Microfinance and Socio-Economic Empowerment of Women Self-Help Group Members: An Empirical Study of Ranchi District, Jharkhand

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Abstract: Women in rural areas can gain economic independence and participate fully in society through SHG and microfinance. Microfinance has helped Ranchi district women SHG members become economically independent, according to this report. This research examines how microfinance affects women's socioeconomic status across demographic characteristics including age, education, and employment. Study data came from primary and secondary sources. Secondary data came from books, journals, papers, as well as published literature, while primary data came from 200 SHG women who completed a structured questionnaire. Data was analysed using descriptive statistics, frequency analysis, percentage analysis, or one-way ANOVA in SPSS. The findings show that microfinance has improved SHG members' socioeconomic conditions by increasing incomes, savings, bank accounts, asset creation, credit accessibility, or household asset ownership. It has also empowered women by improving their decision-making, confidence, public engagement, familial recognition, and community service. ANOVA shows significant age, education, or occupational disparities in economic and social empowerment. Younger, more educated government workers and businesswomen felt more powerful socially and economically, respectively. Results show that microfinance, especially through SHGs, has empowered rural women in Ranchi district economically and socially. The findings impact governments, banks, and development organisations to promote inclusive rural development and expand women's microfinance programs.

Keywords: Microfinance, SHG, Women Empowerment, Socio-Economic Empowerment, Financial Inclusion, Rural Development, Ranchi District, Jharkhand.

INTRODUCTION

In developing countries like India, microfinance empowers women, reduces poverty, and increases access to formal financial services. Over the last 20 years, microfinance initiatives have given rural women as well as other economically disadvantaged populations access to financial services. Microfinance institutions have promoted entrepreneurs and self-employment by increasing poor families' access to small loans, savings accounts, insurance, and more financial services (Sinha et al., 2012). For inclusive development and lending to rural women, one of the greatest microfinance models is the (SHG)-Bank Linkage Programme (Ghosh, 2012; Laha & Kuri, 2014). SHG have transformed India's socio-economic landscape by increasing women's access to institutional funding, encouraging entrepreneurship, encouraging savings, and improving collective decision-making. SHGs help women generate income, improve family income, acquire assets, and become financially independent. Besides economic assistance, SHGs have improved women's social status, confidence, leadership skills, mobility, and role in family and community decision-making. Microfinance has helped women launch enterprises, boosting rural development and liberation (Deka, 2018).

For growth to be sustainable and inclusive, women must be empowered socially and economically. Many national programs have highlighted women's economic participation as a critical driver of social prosperity, and Article 14, of the Indian Constitution ensures equality before the law or equal opportunity. The Periodic Labour Force Survey (PLFS) in India shows that women's economic involvement has been rising. Despite these advances, many women still struggle with gender discrimination, a lack of personal finance knowledge, a lack of job opportunities, and socio-cultural constraints that limit their economic independence and decision-making power (Ghosh et al., 2023).

Rural Indian women face disproportionate challenges in poverty, education, healthcare, and productive assets. Traditional banks' bureaucracy and collateral requirements make institutional loans difficult for low-income women. Microfinance helps women start micro-enterprises through collateral-free SHG loans, which boosts family income, livelihood options, and living standards (Chant, 2014; Khan et al., 2020). Saving regularly and using SHG financial services has improved financial resilience and reduced dependency on informal moneylenders. Due to its huge rural and tribal population, Jharkhand has significant unemployment, limited financial inclusion, and few job prospects for women. Due to these challenges, the Indian and Jharkhand governments have sponsored SHG via their rural development initiatives, including the NRLM and JSLPS. These programs have helped thousands of rural women create (SHGs), access microfinance, and generate revenue to improve their socioeconomic condition.

In Ranchi, one of Jharkhand's most important districts, SHGs and microfinance initiatives have developed significantly since their founding. Women SHG members in the district have started institutional credit-backed micro-enterprises in agriculture, livestock raising, handicrafts, tailoring, small commerce, food processing, and more. Even though several government programs have supported the SHG movement, there is no data on how much microfinance has helped Ranchi women gain economic and social independence. SHG women should be assessed for microfinance access based on their income, assets, savings habits, career prospects, social participation, decision-making skills, and quality of life. This study examines how microfinance empowers women economically and socially. This study examines the impact of microfinance on Ranchi district Self-Help Group women's economic empowerment, social involvement, leadership abilities, household decision-making, and socioeconomic position. The findings should help Jharkhand researchers, policymakers, and financial institutions improve microfinance interventions and promote women-centered development.

OBJECTIVES

- To look at the impact of microfinance on the financial and social empowerment of female (SHG) members in Jharkhand's Ranchi area.
- To investigate the differences in female SHG members' socioeconomic status based on their age, occupation, and educational attainment.

RESEARCH METHODOLOGY

Primary data was gathered using structured questionnaires, while secondary sources included books, journals, and research articles on microfinance and SHG. The study is analytical in nature.To better understand how 200 women from five distinct mandals in Eastern Godavari area are using (SHGs) for self-improvement, this study examines their experiences. Members of self-help organisations and microfinance beneficiaries from five mandals in the Ranchi district—Bukru, Thakurgao, Pithoria (rural), Ormanji (rural), & Konki—make up the sample of married women. The data had been analysed via SPSS software after it was collected from the questionnaire. The calculations were done using averages and percentages. A summary of the outcomes was included at the conclusion, and the results were given in tables. Data was analysed using frequency, percentage, or analysis of variance (ANOVA) tests. Primary data was gathered using structured questionnaires, while secondary sources included books, journals, and research articles on microfinance and SHG. The study is analytical in nature. To better understand how 200 women from five distinct mandals in the East Godavari area are using (SHGs) for self-improvement, this study examines their experiences. Members of self-help organisations and microfinance beneficiaries from five mandals in the Ranchi district—Bukru, Thakurgao, Ormanji (rural), Pithoria (rural) & Konki—make up the sample of married women. The data was analysed with the help of SPSS software after it was collected from the questionnaire. The calculations were done using averages and percentages. A summary of the outcomes was included at the conclusion, and the results were given in tables. Data was analysed using frequency, percentage, or analysis of variance (ANOVA) tests.

RESULT

Results from an empirical study indicated that microfinance helped women in the Ranchi district of Jharkhand who were part of (SHGs) become more economically and socially independent. Two hundred people were surveyed using a pre-designed questionnaire to provide the main data used in the study. To characterise the respondent demographic profile and evaluate the perceived social and economic advantages of microfinance, descriptive statistics methods were employed, encompassing percentage analysis and frequency distribution. Specifically, we wanted to see whether there were any differences in the socioeconomic status of SHG members by age, occupation, education level, demographic factors, thus we ran a one-way ANOVA. The findings shed light on how microfinance can empower women economically, socially, and in terms of their capacity to make decisions, save money, build assets, and participate in society.

Demographic Profile of the Respondents

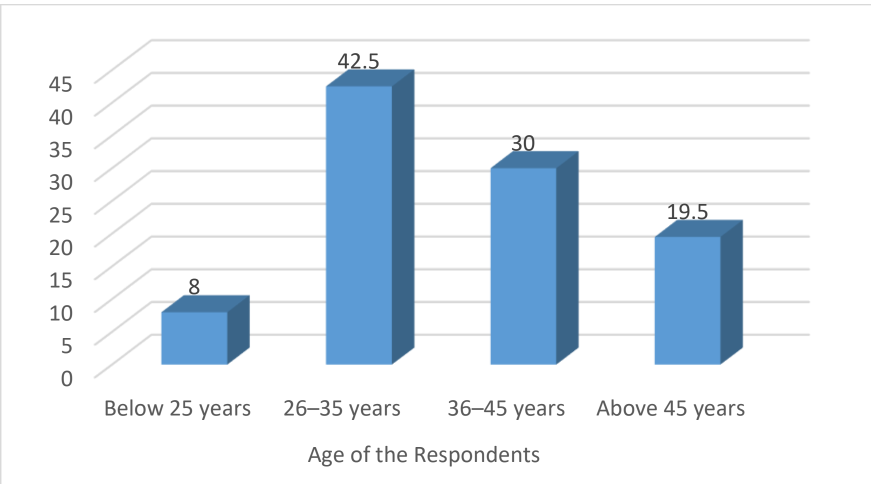

Figure 1: Age of the respondents

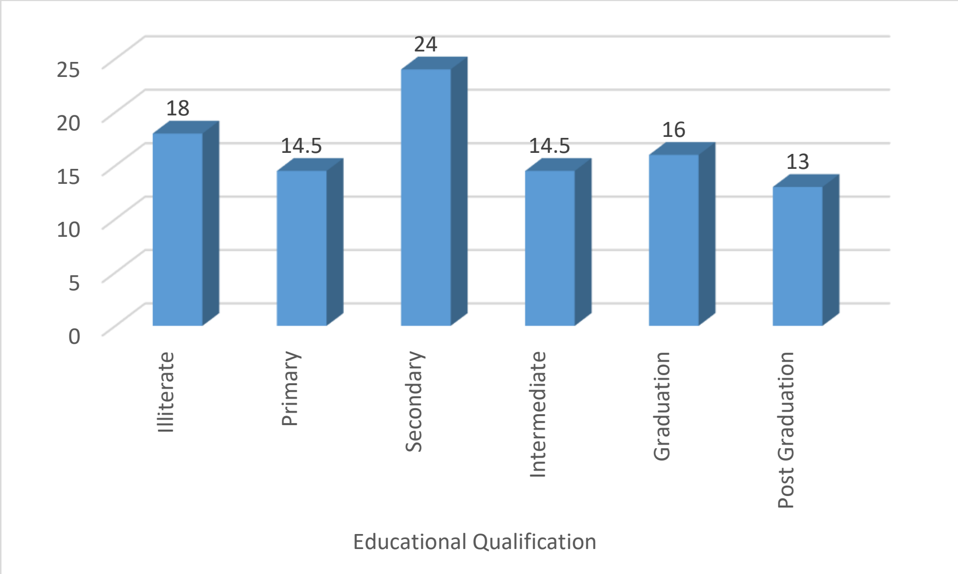

Figure 2: Educational qualification

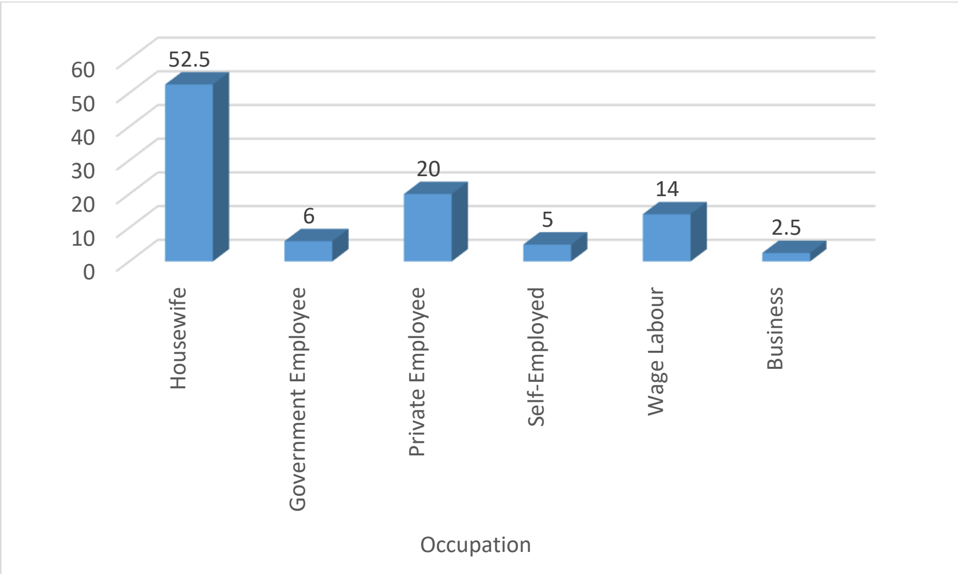

Figure 3: Occupation of the respondents

The study's demographic profile is shown in Figures 1, 2, and 3. In terms of age, the group including those between the ages of 26 and 35 comprised the biggest number of respondents (42.5%), followed by those between the ages of 36 and 45 (30.0%). Only 8.0% of the respondents were less than 25 years old, while 19.5% were older than 45. The study primarily includes women in the productive and creative age groups, as indicated by this.

Regarding educational qualification, 24.0% of the respondents had completed secondary education, which represents the highest educational category in the sample. Illiterate respondents accounted for 18.0%, while 16.0% were graduates and 13.0% possessed postgraduate qualifications. Respondents with primary and intermediate education each constituted 14.5% of the sample. These findings suggest that the respondents possessed varied educational backgrounds, with a considerable proportion having attained formal education.

The fact that 52.5% of the respondents were housewives suggests that SHGs target women who are mostly involved in domestic work. Private employees represented 20.0% of the sample, followed by wage labourers (14.0%), government employees (6.0%), self-employed respondents (5.0%), and business owners (2.5%). Overall, the demographic characteristics demonstrate that the respondents belong to diverse educational and occupational backgrounds, thereby providing a comprehensive representation of SHG members.

Table 1: Social Status and the Effect of SHG Membership (N = 200)

Sl. No.	Social Position Metrics	A rise in n (%)	No Variation n (%)	Reduced n (%)	Total
1	Public Relations	150 (75.0)	50 (25.0)	–	200 (100)
2	Participation in Decision-Making	132 (66.0)	63 (31.5)	5 (2.5)	200 (100)
3	Girl Child Development Awareness	59 (29.5)	136 (68.0)	5 (2.5)	200 (100)
4	Participation in Development Programmes	144 (72.0)	50 (25.0)	6 (3.0)	200 (100)
5	Mobility	132 (66.0)	68 (34.0)	–	200 (100)
6	Recognition within the Family	128 (64.0)	72 (36.0)	–	200 (100)
7	Recognition within the Community	131 (65.5)	66 (33.0)	3 (1.5)	200 (100)
8	Overall Social Status	120 (60.0)	78 (39.0)	2 (1.0)	200 (100)
9	Interaction with Outsiders	109 (54.5)	78 (39.0)	13 (6.5)	200 (100)

10	Literacy and Educational Awareness	132 (66.0)	63 (31.5)	5 (2.5)	200 (100)

SHG membership was perceived by respondents to have an effect on different aspects of their social status, as shown in Table 1. The findings reveal that the highest level of improvement was observed in public relations, where 75.0% of the respondents reported positive changes. Participation in development programmes also improved substantially, with 72.0% indicating increased involvement. Similarly, improvements were reported in participation in decision-making (66.0%), mobility (66.0%), literacy and educational awareness (66.0%), recognition within the community (65.5%), and recognition within the family (64.0%). Furthermore, 60.0% of the respondents experienced an improvement in their overall social status, while 54.5% reported better interaction with outsiders. In contrast, awareness regarding girl child development showed comparatively lower improvement, with only 29.5% reporting positive changes, whereas the majority (68.0%) indicated no noticeable change. Very few respondents reported a decline across the selected indicators, with percentages ranging between 1.0% and 6.5%. Overall, the findings suggest that SHG membership has contributed significantly to enhancing the social empowerment of women by strengthening interpersonal relationships, increasing participation in community activities, improving confidence, and promoting social recognition.

Table 2: Results of Microfinance on Women's Economic Situation in Self-Help Groups (N = 200)

Sl. No.	Economic Position Metrics	A rise in n (%)	No Variation n (%)	Reduced n (%)	Total
1	Income Level	171 (85.5)	29 (14.5)	–	200 (100)
2	Overall Economic Status	82 (41.0)	117 (58.5)	1 (0.5)	200 (100)
3	Individual Property Ownership	79 (39.5)	120 (60.0)	1 (0.5)	200 (100)
4	Bank Savings	162 (81.0)	38 (19.0)	–	200 (100)

5	Ownership of Household Assets	89 (44.5)	109 (54.5)	2 (1.0)	200 (100)
6	Ownership of Ornaments	86 (43.0)	112 (56.0)	2 (1.0)	200 (100)
7	Access to Credit Facilities	97 (48.5)	100 (50.0)	3 (1.5)	200 (100)
8	Asset Creation	123 (61.5)	77 (38.5)	–	200 (100)

Table 2 shows how the respondents felt microfinance affected their financial situation after they joined SHG. The results indicate that income level experienced the highest improvement, with 85.5% of respondents reporting increased earnings. Similarly, 81.0% observed growth in their bank savings, reflecting improved financial management and saving behaviour. Asset creation also improved considerably, with 61.5% of respondents reporting positive changes.

Moderate improvements were observed in access to credit facilities (48.5%), ownership of household assets (44.5%), ownership of ornaments (43.0%), overall economic status (41.0%), and individual property ownership (39.5%). Although a substantial proportion of respondents reported no noticeable change in some indicators, only a very small percentage indicated a decline in their economic condition.

Overall, the findings demonstrate that participation in SHGs supported by microfinance has positively influenced the economic well-being of the respondents. Microfinance has significantly contributed to enhancing the economic stability or financial independence of SHG women, as evidenced by improvements in income,creativity, and access to financial resources.

Table 3: Comparison of Social Status Scores across Different Age Groups (N = 200)

Age Group	N	Mean	SD	SE	F-value	p-value
Below 25 yrs.	16	17.44	1.711	0.306	22.604	0.000**
26–35 yrs.	85	16.26	1.582	0.122		
36–45 yrs.	60	15.31	1.463	0.115		

Above 45 yrs.	39	16.26	1.229	0.197		
Total	200	15.97	1.633	0.082		

In Table 3, we can see the results of a one-way ANOVA test comparing the average social status ratings of respondents by age group. The results show that the age group of respondents who felt their social status improved the most after joining SHG was those under 25 years old, with a mean score of 17.45. The mean scores of the age groups 26–35 and over 45 were 16.26, while the lowest scores were reported by the age group 36–45 (15.31). At the 1% level of significance, the differences between the age categories are shown by an F-value of 22.604 and a p-value of 0.000. So, it's safe to say that people's perceptions of status in society of SHG members are heavily impacted by their age. Participation in SHGs seems to have comparatively larger social benefits for younger respondents than for older ones.

Table 4: Comparison of Social Status Scores by Educational Qualification (N = 200)

Qualifications for Education	N	Mean	SD	SE	F-value	p-value
Illiterate	36	15.34	1.643	0.195	9.584	0.000**
Primary	29	15.34	1.384	0.182		
Secondary	48	16.05	1.644	0.168		
Intermediate	29	16.00	1.488	0.197		
Graduation	32	16.23	1.779	0.222		
PG	26	17.01	1.134	0.155		
Total	200	15.96	1.632	0.081		

Table 4 shows how the social status scores of individuals changed based on how much schooling they had. The respondents with postgraduate degrees had the highest mean social status score (17.02), followed by graduates (16.23), people with secondary education (16.05), people with intermediate education people and people who couldn't read or write (15.33). The ANOVA result showed an F-value of 9.584 and a p-value of 0.000, which means that the difference in mean social status scores between educational levels is statistically significant at the 1% level. This finding suggests that the level of education has a big effect on how socially empowered SHG members feel. Respondents with higher educational qualifications tend to perceive greater improvements in their social status, possibly due to better awareness, communication skills, and active participation in SHG activities.

Table 5: Comparison of Social Status Scores by Profession (N = 200)

Profession	N	Mean	SD	SE	F-value	p-value
Housewife	105	16.08	1.597	0.111	4.351	0.001**
Government Employee	12	16.64	0.757	0.151		
Private Employee	40	16.03	1.865	0.211		
Self-Employed	10	14.73	1.241	0.284		
Wage Labour	28	15.50	1.668	0.227		
Business	5	16.15	1.144	0.317		
Total	200	15.97	1.633	0.082		

In Table 5, you can see how the social status scores of respondents in different job groups compare. The average social status number for people who work for the government was 16.64, followed by business owners (16.15), women (16.09), private workers (16.04), wage labourers (15.50), and people who are self-employed (14.74). The F-value of 4.351 and the p-value of 0.001 show that there are statistically significant changes in social status scores between the job groups at the 1% level. This finding implies that occupation significantly affects respondents' perception of social status improvement following participation in SHG. Individuals engaged in formal employment generally reported relatively higher levels of social empowerment than respondents belonging to other occupational categories.

Table 6: Comparison of Economic Status Scores across Different Age Groups (N = 200)

Age Group	N	Mean	SD	SE	F-value	p-value
Below 25 yrs.	16	16.27	1.265	0.226	10.161	0.000**
26–35 yrs.	85	16.17	1.889	0.145		
36–45 yrs.	60	15.15	1.765	0.139		
Above 45 yrs.	39	16.10	2.023	0.324		
Total	200	15.76	1.874	0.094		

Using ANOVA, Table 6 compares the economic status scores of respondents across various age groups. The findings show that the mean economic status score was 16.26 for respondents under the age of 25, 16.17 for those between the ages of 26 and 35, and 16.10 for those over the age of 45. Those in the 36-45 age bracket had the lowest mean score (15.15). The variations in economic status scores across the age groups were statistically significant at the 1% level, as shown by the estimated F-value of 10.161 and associated p-value of 0.000. Accordingly, we may conclude that there is a statistically significant difference in the way respondents of various ages see the economic benefits of SHG membership and reject the null hypothesis. According to the results, those in the younger age bracket reaped more financial rewards than those in the older age brackets.

Table 7: Comparison of Economic Status Scores by Educational Qualification (N = 200)

Educational Qualification	N	Mean	SD	SE	F-value	p-value
Illiterate	36	15.01	2.282	0.268	4.824	0.000**
Primary	29	15.52	1.709	0.224		
Secondary	48	16.08	1.614	0.165		
Intermediate	29	15.70	2.244	0.297		
Graduation	32	15.81	1.246	0.156		
PG	36	16.45	1.738	0.239		

Total	200	15.76	1.874	0.094		

Table 7 shows how respondents' educational attainment relates to their economic status scores. Results show that those with graduate degrees had the most elevated mean score (16.45), next to those with a secondary education (16.08), a bachelor's degree (15.81), an intermediate degree (15.70), a primary degree (15.52), and finally, those who are illiterate (15.00). There is a statistically significant difference in economic status ratings between educational categories, according to the ANOVA findings (F-value = 4.824, p = 0.000). Therefore, educational qualification has a significant influence on the economic benefits perceived by SHG members. Respondents with higher educational attainment appear to utilize SHG programmes and microfinance opportunities more effectively, resulting in relatively better economic outcomes.

Table 8: Comparison of Economic Status Scores by Occupation (N = 200)

Profession	N	Mean	SD	SE	F-value	p-value
Housewife	105	15.97	1.872	0.128	2.992	0.012*
Government Employee	12	15.84	1.313	0.263		
Private Employee	40	15.23	1.935	0.217		
Self-Employed	10	14.79	1.619	0.372		
Wage Labour	28	15.89	1.997	0.272		
Business	5	16.00	1.472	0.408		
Total	200	15.76	1.874	0.094		

Note: $p < 0.05$ (Significant)

Table 8 presents the comparison of respondents' economic status scores across different occupational groups. Housewives (15.98), wage laborers(15.89), government employees(15.84), private employees(15.24), & self-employed respondents (14.79) had the lowest mean scores compared to those who were actively involved in business (16.00). There is a statistically significant difference in financial standing scores across occupational categories at the 5% level, as indicated by the computed F-value of 2.992 and p-value of 0.012.

Therefore, we can conclude that respondents' occupation significantly influences their perceived economic improvement shortly after joining SHGs, and we reject the null hypothesis. Although the variation is less pronounced than that observed for age and educational qualification, the findings indicate that occupational background contributes to differences in the economic benefits derived from SHG participation and microfinance programmes.

FINDINGS

Most SHG members have returned their loans, and more than half have utilised them for constructive purposes or self-empowerment. This suggests that most women who are part of SHGs are making good use of their loans by investing in themselves and starting their own businesses.

According to the statistics, the majority of SHG members who borrowed money via bank connections to fund productive endeavours or self-empowerment were able to repay it. This shows that the women are making good use of their loans by starting their own businesses and earning money. The group's and the bank's loan repayment performance is outstanding. Results show that SHG members' social status implications vary significantly by age, level of education, and profession. The influence of SHGs on the social standing of younger members, postgraduates, and government sector workers is more pronounced than that of other categories.

There are significant disparities in how people of different ages, levels of education, and professions see the monetary effects of SHGs. In terms of perceived economic impact, younger members, postgraduates, and businesspeople stand out from other demographics. Even though it would be more expensive, microfinance programs for severely underprivileged women must be developed. These services can help these communities thrive by facilitating savings accounts to smooth out income swings and loans for tools that cut down on manual labour or better housing. This assistance is vital for women dealing with issues such as fluctuations in income, sickness, or the cost of school.

CONCLUSION

Researchers in Ranchi district, Jharkhand, found that microfinance helped women in SHG become more economically independent. Microfinance made available via SHGs has helped women bolster their economic security and livelihood prospects by increasing their income, savings, bank balances, asset ownership, and access to formal credit. In addition to boosting women's confidence and sense of agency, SHG membership has improved their social status, leadership abilities, and participation in community development projects. Microfinance has a disproportionately positive social and economic effect on younger women, those with higher levels of education, and specific occupational groups, according to statistical research. In spite of these successes, some respondents said they didn't see much of an improvement; this points to the necessity for more inclusive financial products, programs to improve skills, training in entrepreneurship, efforts to increase financial literacy, and ongoing institutional support, especially for women from low-income and uneducated backgrounds. The research concludes that microfinance, when channelled via SHG, may significantly alleviate poverty, empower women, and promote long-term rural development in Jharkhand.

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