in savings to 15,000 and above. 37% of the respondents reported a high increase in their assets. Post SHG and 26% noted a rise in the same context. Majority of the sample stated that they had no insurance pre SHGs, but growth in the crop and livestock insurance is observed post SHGs.

Analysis of social variables is discussed below:

Improvement in the usage of borrowed money is reported. The membership in SHG's has an influence in decision making regarding education of children. A massive 74% of respondents stated growth in the strength to protest social evils. Similarly, SHG membership led to advances in the healthcare category. An improvement was marked in the immunization of children below the age of 10 and sanitation facility. But no change is observed in the safe drinking water facility parameter. There was also a reduction in the case of domestic violence. Also, no change is noted in the purchase of household items independently.

After joining SHGs, 49% of respondents remarked, that respect in society has increased along with interaction with outsiders. 35% stated that there was no change in interaction with the bank officials. 59.6% of the sample reported that the usage of mobile phones has greatly improved. The sample reported improvement in the confidence to face crisis situations.

5.4 Factor Analysis

Table 3 : Component Matrix^a

| Component | | | | |
|-----------|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |

| | | | | | |
|--|------|-------|-------|-------|-------|
| Use of Borrowed Money | .362 | .525 | -.282 | .163 | .154 |
| Education of Children | .403 | .588 | -.305 | .276 | -.074 |
| Strength to protest against social evils | .474 | .606 | -.324 | .263 | .025 |
| Immunisation to children below Age of 10 | .646 | .062 | -.013 | -.337 | -.305 |
| Improved Sanitation | .636 | .049 | .174 | -.167 | -.370 |
| Safe Drinking Water | .624 | -.143 | -.018 | -.247 | -.488 |
| Change in Domestic Violence | .478 | -.576 | -.284 | .248 | .153 |
| Purchase of major household items independently | .600 | -.525 | -.159 | .265 | .187 |
| Respect in society has changed after being part of a group | .603 | -.472 | -.239 | .167 | .063 |
| Interaction with Outsiders | .553 | .110 | .152 | -.188 | .401 |
| Ease of interaction with Bank Officials | .341 | .155 | .285 | -.340 | .522 |
| Use of Mobile Phones | .548 | .078 | .341 | -.293 | .218 |
| Confidence to face crisis | .259 | .070 | .671 | .458 | -.166 |
| In a position to help others during financial crisis | .163 | .026 | .745 | .411 | -.004 |

Extraction Method: Principal Component Analysis.

a. 5 components extracted.

Table 4: Rotated Component Matrix^a

| | Component | | | | |
|---|-------------|-------------|-------------|-------|-------|
| | 1 | 2 | 3 | 4 | 5 |
| Use of Borrowed Money | .022 | .710 | .015 | .166 | -.056 |
| Education of Children | -.001 | .813 | .146 | -.022 | .031 |
| Strength to protest against social evils | .047 | .862 | .124 | .079 | .010 |
| Immunisation to children below Age of 10 | .109 | .160 | .733 | .225 | -.056 |
| Improved Sanitation | .102 | .131 | .714 | .162 | .196 |
| Safe Drinking Water | .228 | .028 | .810 | .018 | .002 |
| Change in Domestic Violence | .848 | -.012 | .070 | .011 | -.046 |
| Purchase of major household items independently | .852 | .030 | .121 | .130 | .080 |

| | | | | | |
|--|-------|-------|-------|------|-------|
| Respect in society has changed after being part of a group | .780 | .058 | .242 | .071 | -.020 |
| Interaction with Outsiders | .188 | .187 | .145 | .666 | .056 |
| Ease of interaction with Bank Officials | -.023 | .030 | .006 | .779 | .023 |
| Use of Mobile Phones | .070 | .034 | .324 | .647 | .164 |
| Confidence to face crisis | .014 | .043 | .124 | .034 | .861 |
| In a position to help others during financial crisis | -.011 | -.066 | -.018 | .144 | .852 |

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

The rotated component matrix, at times referred to as the loadings, shows the key output of principal components analysis. It contains the estimates of correlations between each of the identified variables and the estimated components.

5.5 Correlation Matrix – Impact Variables

The correlation matrix is applied to examine the correlation between the five social impact variables. Table 5 indicates that all impact variables, decision

making, health, empowerment, social communication, and crisis management have positive relationships among themselves. Among decision making and crisis management, no correlation is observed.

Table 5: Correlations among Impact Variables

| | | Decision Making | Health | Empowerment | Social Communication | Crisis Management |
|-----------------|---------------------|-----------------|--------|-------------|----------------------|-------------------|
| Decision Making | Pearson Correlation | 1 | .265** | .086 | .225** | -.001 |
| | Sig. | | .000 | .154 | .000 | .984 |
| Health | Pearson Correlation | .265** | 1 | .360** | .584** | .140* |
| | Sig. | .000 | | .000 | .000 | .020 |
| Empowerment | Pearson Correlation | .086 | .360** | 1 | .219** | .022 |

| | | | | | | |
|----------------------|---------------------|--------|--------|--------|--------|--------|
| | Sig. | .154 | .000 | | .000 | .711 |
| Social Communication | Pearson Correlation | .225** | .584** | .219** | 1 | .207** |
| | Sig. | .000 | .000 | .000 | | .001 |
| Crisis Management | Pearson Correlation | -.001 | .140* | .022 | .207** | 1 |
| | Sig. | .984 | .020 | .711 | .001 | |

** . Correlation is significant at the 0.01 level (2-tailed).

5.6 Testing of Hypothesis

H₀: There is no significant difference in mean pre and post average annual income

H_a: There is a significant difference in mean pre and post average annual income

Table 6 : Paired Sample Statistics

| | Mean | N | Std. Deviation | Std. Error Mean |
|-----------------------------------|-------|-----|----------------|-----------------|
| Pair 1 Average Annual income -pre | 2.652 | 270 | .8476 | .0516 |
| Average Annual income post | 3.396 | 270 | 1.0500 | .0639 |

Table 7 : Paired Samples Correlations

| | N | Correlation | Sig. |
|--|-----|-------------|------|
| Pair 1 Average Annual income -pre & Average Annual income post | 270 | .786 | .000 |

Table 8: Paired Samples Test (Impact on annual income pre and post SHGs)

| Paired Differences | t | df | Sig. (2- |
|--------------------|---|----|----------|
|--------------------|---|----|----------|

| | Mean | Std. Deviation | Std. Error Mean | 95% Confidence Interval of the Difference | | | | tailed) | |
|--|---------|----------------|-----------------|---|--------|---------|-----|---------|--|
| | | | | Lower | Upper | | | | |
| Pair Average 1 Annual income -pre Average Annual income post | -1.7444 | .6492 | .0395 | -.8222 | -.6667 | -18.843 | 269 | .000 | |

Highly significant difference in the average annual income of women SHG members was found before and after joining SHG ($t = -18.843$, $p < 0.001$). The average annual income of women SHG members before joining SHG was 2.62 which have increased to 3.396 after joining SHG. Therefore we reject null hypothesis and accept alternative hypothesis.

H0₂: There is no significant difference in mean pre and post average annual family savings
Ha₂: There is a significant difference in mean pre and post average annual family savings

Table 9 : Paired Samples Statistics

| | | | | Mean | N | Std. Deviation | Std. Error Mean |
|--------|----------------------|---------------|--|-------|-----|----------------|-----------------|
| Pair 1 | Average Savings pre | Annual Family | | 2.204 | 270 | 1.1106 | .0676 |
| | Average Savings post | Annual Family | | 3.530 | 270 | 1.4445 | .0879 |

Table 10 : Paired Samples Correlations

| | | | | N | Correlation | Sig. |
|--------|--|--|--|-----|-------------|------|
| Pair 1 | Average Savings pre & Annual Family Savings post | | | 270 | .792 | .000 |

Table 11 : Paired Samples Test (impact on savings pre and post SHGs)

| | Paired Differences | | | | t | df | Sig. (2-tailed) |
|--|--------------------|----------------|-----------------|---|---|----|-----------------|
| | Mean | Std. Deviation | Std. Error Mean | 95% Confidence Interval of the Difference | | | |

| | | | | Difference | | | | |
|--------|-------------------------------------|--------|-------|------------|---------|---------|------------|------|
| | | | | Lower | Upper | | | |
| Pair 1 | Annual Family Savings pre - Average | 1.3259 | .8821 | .0537 | -1.4316 | -1.2202 | -24.699269 | .000 |
| | Annual Family Savings post | | | | | | | |

Highly significant difference in the average annual family savings of SHG members was found before and after joining SHG ($t = -24.699$, $p < 0.001$). The average annual income of family savings SHG members before joining SHG was 2.20 which has increased to 3.5 after joining SHG. Therefore we

reject null hypothesis and accept alternative hypothesis.

H₀₃ : There is no significant difference in mean pre and post assets

H_{a3} : There is a significant difference in mean pre and post assets

Table 12 : Paired Samples Statistics

| | | Mean | N | Std. Deviation | Std. Error Mean |
|--------|-------------|--------|-----|----------------|-----------------|
| Pair 1 | Assets pre | 2.289 | 270 | .9356 | .0569 |
| | Assets post | 2.0259 | 270 | .92229 | .05613 |

Table 13 : Paired Samples Correlations

| | | N | Correlation | Sig. |
|--------|--------------------------|-----|-------------|------|
| Pair 1 | Assets pre & assets post | 270 | .482 | .000 |

Table 14 : Paired Samples Test (Impact on assets pre and post SHGs)

| | Paired Differences | | | | t | df | Sig. (2-tailed) |
|--|--------------------|----------------|-----------------|---|---|----|-----------------|
| | Mean | Std. Deviation | Std. Error Mean | 95% Confidence Interval of the Difference | | | |
| | | | | | | | |

| | | | | Lower | Upper | | | | |
|--------|--------------------------|--------|---------|--------|--------|--------|-------|-----|------|
| Pair 1 | Assets pre – assets post | .26296 | 1.25892 | .07662 | .11212 | .41380 | 3.432 | 269 | .001 |

Highly significant difference in the assets of SHG members was found before and after joining SHG ($t = 3.432$, $p < 0.001$). The assets of SHG members before joining SHG was 2.2 which has decreased to 2.0 after joining SHG which shows improvement in overall assets of the people using SHG. Therefore we

reject null hypothesis and accept alternative hypothesis.

H0₄: There is no significant difference in mean pre and post insurance

H_{a4}: There is a significant difference in mean pre and post insurance

Table 15 : Paired Samples Statistics

| | Mean | N | Std. Deviation | Std. Error Mean |
|----------------------|-------|-----|----------------|-----------------|
| Pair 1 Insurance pre | .833 | 270 | 1.3977 | .0851 |
| Insurance post | 1.552 | 270 | 1.6437 | .1000 |

Table 16 : Paired Samples Correlations

| | N | Correlation | Sig. |
|---------------------------------------|-----|-------------|------|
| Pair 1 Insurance pre & Insurance post | 270 | .299 | .000 |

Table 17 : Paired Samples Test (impact on insurance pre and post SHGs)

| | Paired Differences | | | | | t | df | Sig. (2-tailed) |
|---------------------------------------|--------------------|----------------|-----------------|---|--------|--------|-----|-----------------|
| | Mean | Std. Deviation | Std. Error Mean | 95% Confidence Interval of the Difference | | | | |
| | | | | Lower | Upper | | | |
| Pair Insurance pre 1 - Insurance post | -.7185 | 1.8114 | .1102 | -.9356 | -.5015 | -6.518 | 269 | .000 |

Highly significant difference in the insurance of SHG members was found before and after joining SHG ($t = -6.51$, $p < 0.001$). The insurance of SHG members before joining SHG was 0.833 which has increased to 1.552 after joining SHG. Therefore we reject null hypothesis and accept alternative hypothesis.

Four problem areas regarding working of SHG's were identified. These were classified as credit related problems, operational problems, training related problems and marketing problems. Each problem area was further sub categorized into the below subcategories.

Table 18 : Problems Related to SHG Functioning

| SL No. | Category | Subcategory |
|--------|----------------------------|---|
| | | |
| 1 | Credit Related Problems | Limited borrowing capacity from banks |
| | | Utilization of loan for unproductive purposes by borrowers |
| | | Assessment of member borrowers is time consuming and expensive |
| | | Borrowing of multiple loans by borrowers |
| 2 | Operational Problems | Lack of cooperation and teamwork between members |
| | | Reluctance of members to regularly contribute to savings |
| | | Absence of leadership skills among the office bearers |
| | | Inadequate attendance of members in meetings |
| 3 | Marketing Related Problems | Problem of agents / middlemen |
| | | Lack of marketing skills |
| | | Lack of consistency in quality / non standardized product |
| 4 | Training Related Problems | Shortage of funds for conducting training |
| | | Failure to organize training according to priority |
| | | Poor response from NGO/promoting agency to conduct timely trainings |
| | | Poor response from member to participate in trainings |

Table 19: Correlation matrix - Problems related to SHG

| | | Credit problems | Operational problems | Training problems | Marketing problems |
|-------------------------|---------------------|-----------------|----------------------|-------------------|--------------------|
| Credit related problems | Pearson Correlation | 1 | .349** | .058 | .009 |
| | Sig. (2-tailed) | | .000 | .335 | .878 |
| | N | 274 | 274 | 274 | 274 |
| Operational problem | Pearson Correlation | .349** | 1 | .110 | .071 |
| | Sig. (2-tailed) | .000 | | .069 | .237 |
| | N | 274 | 275 | 275 | 275 |
| Training problem | Pearson Correlation | .058 | .110 | 1 | .160** |
| | Sig. (2-tailed) | .335 | .069 | | .008 |
| | N | 274 | 275 | 275 | 275 |
| Marketing problem | Pearson Correlation | .009 | .071 | .160** | 1 |
| | Sig. (2-tailed) | .878 | .237 | .008 | |
| | N | 274 | 275 | 275 | 275 |

****.** Correlation is significant at the 0.01 level (2-tailed).

Correlation among the problems of SHGs is also laid down. A positive correlation exists among credit, operational, training and marketing issues. And, a high correlation is reported among the credit and operational problem, that is, 0.749

6. RESULTS AND DISCUSSIONS

The study was undertaken to evaluate the role of micro-finance in the socio-economic upliftment of economically weaker women of Jharkhand. After conducting the statistical analysis it can be concluded that all the alternate hypothesis formulated are accepted and rejection of the null hypothesis in the study, which suggests that micro-financing plays a significant role in improving the living standards of rural women in Jharkhand. Moreover, microfinance has resulted in women empowerment and has simultaneously contributed to their economic and social upliftment. It can be well observed that there is a transformation and empowerment of the marginalized women. They have become financially independent which enables them to take important decisions independently. There are some problems related to working of SHG's. These have been categorized into four different categories and fifteen subcategories. These problems need to be addressed in depth and these hinder the success of the program. Significance and correlation among the credit management, operation, training, and marketing problem were observed in SHGs of Jharkhand. Proper training needs to be conducted for the members of the SHG's. Also mentoring of the mentors is an essential prerequisite of the program. The bankers, NGO facilitators need to be sensitized towards the poor. They need to look beyond their routine work and address the issues of these underprivileged in an empathetic manner.

Study manifested by Aruna and Jyothirmayi (2011), also indicated that the microfinancing had a positive impact on the socio-economic development and women empowerment in Hyderabad. Loomba (2014) stated after analyzing three big SHGs of India that participation in SHGs led to the psychological, social and economic empowerment of women.

Research by Kapila, Singla and Gupta (2016) indicated that microfinance had improved income, decision making, and empowerment in the district of Punjab. The present study suggests the same for the state of Jharkhand. Microfinance and SHGs are key interventions which have resulted in the economic and social empowerment of women.

7. CONCLUSION AND DIRECTION OF FUTURE WORK

The research questions assessed the role of SHG in influencing socio-economic upliftment. After discussion of the statistical analysis, the study concludes that with the involvement in the SHG's and micro-financing facility, economically weaker women of Jharkhand had uplifted their socio-economic status about their income, assets, savings, insurance, decision-making capabilities, health, empowerment, communication and crisis management. The program has also brought about discipline among its beneficiaries with regards to savings and expenditure. The present study reiterates the notion that microfinance through SHG's has contributed in the upliftment of the downtrodden. However, some drawbacks observed were high rates of interest, multiple memberships in microfinance programs and diversion of loans for consumption purpose. The women are aware of the facilities provided by the micro-financing but reported lack in the proper training facility, a problem arising due to interference of middlemen, marketing skills, promotion of products, proper help from agencies and shortage of funds in the training section. However here it should be noted that provision of credit is not the solution to all problems. The promoting agencies and all stakeholders need to work in cohesion and remove the obstacles identified.

Due to paucity of time this study focused on few identified economic and social variables. Similar studies in future can be conducted on a comprehensive set of economic and social variables. Also inter region comparative impact studies can be carried out to determine the effectiveness of the program.

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