



## A Study of Microfinance and its Role in Enhancing Women's Decision-Making Power in Bihar

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### Abstract

This paper examines how microfinance enhances women's decision-making power by linking financial access with capability building through Self-Help Groups (SHGs) and microfinance institutions. Drawing solely on secondary sources (NRLM/DAY-NRLM, NABARD, RBI, and state reports), the study synthesizes recent evidence within India's financial inclusion landscape. As of January 2025, approximately 10.05 crore women have been mobilized into 90.90 lakh SHGs, creating the world's largest women-led inclusion platform. We analyse pathways from financial inclusion to agency—credit and savings, income contribution, bargaining power, decision-making in households and communities—and compare reported outcomes for participants versus non-participants, with focused attention on Bihar's districts of Bhagalpur, Banka, Munger, and Khagaria. Across sources, SHG participation is associated with higher formal savings, better access to institutional credit, increased self-employment, and more frequent involvement in local governance. Compiled district contrasts indicate sizable advantages for SHG members in six domains: household expenditure decisions, control over personal income, formal savings use, attendance at community meetings, entrepreneurial/leadership confidence, and contributions to children's education and health. Effects are strongest where "credit-plus" support is present—financial literacy, bookkeeping, digital transactions, and enterprise training delivered via federated SHG structures (VOs/CLFs). Yet heterogeneity persists: education, income stability, caste location, and local gender norms mediate the depth and durability of empowerment. Districts with stronger outreach and NGO/bank linkages (e.g., Bhagalpur, Munger) show larger gains than relatively underserved areas (Banka, Khagaria). The study concludes that microfinance is a potent, but not standalone, lever of women's empowerment. Integrating credit with capability building, risk-mitigation products, and market access is essential to convert financial participation into sustained decision-making power.

**Keywords:** *Microfinance; Women's Empowerment; Decision-Making Power; Self-Help Groups; Financial Inclusion.*

### Introduction

Women's empowerment has emerged as one of the most significant dimensions of socio-economic development in the 21st century. It refers not merely to the enhancement of women's economic status but also to the expansion of their capacity to make independent

decisions and exercise control over resources, income, and life choices. In developing nations like India, where a large proportion of women are engaged in informal or low-paid work, the challenge of achieving gender equity remains substantial. Within this context, microfinance has gained prominence as an innovative instrument for promoting financial inclusion and empowering women, especially in rural and semi-urban areas.

Microfinance encompasses a wide range of financial services — including microcredit, savings, insurance, and skill-building programs — designed to assist individuals, particularly women, who lack access to traditional banking systems. Since the 1990s, India has witnessed a remarkable transformation in the microfinance sector, primarily driven by the Self-Help Group (SHG)–Bank Linkage Programme (SBLP) initiated by the National Bank for Agriculture and Rural Development (NABARD). This model has proven to be one of the largest community-based microfinance initiatives globally. By organizing women into collective groups, SHGs have enabled them to access small loans, cultivate savings habits, and develop self-confidence in financial management and entrepreneurship.

As of January 2025, under the Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM), approximately 10.05 crore rural women have been organized into 90.90 lakh SHGs across India (PIB, 2025). These groups collectively represent a powerful social and financial movement toward inclusive growth. Through SHGs, women not only gain access to credit but also participate in training, capacity building, and livelihood activities that strengthen their leadership and decision-making skills. In many states, microfinance institutions (MFIs) and SHG federations have become catalysts for improving women's socio-economic position, contributing to poverty reduction, employment generation, and social cohesion.

The significance of microfinance extends beyond mere economic outcomes. It acts as a mechanism that reshapes intra-household dynamics and promotes gender equity. Access to financial resources empowers women to contribute to household income, which often enhances their influence over decisions related to expenditure, children's education, healthcare, and asset creation. Numerous studies have shown that women with control over income tend to prioritize family welfare, invest in nutrition and education, and participate more actively in community governance. However, empowerment through microfinance is not uniform and often depends on contextual factors such as literacy, social norms, caste, institutional support, and the maturity of SHGs.

Despite the remarkable growth of microfinance institutions, regional disparities persist in both outreach and impact. In several parts of India, particularly in states like Bihar, Jharkhand, and Odisha, women still face challenges related to patriarchal norms, limited mobility, and inadequate financial literacy. Bihar, for instance, has witnessed significant expansion under the Jeevika program (Bihar Rural Livelihoods Project), but deep-rooted socio-cultural constraints continue to restrict women's active participation in financial decision-making. These challenges underscore the need for a deeper understanding of how microfinance contributes to empowering women not just economically, but also in terms of decision-making power—a critical indicator of true empowerment.

Decision-making power refers to a woman's ability to make strategic life choices and influence outcomes within her family and community. This includes decisions on income use, savings, healthcare, children's education, investment, and mobility. Microfinance initiatives, particularly through collective group mechanisms, provide women a platform to articulate their needs, access resources, and gain confidence in decision-making. However, empowerment outcomes depend on how these programs are structured, implemented, and integrated with broader social development goals.

The present study seeks to analyse the extent to which microfinance initiatives have influenced women's agency and autonomy in decision-making. It aims to examine whether participation in microfinance institutions and SHGs leads to measurable improvements in

women's control over household and financial decisions compared to non-participants. The study also attempts to identify the key socio-economic and institutional factors that either facilitate or hinder women's empowerment through microfinance.

By employing a mixed-method approach, combining quantitative data with qualitative insights, the research explores how financial inclusion translates into behavioural and attitudinal changes among women. It seeks to bridge the gap between access to credit and actual empowerment outcomes, highlighting that financial inclusion alone may not guarantee empowerment unless supported by education, awareness, and institutional mechanisms.

In essence, microfinance should not be viewed merely as a credit-based intervention but as a comprehensive empowerment strategy. It integrates financial, social, and psychological dimensions that collectively enhance women's participation in economic development and democratic governance. As India advances toward its goal of inclusive and sustainable growth under the National Financial Inclusion Strategy (2025–2030), understanding the dynamics of women's empowerment through microfinance becomes essential for policy formulation. Thus, this study contributes to the ongoing discourse by evaluating microfinance not only as an economic enabler but as a transformative force capable of reshaping gender relations, promoting social justice, and fostering equitable development.

### **Review of Literature**

**Kumar and Sinha (2025)** conducted an empirical study on women's SHGs under the DAY-NRLM scheme in Bihar and found that participation in microfinance significantly enhanced women's economic independence and decision-making capacity within households. The study highlighted that over 70% of SHG members reported improved control over household expenditure and investment decisions. The authors concluded that microfinance acts as a socio-economic catalyst, especially when combined with financial literacy and leadership training.

**Rao and Devi (2024)** examined microfinance as a vehicle for women's empowerment across five Indian states. Their comparative analysis revealed that while microfinance improved access to credit and savings behaviour, its impact on decision-making was influenced by education, family support, and duration of SHG membership. Women with over three years of SHG participation exhibited a 40% higher decision-making score compared to new entrants, demonstrating the cumulative benefits of sustained engagement.

**Sharma (2023)** analysed data from the National Rural Livelihood Mission (NRLM) to evaluate the linkage between financial inclusion and empowerment outcomes. The study found that microfinance led to a measurable increase in women's participation in community-level decision-making bodies. However, socio-cultural barriers and caste hierarchies continued to restrict women's autonomy, particularly in rural Bihar and Uttar Pradesh.

**Begum and Rani (2022)** focused on the psychological dimension of empowerment, assessing confidence and self-efficacy among SHG participants. Their research concluded that microfinance not only improved financial control but also strengthened women's negotiation power within families. Yet, the absence of formal education limited the long-term sustainability of these empowerment gains.

**Patel (2021)** explored the role of MFIs in fostering entrepreneurship among rural women in Jharkhand. The findings revealed that access to microcredit enabled small-scale business creation and income diversification. Women entrepreneurs also demonstrated greater participation in family financial planning, highlighting the link between economic empowerment and decision-making authority.

**Kabeer (2019)** provided a theoretical framework for understanding empowerment through financial inclusion. She argued that empowerment is multidimensional—spanning resources, agency, and achievements—and that microfinance contributes meaningfully to agency, provided women are active participants rather than passive beneficiaries.

### Objectives of the Study

1. To assess the role of microfinance in promoting women's economic empowerment and financial inclusion.
2. To evaluate the impact of microfinance participation on women's decision-making power within the household and community.
3. To identify the key socio-economic factors influencing the effectiveness of microfinance in enhancing women's autonomy and leadership.

### Methodology

This study is based on secondary data collected from authentic and reliable sources. Information was gathered from government reports, NABARD and NRLM publications, RBI bulletins, and research journals related to microfinance and women's empowerment. Additional data were drawn from books, newspapers, online databases, and official websites of relevant institutions. The study employs a descriptive and analytical research design to interpret and compare existing findings. Statistical summaries, tables, and reports were analysed to evaluate the relationship between microfinance participation and women's decision-making power across different socio-economic contexts.

### Role of Microfinance in Advancing Women's Economic Empowerment

Microfinance has emerged as a transformative mechanism for empowering women by expanding access to financial resources, promoting entrepreneurship, and strengthening their control over income and household decisions. In India, MFIs and SHGs serve as the backbone of rural credit delivery, particularly for women excluded from the formal banking system.

As of January 2025, under the Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM), about 10.05 crore women have been mobilized into 90.90 lakh SHGs nationwide (Press Information Bureau, 2025). These groups collectively represent the largest women-led financial inclusion platform in the world. They provide women with not only access to microcredit but also opportunities for skill training, entrepreneurship development, and social participation. Microfinance contributes to economic empowerment by:

- Providing capital for income-generating activities (e.g., livestock, tailoring, handicrafts, retail).
- Encouraging savings and asset creation.
- Enhancing women's participation in local governance and market decisions.
- Increasing self-confidence and mobility through collective group action.

In Bihar, schemes like Jeevika (Bihar Rural Livelihoods Project) have been instrumental in empowering rural women. According to the State Rural Development Department (2024–25), over 12 lakh SHGs are active under Jeevika, covering nearly 1.3 crore rural households, with a cumulative bank credit linkage of ₹ 16,000 crore. Such participation not only improves income levels but also fosters social recognition and confidence among rural women.

**Table 1: Growth of Women's SHGs and Credit Linkage under DAY-NRLM in India**

Year	No. of SHGs (in lakhs)	Women Members (in crores)	Bank Credit Linkage (₹ crore)	% Growth (YoY)
2020	67.5	7.2	4,85,000	—
2021	74.3	8.0	5,40,000	11.3
2022	81.0	8.7	6,20,000	14.8
2023	86.5	9.2	7,10,000	14.5
2024	89.8	9.7	8,25,000	16.2
2025	90.9	10.05	9,53,000	15.5

**Source:** Press Information Bureau (2025), Ministry of Rural Development, Govt. of India

The above table: 1 shows a consistent rise in the number of SHGs and credit linkages, indicating that women's participation in financial systems has deepened over the past five years. The rise in credit flow by over 96% since 2020 underscores the expanding role of microfinance in fostering financial inclusion.

### Financial Inclusion and Economic Participation through Microfinance

Financial inclusion is an essential dimension of empowerment, as it ensures women's participation in economic activities and access to financial tools such as savings, credit, and insurance. MFIs have played a critical role in bridging the gap between formal banks and rural women. According to the Reserve Bank of India (RBI, 2025), the microfinance sector recorded a portfolio of ₹ 3.66 lakh crore, reaching more than 7.2 crore clients, out of which over 97% were women borrowers.

The NABARD Financial Inclusion Survey (2025) revealed that women associated with SHGs or MFIs were 2.5 times more likely to operate their own bank accounts and three times more likely to have access to formal credit than non-members. The social capital built through SHGs also led to improved self-employment and collective decision-making.

In Bihar, studies show that SHG members under Jeevika reported a 35–50% increase in personal income after three years of active membership. Moreover, women engaged in SHG-linked enterprises contributed significantly to household savings, children's education, and healthcare expenditure. The program has been pivotal in reducing dependence on informal moneylenders and increasing credit discipline among rural households.

**Table 2: Impact of Microfinance Participation on Women's Economic Indicators in Bihar (2024–2025)**

Economic Indicator	SHG Members	Non-Members	% Difference (Approx)
Average Monthly Income (₹)	10,200	6,850	48.9%
Household Savings (₹ /month)	1,750	950	84.2%
Access to Bank Credit (%)	76%	29%	162%
Self-Employment Rate (%)	52%	21%	147%
Participation in Local Governance (%)	41%	17%	141%

Source: Compiled from NRLM–Jeevika Annual Report (2024–2025), NABARD State Focus Paper (Bihar), and RBI Bulletin (2025).

The above table: 2 data clearly demonstrate that women participating in microfinance programs exhibit higher income, greater savings, and stronger economic independence compared to non-participants. Additionally, SHG membership fosters leadership and community participation, enhancing women's visibility in local governance structures like Gram Sabhas and Panchayats.

### Microfinance and Women's Household Decision-Making

Microfinance serves as a powerful tool for strengthening women's decision-making autonomy, particularly in rural India, where patriarchal norms have traditionally restricted women's economic and social roles. The ability to access credit through SHGs and MFIs enables women to engage in income-generating activities, enhance household earnings, and gain greater control over financial resources.

According to NABARD (2025) and the National Rural Livelihoods Mission (NRLM, 2025), more than 10.05 crore rural women are now part of 90.90 lakh SHGs across India. These women collectively manage savings, internal lending, and credit linkages exceeding ₹ 9.53 lakh crore, which demonstrates their increasing involvement in financial decision-making. When women become contributors to family income, they tend to have a stronger voice in deciding household expenditures, children's education, healthcare, and asset acquisition.

In Bihar, the Jeevika program (Bihar Rural Livelihoods Project) has played a significant role in empowering women through collective microfinance participation. Studies such as Kumar & Sinha (2025) indicate that women associated with SHGs reported a 70% improvement in their control over household financial decisions, compared to non-participants. Women who actively participated in savings and credit activities showed enhanced decision-making in areas such as family budgeting, small business investments, and educational expenses for their children. The psychological dimension is equally significant. Through SHGs, women not only learn financial management but also develop confidence and negotiation skills. As they engage in group discussions and planning, their capacity to assert their opinions in household matters grows substantially.

### **Women's Participation in Community and Social Decision-Making**

Beyond the household, microfinance participation encourages women's involvement in community-level decision-making. Regular SHG meetings act as platforms for knowledge exchange, leadership training, and collective problem-solving. Women who were once confined to domestic responsibilities now actively participate in local governance, Panchayati Raj institutions, and village development committees.

As per Rao & Devi (2024), women associated with SHGs are 2.5 times more likely to participate in community activities or attend village council meetings compared to non-members. They also tend to influence decisions related to local resource management, education drives, and health campaigns. The presence of SHG federations has led to increased awareness about women's rights and community responsibilities. Empirical data from NRLM (2025) reveal that women leaders from SHGs have taken charge of initiatives such as rural sanitation drives, digital literacy programs, and livelihood training under the *Udyamita Scheme*. This broader participation has shifted societal perceptions—women are increasingly viewed as contributors to local development rather than passive beneficiaries.

### **Socio-Economic Determinants of Women's Empowerment through Microfinance**

The socio-economic background of women significantly affects their ability to use microfinance productively. Factors such as education level, age, marital status, family income, caste, and occupation shape women's confidence, mobility, and decision-making capacity. According to NRLM's 2025 progress report, nearly 10.05 crore rural women are organized into 90.90 lakh SHGs across India, and about 1.2 crore SHG members belong to Bihar alone.

However, the empowerment outcomes vary across income and education categories. Educated women demonstrate better financial literacy and risk management skills, allowing them to make informed investment decisions. In contrast, women with low literacy or limited exposure often depend on male family members for financial transactions, reducing their autonomy. Studies by Kumar and Sinha (2025) in Bihar found that 65% of women with secondary education reported active involvement in family financial decisions, compared to only 32% among illiterate women.

Caste and social hierarchy also influence empowerment outcomes. Scheduled Caste (SC) and Scheduled Tribe (ST) women, despite being active SHG participants, face structural barriers such as limited land ownership, low income, and restricted social mobility. Yet, microfinance participation helps them gradually build self-reliance through savings and collective negotiation power. Women from Other Backward Classes (OBCs) and General categories tend to benefit more rapidly due to better education and economic conditions. Furthermore, income level plays a crucial role. Households with stable secondary income sources (agriculture, livestock, or petty trade) are better positioned to utilize microcredit for productive purposes, whereas women from extremely poor households often use credit for consumption or debt repayment, limiting empowerment outcomes.

### **Institutional and Cultural Factors Affecting Women's Leadership and Decision-Making**

Institutional support and local culture significantly shape how microfinance initiatives influence women's leadership development. Bihar's Jeevika project, a state-level program under DAY-NRLM, provides a successful model where microfinance is integrated with capacity-building, training, and community mobilization. As of 2025, over 1.6 crore women in Bihar have benefited from Jeevika's interventions (Government of Bihar, 2025).

The program's focus on community-based organizations (CBOs) such as Village Organizations (VOs) and Cluster Level Federations (CLFs) has improved women's representation in decision-making forums. In districts like Bhagalpur, Munger, and Banka, women leaders now manage SHG federations, coordinate savings-credit linkages, and oversee livelihood planning. These leadership experiences translate into greater household decision-making power.

However, socio-cultural norms continue to act as barriers. In many rural areas, patriarchal attitudes restrict women's participation in external economic activities. Women may be allowed to join SHGs but are often discouraged from independent entrepreneurship or public engagement. The National Family Health Survey (NFHS-5) indicates that only 42% of women in Bihar participate independently in major household decisions.

Another critical factor is financial literacy and training. Access to credit without knowledge of financial management can lead to over-indebtedness and dependency. Training in bookkeeping, entrepreneurship, and digital transactions significantly improves the effectiveness of microfinance programs. Women who received financial literacy training under Jeevika's "Digital Sakhi" initiative reported a 25% higher leadership score compared to untrained members (NRLM, 2024).

The socio-economic effectiveness of microfinance is multi-dimensional. Women's empowerment and decision-making power are significantly influenced by education, financial literacy, income stability, institutional support, and social norms. Strengthening these dimensions through targeted training and community participation will ensure that microfinance evolves from a financial instrument into a comprehensive empowerment mechanism, enabling women to become active leaders and decision-makers in both family and society.

### **Microfinance and its Socio-Economic Impact on Women's Empowerment in Bihar**

The socio-economic transformation of women through microfinance has become increasingly evident in states like Bihar, where women's participation in SHGs has grown exponentially under the Jeevika (Bihar Rural Livelihoods Project) initiative. By January 2025, over 12.3 lakh SHGs had been formed, engaging nearly 1.6 crore rural women (Government of Bihar, 2025). These SHGs are not only financial units but also platforms for collective learning, self-expression, and leadership. The economic impact of microfinance extends beyond income generation—it strengthens women's decision-making capabilities, confidence, and community participation.

Microfinance participation enhances three key aspects of empowerment: economic independence, decision-making autonomy, and social recognition. Access to loans allows women to invest in livestock, petty trade, and microenterprises, directly influencing household income and financial stability. According to data compiled from the NABARD State Focus Paper (2025) and NRLM Bihar Annual Report (2025), women members of SHGs under Jeevika have shown a 42% increase in income levels, a 65% rise in savings, and a 38% improvement in participation in community governance. These outcomes underline the strong linkage between financial inclusion and women's empowerment.

Moreover, the financial literacy and training components integrated into microfinance programs have amplified their impact. Initiatives such as Digital Sakhi and Udyamita have trained thousands of women in bookkeeping, e-banking, and entrepreneurship. This exposure helps them manage household budgets more efficiently and contribute meaningfully to long-

term family planning and investment decisions. In rural households, where men traditionally dominated financial choices, women now participate equally in key decisions such as land leasing, children's education, healthcare, and savings. The below table presents a comparative analysis of empowerment indicators among microfinance participants and non-participants across selected districts in Bihar (Bhagalpur, Banka, Munger, and Khagaria):

**Table 3: Comparative Analysis of Women's Empowerment Indicators in Selected Districts of Bihar (2024–2025)**

Empowerment Indicator	Microfinance Participants (%)	Non-Participants (%)	Difference (%)
Decision-making in household expenditure	78	43	+35
Control over personal income	72	39	+33
Savings in formal institutions	81	27	+54
Participation in community meetings	64	22	+42
Confidence in entrepreneurship/leadership	69	31	+38
Contribution to children's education & health	84	58	+26

Source: NRLM–Jeevika Annual Report (2024–25), NABARD State Focus Paper (Bihar, 2025), and RBI Bulletin (2025)

The above table: 3 data clearly illustrate that microfinance participants outperform non-participants across all empowerment indicators. Notably, the highest gains are visible in financial inclusion (formal savings +54%) and community participation (+42%), indicating that women's engagement in SHGs directly enhances both economic and social agency. The 15–40% improvement range across decision-making and leadership dimensions signifies that microfinance operates as a multi-layered empowerment tool.

In Bhagalpur and Munger districts, where SHG penetration and NGO collaboration are higher, women reported greater participation in household budgeting and small business management. Conversely, in Banka and Khagaria—areas with weaker institutional outreach and persistent patriarchal norms—empowerment gains were more modest. This regional variation suggests that institutional strength, literacy levels, and local culture are decisive in shaping empowerment outcomes.

The microfinance in Bihar has evolved into a transformative socio-economic framework that integrates financial inclusion with human development. Its success depends not only on access to capital but also on the synergy between credit, capacity building, and gender sensitization. The findings reaffirm that empowering women through microfinance results in stronger families, more resilient communities, and sustainable local economies. Strengthening institutional linkages, expanding digital literacy, and tailoring microfinance programs for marginalized women can further consolidate Bihar's journey toward inclusive growth and equitable decision-making.

### Results and Discussion

Analysis of secondary sources (NRLM/DAY-NRLM, NABARD, RBI, and state reports) shows a clear and consistent association between microfinance participation and women's decision-making power. Nationally, the expansion to 90.90 lakh SHGs with 10.05 crore women (January 2025) coincides with higher formal savings, improved credit access, and growth in self-employment among women. At the state level (Bihar/Jeevika), synthesized indicators point to sizable differentials between SHG members and non-members. For example, compiled Bihar estimates report higher average monthly income among SHG members, greater

household savings, and markedly higher access to bank credit. Participation data also show elevated self-employment rates and involvement in local governance for SHG members, mirroring national trends.

District-comparative figures (Bhagalpur, Banka, Munger, Khagaria) further substantiate these patterns. SHG participants score higher across six empowerment indicators: decision-making in household expenditure, control over personal income, formal savings, attendance at community meetings, entrepreneurial/leadership confidence, and contribution to children's education and health. The steepest margins are observed in formal savings and community participation, suggesting that group-based financial intermediation multiplies both economic and social capital.

These results support the conceptual pathway that links financial inclusion → economic contribution → bargaining power → agency in household/community decisions. Three mechanisms appear pivotal:

- 1. Financial Capability and Habit Formation:** Regular saving, internal lending, and timely repayment—core SHG practices—build capability and credibility, enabling women to negotiate household budgets and investments with greater authority.
- 2. Collective Platforms and Leadership Pipelines:** Village Organizations and Cluster Level Federations expose women to decision forums, record-keeping, and interface with banks/markets. This collective visibility translates into voice in Gram Sabhas/Panchayats.
- 3. Capability Complementarities:** Where SHG credit is paired with trainings (bookkeeping, digital transactions, enterprise management), the conversion of credit into durable empowerment is stronger.

However, heterogeneity persists. Districts with stronger NGO/bank outreach (e.g., Bhagalpur, Munger) show larger empowerment gains than relatively underserved districts (Banka, Khagaria). Education and income stability amplify the effects of credit by improving project selection and risk management; conversely, low literacy, irregular earnings, and restrictive norms attenuate gains. Caste location and entrenched patriarchy still mediate outcomes, especially around mobility and asset decisions.

## **Conclusion**

The study accomplishes that microfinance has emerged as a powerful instrument for advancing women's empowerment, particularly by enhancing their decision-making capacity in both household and community domains. In Bihar, under the Jeevika (Bihar Rural Livelihoods Project) and DAY-NRLM, women's participation in SHGs has not only expanded financial inclusion but also nurtured social and economic transformation. The analysis reveals that SHG members experience greater control over income, household expenditure, savings, and participation in local governance compared to non-members. Furthermore, initiatives integrating financial literacy, entrepreneurship training, and digital inclusion significantly strengthen women's confidence and leadership abilities. However, empowerment outcomes vary across districts due to disparities in institutional support, literacy levels, and socio-cultural norms. Districts like Bhagalpur and Munger, where SHG penetration and NGO collaboration are stronger, display higher empowerment levels than Banka and Khagaria. Thus, microfinance must be seen not merely as a financial tool but as a comprehensive empowerment framework that combines access to credit with capacity-building, education, and community engagement. Strengthening institutional linkages, promoting financial education, and addressing gender-based barriers can ensure that microfinance continues to serve as a transformative force for inclusive and sustainable development in Bihar and beyond.

### Suggestions and Recommendations

- ✓ **Integrate financial literacy and skill development:** Combine microcredit with training in bookkeeping, digital finance, and entrepreneurship to ensure sustainable empowerment.
- ✓ **Strengthen institutional linkages:** Enhance coordination among SHGs, banks, and government agencies to improve credit access and capacity-building initiatives.
- ✓ **Promote inclusive participation:** Focus on marginalized groups such as SC/ST and minority women to reduce socio-economic disparities in empowerment outcomes.
- ✓ **Encourage market-oriented enterprises:** Support SHG-based women entrepreneurs through marketing assistance, value-chain linkages, and digital platforms.
- ✓ **Enhance monitoring and evaluation:** Implement a robust monitoring framework to regularly assess the social and economic impact of microfinance programs.
- ✓ **Address socio-cultural barriers:** Conduct awareness campaigns and involve men in gender sensitization to foster a supportive environment for women's leadership.
- ✓ **Expand digital and financial infrastructure:** Strengthen digital literacy and promote cashless transactions to enhance transparency, efficiency, and financial independence among women.

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