



E-ISSN: 2706-8927
P-ISSN: 2706-8919
www.allstudyjournal.com
IJAAS 2024; 6(10): 46-51
Received: 23-08-2024
Accepted: 27-09-2024

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Impact of self-help group on socio-economic status of women: An empirical study of Jehanabad District of Bihar

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DOI: <https://doi.org/10.33545/27068919.2024.v6.i10a.1357>

Abstract

In developing countries, women are pivotal as risk managers and drivers of development, particularly in regions of severe poverty. In Bihar SHG is a great platform for poverty alleviation under the umbrella of the National Rural Livelihood Mission (NRLM) of the government of India and in Bihar as Bihar Rural Livelihood Promotion Society (BRLPS) locally known as JEEVIKA. The present cross-sectional study aims to find the socio-economic status of women after joining SHGs and comparative analyses with non-SHG women. A total of 600 samples (300 SHGs and 300 non-SHGs) were collected by random sampling method from two blocks of Jehanabad District of Bihar-Kako and Makhdumpur respectively new and old blocks in respect of SHG formation through a combination of semi-structured interview schedules. Collected data were statistically analyzed by IBM SPSS 2020. More than 90 percent of respondents were from matured SHGs with a life span of more than two years and they were involved in interloaning bank linkages, and many more implementations with government entitlements. All SHGs and individual members have their accounts in Banks and SHGs also have credit linkages with banks. Nearly 90 percent of women had taken various amounts as loans. The loan was majorly taken for Business /entrepreneurship development followed by children's education and, the daughter's marriage. In comparison to SHG, more than 80 percent of non-SHG women did not have any financial stability and only a few percent of women have investments and loans from banks/post offices, moneylenders, and other financial institutions.

Keywords: Self-help group, rural women, socioeconomic, livelihood, development

Introductions

The Self-Help Group (SHG) was conceived as a grassroots initiative started over 30 years ago with a direct tie to microfinance with the goal of holistic development of the community. In India SHG formation mandate was universalized by the National Rural Livelihood Mission (NRLM), Government of India in 2011, and in Bihar, SHG is flourishing under the umbrella of Bihar Rural Livelihood Promotion Society (BRLPS) locally known as JEEVIKA, an autonomous body under the Rural Development Department of the Government of Bihar with the objective of social and economic empowerment of rural poor. Self Help Group a community-based organization plying is a pivotal strength in the direction of women's empowerment. More than 40 percent of SHG women started some business in both blocks.

Diverging significantly from conventional programs, women's SHGs emerge as a potent strategy for addressing poverty, fostering women's development, and engendering social empowerment. These groups not only elevate the status of women as active decision-makers and beneficiaries across democratic, economic, social, and cultural domains but also instill a heightened awareness among women members, propelling them to play an integral role in the socio-economic progress of rural India. On the social front, the study demonstrates that SHG membership has contributed to the development of social networks and support systems among women. These groups have provided platforms for collective decision-making, skills development, and knowledge-sharing, fostering a sense of empowerment and community.

The instrumental role of SHGs in facilitating access to financial services, promoting entrepreneurship, and alleviating poverty.

Furthermore, it delves into the transformative impact of SHGs on skill development, community cohesion, and the implementation of government initiatives. By analyzing the collective efforts of SHGs, this research provides valuable insights into the mechanisms that underpin their effectiveness in bolstering India's socio-economic landscape (Dokku SR, *et al*, 2023) ^[6].

Objectives of the study

1. To study the economic impact of self-help groups on women in Bihar.
2. To assess the role of self-help groups in the socio-economic empowerment of rural women in Bihar.

Methodology

This cross-sectional research was conducted by descriptive research methodology in two blocks of Jehanabad District of Bihar-Kako and Makhdumpur respectively new and old blocks in respect of SHG formation. A total of 600 samples were collected from two blocks of Jehanabad district

through a combination of semi-structured interview schedules. Three hundred samples collected from Kako block (75 SHG and 75 Non-SHG from both Kali than and Ramnagar revenue villages of Kako) and 300 from Makhdumpur (75 SHG and 75 Non-SHG from both Mohanbagicha and Bandeya revenue villages of Makhdumpur) by purposive random sampling following Yamen's formula in 2023. Data were statistically analyzed by IBM SPSS 2020.

Result and Discussion

Respondent women in Makhdumpur blocks were selected from 11 SHGs of Mohanbagicha and Bandeya revenue villages majorly from Ranju SHG (17%) and minimum from Tez SHG (1%) (Chart 1). In Kako block respondents were selected from various SHGs of both Kali Sthan and Ramnagar revenue villages and the majority of them were from Tez SHG and Shivguru SHG(16%) and only 8 percent from Sundari SHG (Chart 2).

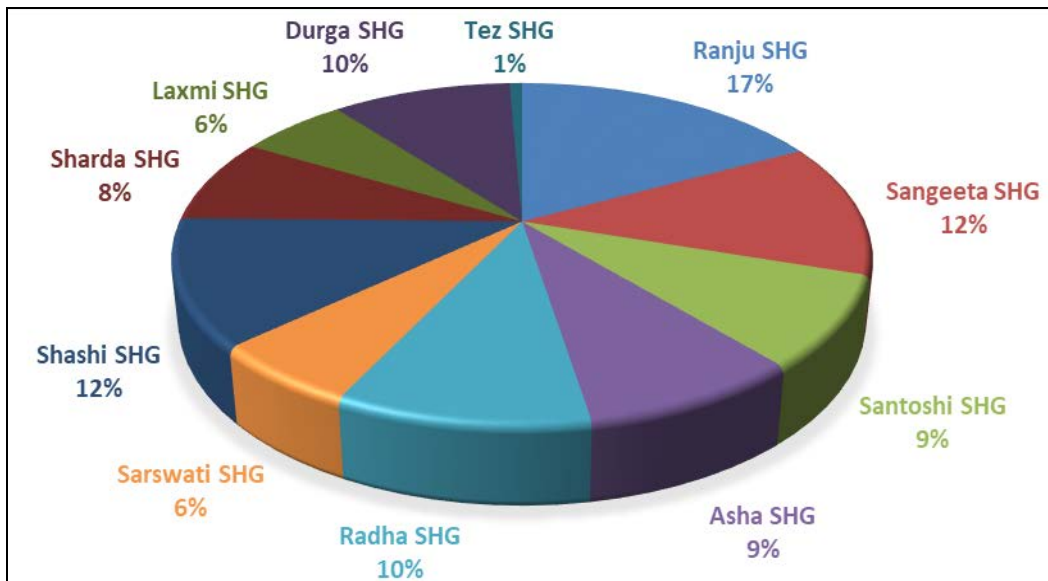


Chart 1: Respondents from varous SHG in Makhdumpur block (N=150)

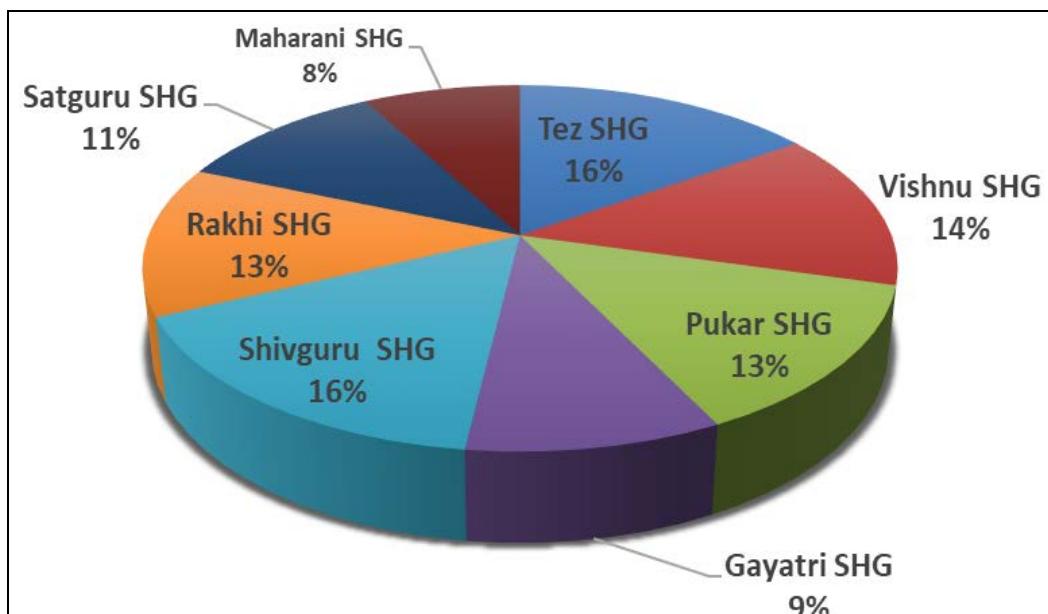


Chart 2: Respondents from varous SHG in Kako block (N=150)

Women of both blocks were members of various SHGs from different time spans. In Makhdumpur only 5.3 percent of women were members of SHGs that were formed within one year but 94.7% of women were from more than two years old SHGs and the same pattern was also found in Kako block, only 2.7 percent women from less than one-

year-old SHGs and remaining from more than 2-year-old SHGs (Chart 3) This reflects that majority of women were a member of mature SHGs those were enriched with various implementation and financial activities such as inter loaning, bank linkages and many other implementations.

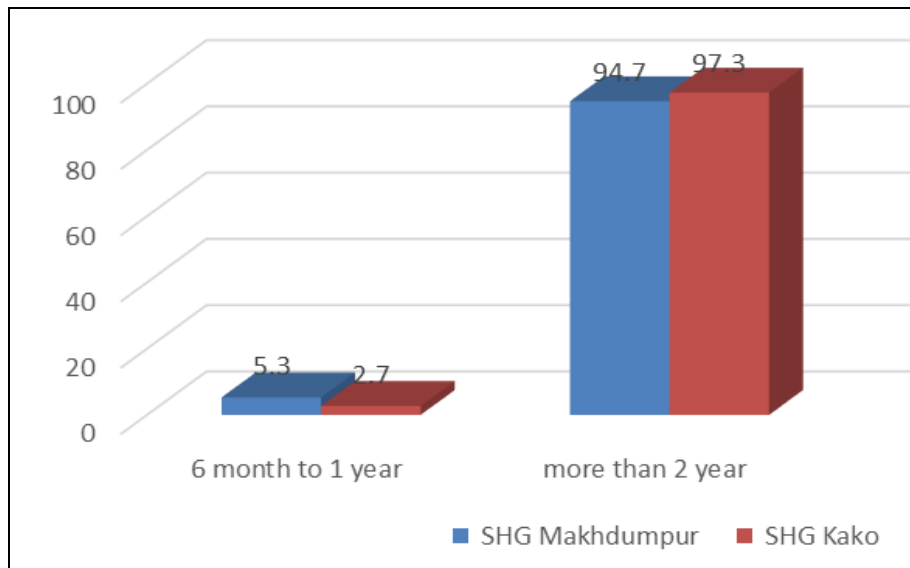


Chart 3: Duration of SHG membership (N=300)

As per the Survey report of SHG members after interview the main goal of the majority (52.7% in Makhdumpur and 50.7% in Kako) behind their joining of SHG was to improve

their livelihood followed by improvement in nutrition and education and improve their financial condition (Chart 4).

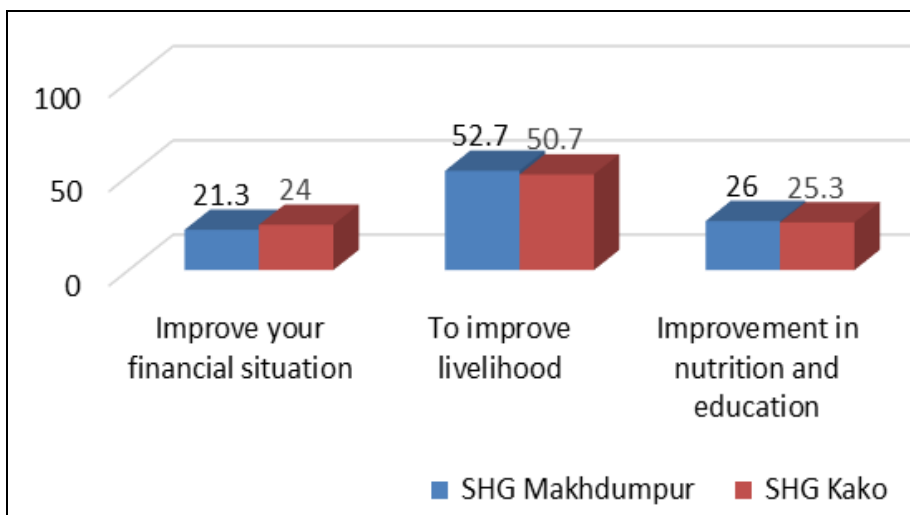


Chart 4: Objective behind joining SHG (N=300)

The majority of Women of both blocks took a different range of loans from SHGs but the highest loan taken by members from SHG of Makhdumpur (45.3%) and Kako (32%) an amount of INR 30,000/- to 60,000/- from their respective SHGs but among Non-SHG members of both blocks Makhdumpur (83.3%) and Kako (82.6%) were not taken any loan from any other financial organizations. The

intention of the majority of SHG respondents behind taking a loan was to start some business in both blocks (40%) followed by Children's education, daughter's marriage, cattle buying, and agricultural work but in reverse in Non-SHG respondents nearly 17 percent those taken loan from any other financial institution or moneylenders have invested their amount on buying cattle and agricultural works.

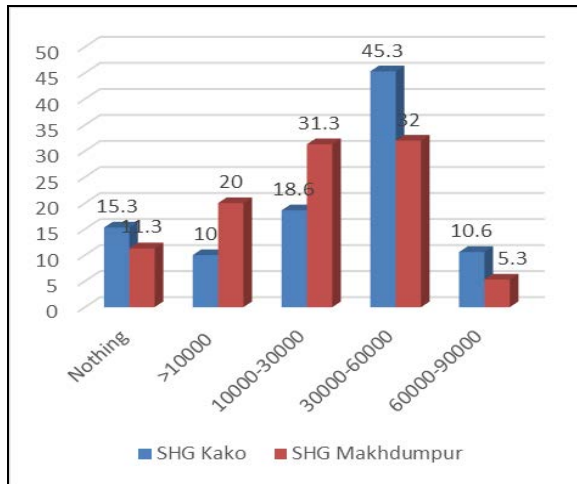


Chart 5: Amount of loan taken by SHG women, (N=300)

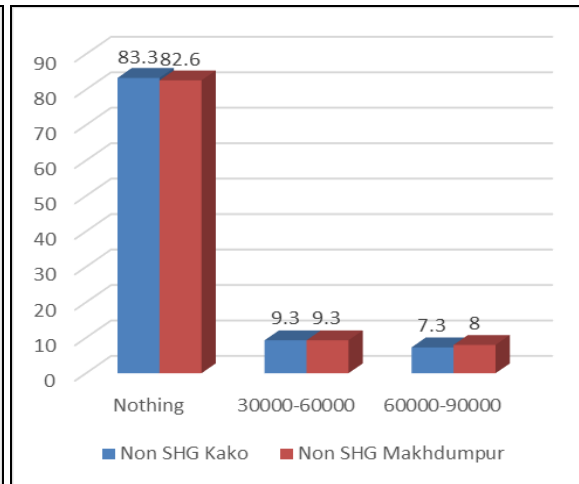


Chart 6: Amount of loan taken by Non-SHG women (N=300)

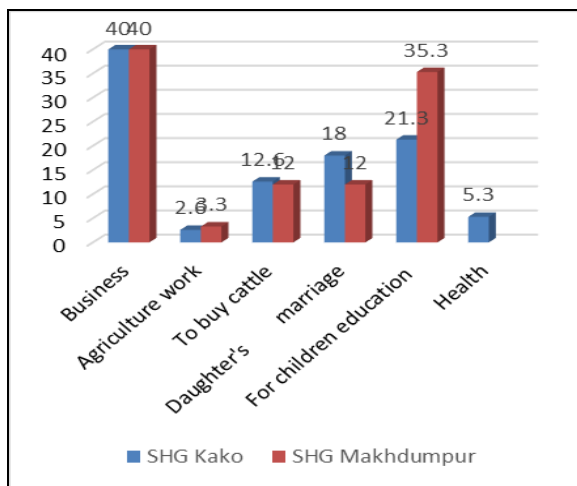


Chart 7: Purpose of loan (N=300)

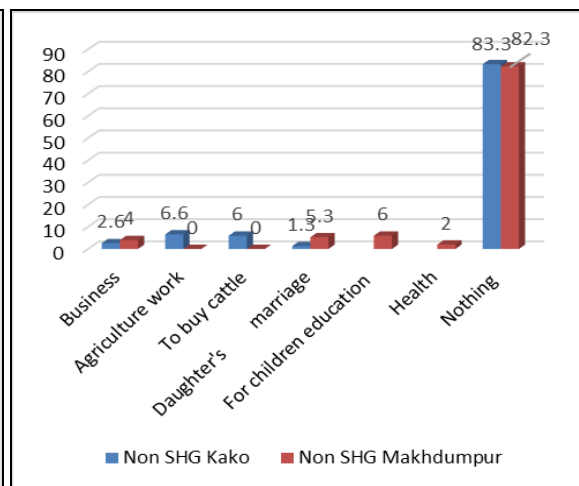


Chart 8: Purpose of loan (N=300)

Table 1: Education of respondents and per month saving

	Value	DF	Asymp. Sig. (2-sided)
Pearson Chi-Square	263.440 ^a	20	.000
Likelihood Ratio	214.814	20	.000
Linear-by-Linear Association	34.764	1	.000
N of Valid Cases	600		

Pearson Chi-Square

The value is 263.440 with 20 degrees of freedom (DF). The Asymptotic Significance (2-sided) is 0.000. This low p-value (0.000) indicates that there is a statistically significant association between the two categorical variables in the

analysis. Typically, a p-value below 0.05 is considered significant; in this case, since 0.000 is much lower than 0.05, we would accept the null hypothesis that states there strong association between education and per-month saving of respondents.-value.

Table 2: Occupation of respondents and per month saving

	Value	DF	Asymp. Sig. (2-sided)
Pearson Chi-Square	217.357 ^a	20	.000
Likelihood Ratio	201.374	20	.000
Linear-by-Linear Association	50.920	1	.000
N of Valid Cases	600		

Pearson Chi-Square

The value is 217.357 with 20 degrees of freedom (DF). The Asymptotic Significance (2-sided) is 0.000. This low p-value (0.000) indicates that there is a statistically significant association between the two categorical variables in the analysis. Typically, a p-value below 0.05 is considered significant; in this case, since 0.000 is much lower than

0.05, we would accept the null hypothesis that states there strong association between occupation and savings of respondents.

SHGs are playing an important role in rural India today for poverty alleviation by creating income-generating activities and women empowerment. In this context, Self-help Groups have adopted various activities based on the availability and

accessibility of skill development training and natural, physical, and financial resources, according to their best

knowledge in order to sustain their livelihoods (Chart 9).

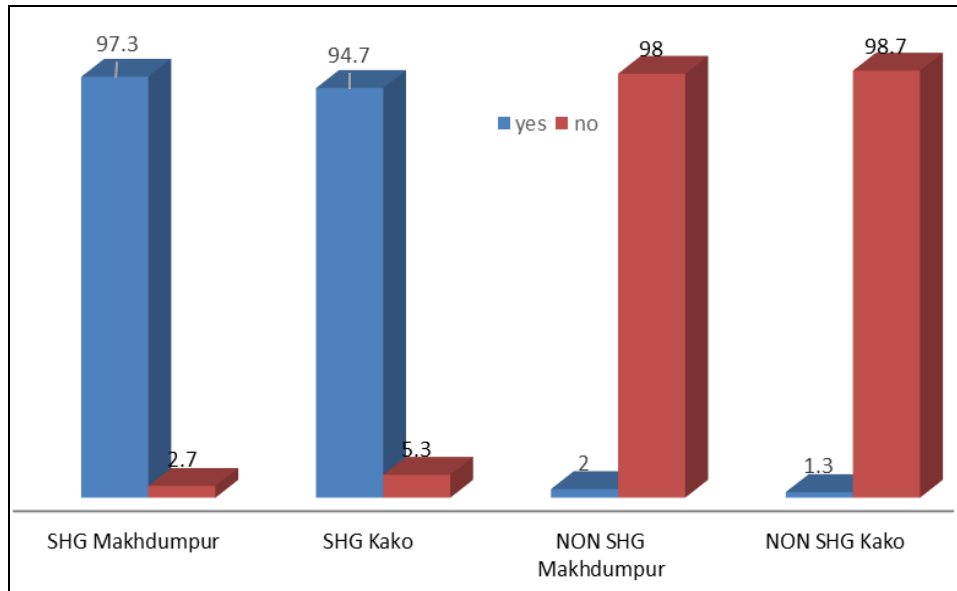


Chart 9: Change in Financial condition after joining SHG or any other organization (N=600)

“Women’s empowerment” refers to the process of increasing women’s access to control over the strategic life choices that affect them and access to the opportunities that allow them fully to realize their capacities. Women’s empowerment as an economic, political, and socio-cultural process challenges the system of sexual stratification that has resulted in women’s subordination and marginalization in order to improve women’s quality of life (Basak and Chaudhary, June, 2024). Empowering women in the process of development has become the main concern of almost all development strategies and programs. Development agencies are currently very much worried about raising the empowerment level of women so that they can be able to challenge their relations in family and society.

However, SHGs have proven to be a valuable instrument for fostering opportunities for self-employment, enhancing communication skills, and cultivating entrepreneurial knowledge. These findings are further supported by Kapoor (2019) [4]. Women strongly believe that SHGs are a collective undertaking to raise awareness of their rights and advocate for women’s equal ownership of property (Kumar *et al.*, 2021) [5] in comparison to Non SHGs women.

Conclusion

The results from the survey point out that SHG has played an instrumental role in restructuring the debt portfolio of beneficiary households; households that have SHG members have a significantly lower high-cost debt burden, are able to access smaller loans repeatedly, and borrow more often for productive purposes, when compared to households of Non-SHG members. Since JEEVIKA works by mobilizing marginalized women into institutional platforms, such women demonstrate higher levels of empowerment, when empowerment is measured by mobility, decision-making, and collective action.

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