

A STUDY ON THE CHALLENGES FOR MICRO FINANCE ORGANIZATION



YASHWANT KUMAR

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Department of Economics, B.R.A. Bihar University, Muzaffarpur, India

y4yashwant211988@gmail.com

ABSTRACT

In recent years, in addition to Self-Help Groups and Linkage Programs, Bihar has seen the introduction of institutional microfinance institutions. This development took place in Bihar. NIDAN was the pioneering microfinance organization that was established in the state of Bihar when it initially began operations. In Bihar, it was based on the savings and loan association (SHG) and cooperative methods of microfinance. NIDAN was initially established as a loosely organised group with the goal of empowering young people, both male and female, to achieve financial autonomy through the provision of financial resources, as well as the provision of appropriate training and development facilities for the purpose of putting those resources to work. Since 1995, NIDAN has been officially registered as a society under the Societies Act, and it has been doing business in the following five districts of the state of Bihar: Patna, Vaishali, Katihar, Samastipur, and Muzaffarpur.

Keywords: challenges, micro finance, organization

INTRODUCTION

In recent years, in addition to Self-Help Groups and Linkage Programs, Bihar has seen the introduction of institutional microfinance institutions. This development took place in Bihar. NIDAN was the pioneering microfinance organization that was established in the state of Bihar when it initially began operations. In Bihar, it was based on the savings and loan association

(SHG) and cooperative methods of microfinance. NIDAN was initially established as a loosely organized group with the goal of empowering young people, both male and female, to achieve financial autonomy through the provision of financial resources, as well as the provision of appropriate training and development facilities for the purpose of putting those resources to work. Since 1995, NIDAN has been officially registered as a society under the Societies Act, and it has been doing business in the following five districts of the state of Bihar: Patna, Vaishali, Katihar, Samastipur, and Muzaffarpur. It provided assistance for the grassroots issues in Khagaria and Nawada as well. Their assistance extended to the early childhood care and education programmes, which benefited the children's academic performance as well as their general growth and development. By the year 1996, NIDAN had begun providing loans to the organizations, with the majority of their focus being on the women in the community. Bandhan, which operates in Kishanganj and Jharkhand and began its operations in the 1990s based on the standards established by the ASA model of Bangladesh, is an example of one of the additional models that have been adopted as part of the scope of microfinance institutions. Cashpor began its business endeavours in collaboration with ICICI with the intention of delivering improved services to the individuals who were concerned. The path of microfinance institutions is a relatively new one in Bihar, but it has already brought forth a great deal of promise and learning for the other models as well. At the end of the 1990s, thanks to the efforts of the Reserve Bank of India and NABARD, the credit flow was improved for MFIs as well. This improvement was backed by cooperative societies and other non-governmental organizations (NGOs) working in the area of microfinance.

MICROFINANCE INSTITUTIONS IN BIHAR

By providing rapid loans to women, microfinance was expected to empower them; however, the organizations that provide microfinance actually reversed the social and economic gains, and the women who received these loans ended up becoming slaves. The burgeoning microlending sector in India is a part of a worldwide phenomena that originated as a philanthropic movement but now now draws private money looking for development. This shift in focus from charitable organizations to private investors is driving the industry's expansion. With initial funding from the National Bank for Agriculture and Rural Development, non-governmental organizations were among the first to engage in what is now often referred to as self-help group cooperative financing. In 1992, in response to the projects' encouragement, the state-sponsored bank began working to connect borrowing groups with local bank branches. When someone is enticed towards the lending facility, and those who take

out the loan do so without taking into consideration the repayment duration or any of the other terms and conditions, the issue quickly spirals out of control. When it comes to meeting the requirements of low-income individuals, the official financial system falls short, which is why the engagement of community-based groups is such an essential component of the problem. It is necessary to work in conjunction with the community that takes into consideration all of the difficulties that are prevalent at the lower level in order to get an understanding of the issues that are occurring on the grassroots level. Microfinance institutions collaborate with non-governmental organizations (NGOs) to connect self-help groups with financial institutions that may provide funding. Throughout Bihar's 38 districts, there are now operations by 34 different microfinance institutions, and the state is also home to the headquarters of four different MFIs.

EMPOWERMENT: LITERARY MEANING

The word "power" is the basic concept behind the phrase "empowerment." According to the International Encyclopaedia (1999), power is defined as the capability and the means to drive one's life towards desired social, political, and economic objectives or position. Power may also refer to the ability to exert influence over others. The definition of the term "empower" found in Webster's New World Dictionary (1982) is "to produce or cause power." [Citation needed] So, empowerment is a step of obtaining authority in order for a person to comprehend their rights and also to carry out their obligations in the most efficient manner possible. The phrase "empowerment" may be broken down into its component parts to reveal the core word "power" followed by the prefix "em." To have power implies to have the ability to act, and maybe even the ability to compel people with less power to act. Hence, whenever one hears the word "Empowerment," that person should effectively assume that another person is being pursued. Because of this, it would seem that the individual in question did not have any authority prior to being given it. To paraphrase what Sarah (2003) had to say on the topic, "apparently if we wish to see people empowered, we believe them to be currently disempowered, i.e. disadvantaged by the way power relations now impact their choices, opportunities, and well-being." According to N. Pietrex (2004), the word "empowerment" originally meant obligation. However, since the 17th century, the term has been used to mean "to invest legally or formally with power or authority; to authorise; licence or to impart or bestow powers or authority; to enable, permit" (to impart or bestow powers or authority; to enable, permit, or to impart or bestow powers or authority; to enable, permit). The term "empowerment" refers to a process that is dynamic and multi-faceted, and it is this process that allows women to achieve their potential and capabilities in all areas of life. Instead of being a

commodity that can be bought and sold, power is something that must be obtained, and once it has been done so, it must be used, maintained, and protected. One way to look at empowerment is as a way to create a social context in which individuals and groups are able to make decisions and choices for the purpose of social change, either on an individual or group basis. It does this by empowering the intrinsic talent via the accumulation of information, strength, and experience (Hashemi Schuler and Riley, 1996). The process of helping individuals achieve control over their lives by increasing their awareness, taking action, and striving towards exercising more control is referred to as empowerment. This method helps people obtain control over their lives. To put it another way, empowerment paves the way for change and makes it possible for a person to pursue their own goals. The experience of empowerment is the sensation that motivates one to do the necessary psychological effort to achieve their objectives. As seen from the viewpoint of an institution, empowerment is the process of establishing the appropriate atmosphere and structure and bringing about the conditions necessary so that individuals may make full use of their capabilities and realise their full potential. The term "empowerment" may be broken down into its most basic concept, which refers to the expression of power redistribution that opposes patriarchal ideology and male supremacy. It may be thought of as both a step in the process and its end product. The alteration of systems or organizations that sustain and perpetuate gender discrimination is what is meant by "gender discrimination transformation." It is a process that gives women the ability to get access to and control of both material and informational resources (Avasthi & Shrivastava, 2001).

LITERATURE REVIEW

Dr. Sweta (2019) In the year 1988, a Self-Help Group was initiated in the state of Bihar by a Holy Cross Sister in the community of Tilhara, located in the Ichhak block of West Champaran. This area was primarily inhabited by members of the Birhor tribe, who were predominantly poor and lacked the financial means to purchase food. By the latter half of the same year, the PRADAN in Hazaribagh unit established the SHG. The early stages of the SHG model were not particularly effective; but, when the banking industry and other governmental sectors made attempts to provide cash to the SHGs, the concept got all the way more prevalent in emerging states like Bihar. With the development and expansion of the SHG model, a select number of non-governmental organisations have also joined the industry with the goal of delivering services that fall under the umbrella term of microfinance. The Reserve Bank of India held a

meeting in the Patna Secretariat in the year 1993 to discuss micro-credit and the subsidy that was associated with it. When the conference was successfully organised, banks in Bihar made it their top priority to lend money to SHGs without requiring any kind of collateral or guarantee. Bank of Maharashtra and Canara bank were the first two banks that developed guidelines for SHGs in order to provide them with loans. Both banks were among the first in India to do so. Following the year 1993, pressure was brought to bear on more banks, and as a result, other nationalized banks began establishing accounts for, and providing loans to, the various organizations operating in the state of Bihar.

Ravi Ranjan (2018) Microfinance is a term that describes the provision of financial services to low-income individuals, persons who are jobless, or groups of people, particularly women, with the goal of enabling these individuals to increase their income levels and improve their overall quality of life. Microfinance is playing a very significant part in the fight against poverty and the development of new employment prospects. Empowering women involves giving them the authority to make decisions and take action in their own lives. To really empower women, there are primarily five different kinds of empowerment that are necessary. These sorts of empowerment include social empowerment, political empowerment, educational empowerment, economic and financial empowerment, and psychological empowerment. It is exceedingly difficult to quantify the degree to which women are empowered; nonetheless, this may be quantified based on the experiences, knowledge, and behaviours of individual women. The following two goals may be derived from the study: (i) To determine the role that microfinance plays in the process of empowering rural women in the North Bihar region. (ii) To understand the many policies, programmes, and schemes that are designed to empower rural women. This research was carried out in North Bihar's Vaishali and Muzaffarpur districts, both of which are located in the state. Just six of the 32 blocks were chosen for the research, three blocks from each of the two districts' total pool of available blocks. In order to obtain information from 212 rural women respondents, primary and secondary data were used in the data collection process. The multi-stage sampling approach as well as the basic random sample technique have both been applied, and straightforward statistical techniques have been analysed and interpreted the results. According to the findings of the research, microfinance contributes far more to the social and psychological employment of women than it does to their economic empowerment. Nonetheless, this contribution cannot be understated. After conducting an investigation into the various programmes and schemes that have been initiated by the government, it was discovered that there are a great number of programmes and schemes

that are assisting rural poor women and marginalized sections of the society to emerge from their state of poverty.

Rients Jan Galema (2011) proposed a distinct approach, which, rather than looking at debt enforcement from a contractual perspective, looks at debt enforcement from an institutional perspective. This alternative viewpoint was brought up in the course of the discussion. By the use of microfinance, Luther E. Tyson and Muhammad Yunus have provided a platform for the improvement of rural areas and the generating of revenue. This article discusses the types of investments that are socially responsible, or, stated another way, how investments should be made in order for the money to be used for the resolution of societal problems and the general improvement of society.

Shanu Singh (2019) explains that the Grameen Bank, which was established in Bangladesh in 1983 by Mohammad Yunus, came up with the idea of providing alternatives for earning a livelihood by utilising the potential towards productive works. This contributed to the beginning of a new era in the industry of microfinance. Shanu Singh (2019) The purpose of this paper is to draw attention to the most pressing problems facing microfinance organisations operating in Bihar and to discuss potential solutions to those problems. The effectiveness of microfinance institutions in the Indian state of Bihar is the subject of this research. The study also takes into account the current state of the economy, and as a result, a thorough examination of representative samples from the region under investigation has been carried out. When it comes to the quality of the monetary goods and services they make available to the general public, Microfinance Institutions have room for development. There are several different initiatives that are being considered for the purpose of empowering the female population. Microfinance institutions are preferred by the poor because, in compared to other sources of financing, their terms, conditions, and processes are more simpler. Banks operate on a far bigger scale than microfinance institutions do. It comprises education on financial investments, as well as participation in collective loans, simplified terms and conditions, more transparency, and reduced administrative burdens. Together with the backing of both the national and state governments, it is extremely praiseworthy that the private sector is working with such efficiency and determination to provide a variety of financial services to those who live in rural and economically disadvantaged areas. Some of the recommendations that have been made to microfinance institutions include educating customers about investments at a wider range, providing more training and development facilities in appropriate ways, conducting regular

check-ups on borrowers regarding the development of the investments they have made, and charging interest rates that are appropriate in order to avoid the unfair practises of charging very high rates from the borrowers. Training, development programmes, and workshops should also be taken into account by other formal institutions, which should also provide a greater reach to those living in rural and impoverished areas. Due to the fact that the financial performance of microfinance institutions is fairly satisfactory, formal institutions such as banks in both the private and public sectors as well as organisations such as the National Bank for Agriculture and Rural Development should give additional assistance. Due to the fact that its standards and laws are appropriately structured, the reach of microfinance institutions is much broader than that of the other models of the microfinance industry.

RESEARCH MYTHALOGY

Of faiths outside their own, in especially in a nation like India, which had a large number of different castes and religious groups. The Grameen Bank was a pioneer in the field of microcredit, and Yunus (2004) recounts the development of both the concept and practise of microcredit. Microcredit programmes in Bangladesh have expanded over the years to provide a wider variety of services to satisfy the economic and social requirements of the country's residents, the majority of whom are economically disadvantaged women. It offers recommendations about the developing problems of self-sufficiency in terms of one's financial situation and the institutional viability of microcredit programmes. Swain (2007) conducted research to investigate how Self-Help Group bank connection programmes affected the members' levels of poverty, vulnerability, and overall social development. The information was gathered for this purpose from a total of five different states in India (Orissa, Andhra Pradesh, Tamil Nadu, Uttar Pradesh and Maharashtra). A comparison was made between the responses of members of SHGs and those of a control group who had not been exposed to the idea of SHGs up until the time of the survey. This was done in order to determine whether or not the microfinance programme had had the intended effect. When compared side by side, the individuals in the SHG and those in the control group had strikingly different results. The individuals in the SHG had a higher degree of mobility, confidence, exposure, and communication competence than those in the other groups. The members of the SHG families shown a discernible and welcome increase in their degree of self-assurance while speaking their minds during group sessions. The data also showed a greater involvement of SHG participants in decision making regarding family planning, children's marriage, buying and

selling property, and sending their daughters to school, etc., when compared to the control group. This was shown to be the case when the SHG participants were compared to the data for the control group. Yet, among the families of those who took part in the study, there was a 10% rise in the total number of incidents of family violence. According to Swain and Wallentin (2007), women become more empowered when they question the cultural and social conventions that are already in place in order to make tangible strides towards improving their own well-being. The level of women's empowerment is considered a latent variable since it cannot be directly seen. One thousand homes were polled using a sample strategy based on the principles of quasi-experimental research, and the results were recorded. The results are very solid, suggesting that, on average, there has been a considerable rise in the empowerment of women. Sahu and Das (2007) conducted research in the Gajapati area of Orissa in India to examine the effectiveness of SHGs in fostering female economic independence. Interviews were conducted with 800 of the participants in this research. The findings of the poll indicated that the majority of SHG members were of a tribal background, with a literacy rate of just 7.43%. Even after receiving group loans, it was discovered that the majority of the members were still engaged in the gathering and distribution of a minor forest product. The majority of the money from the loan was used towards consumer spending, as well as health and festival expenses, and the payback of earlier loans. Investing only accounted for 11.56 percent of the total loan amount taken out. The members did not have the necessary skills to start any non-traditional lucrative ventures. It was observed, however, that despite the fact that the members were not economically well-off, they perceived a number of other benefits as a result of their membership in SHGs.

DATA ANALYSIS

Table 1 This Table Show the Profile of Mfis And Its Group Status.

S.N	Name ofMFIs	State Headquarter	Legal Status	Products & service Offered	Working Area in Patna District	SHGs Group Status	No. of Beneficiaries = (No. of SHGs Group *No. of individuals)
1.	Saija	Patna, Bihar	NBFC- MFI	Micro Credit, Micro	Rural	Active	5*4 = 20

A STUDY ON THE CHALLENGES FOR MICRO FINANCE ORGANIZATION

	financepvt. Ltd.			Pension			
2.	Ujjivan financial ServicesPvt. Ltd.	Karnataka	Pvt. Ltd. Co. (NBFC)	Micro Credit, Education, Housing & Energy, Micro Insurance, Micro Pension, Remittance , other Credit plus activities	Rural	Active	5*4 = 20
3.	Utkarsh Microfinance pvt. Ltd.	Uttar Pradesh	NBFC-MFI	MicroCredit	Rural	Active	5*4 = 20
4.	Fusion Microfinance pvt. Ltd.	NewDelhi	NBFC-MFI	MicroCredit	Rural/ Urban	Active	5*4 = 20
5.	Bandhan Financial ServicesPvt. Ltd.(BFSPL)	Kolkata, West Bengal	Pvt. Ltd. Co. (NBFC)	Micro Credit, Remittance , Micro Insurance, Education, Hard core poor upliftment.	Rural/ Urban	Active	5*4 = 20

A STUDY ON THE CHALLENGES FOR MICRO FINANCE ORGANIZATION

6.	Centre for Development Orientation And Training (CDOT)	Patna, Bihar	Society	Micro Credit, Micro Insurance, Pension, Business Correspondent.	Rural	Active	5*4 = 20
7.	CASHPOR Micro Credit	Uttar Pradesh	Sec 25 Company	Micro Credit, Micro Insurance	Rural	Active	5*4 = 20
8.	Arohan Financial Services pvt. Ltd.	Kolkata, West Bengal	Public Ltd. Co. (NBFC)	Micro Credit, Micro Pension, People's Association for Research and Development Insurance	Rural	Active	5*4 = 20
9.	NIDAN Microfinance Foundation	Delhi	Sec 25 Company	Micro Credit, Micro insurance, Micro Pension.	Rural	Active	5*4 = 20
10.	Vedika Credit Capital Ltd	Ranchi, Jharkhand	Public Ltd. Co. (NBFC)	Micro Credit, Livelihood Promotion, Housing & Energy, Health & Sanitation, Education, Capacity Building & Training	Rural	Active	5*4 = 20

This table provides a profile of the MFIs that were used in the research. The Patna District has chosen ten microfinance institutions (MFIs) that operate in both rural and urban regions. They make credit facilities available to their respondents in the form of SHGs as well as on an

individual basis. From one MFI, five SHGs are taken, and four members from each SHG are selected for the study; for example, 5 times 4 equals 20, and from 10 MFIs, 20 beneficiaries are selected from each; therefore, (10 times 20) equals 200. This research only uses self-help groups that are currently functioning as intended. In addition to microcredit, these MFIs provided a variety of additional services, and the vast majority of them are classified as non-banking financial companies (NBFC) legally.

Table 2 Age-Wise Representation of Samples.

		Frequency	Percent	Valid Percent	Cumulative Percent
	21	1	.5	.5	.5
	22	4	2.0	2.0	2.5
	23	6	3.0	3.0	5.5
	24	5	2.5	2.5	8.0
	25	13	6.5	6.5	14.5
	26	9	4.5	4.5	19.0
	27	15	7.5	7.5	26.5
	28	15	7.5	7.5	34.0
	29	21	10.5	10.5	44.5
	30	21	10.5	10.5	55.0
	31	11	5.5	5.5	60.5
	32	11	5.5	5.5	66.0
	33	19	9.5	9.5	75.5
	34	7	3.5	3.5	79.0
	35	4	2.0	2.0	81.0
	36	5	2.5	2.5	83.5
	37	6	3.0	3.0	86.5
	38	5	2.5	2.5	89.0
	39	6	3.0	3.0	92.0
	40	6	3.0	3.0	95.0
	41	2	1.0	1.0	96.0
	42	3	1.5	1.5	97.5

A STUDY ON THE CHALLENGES FOR MICRO FINANCE ORGANIZATION

	43	2	1.0	1.0	98.5
	44	3	1.5	1.5	100.0
	Total	200	100.0	100.0	

Table 3 Category-Wise Representation Of Samples.

	Frequency	Percent	Valid Percent	CumulativePercent
Gen.	50	25.0	25.0	25.0
OBC	114	57.0	57.0	82.0
SC	36	18.0	18.0	100.0
Total	200	100.0	100.0	

The table no.5 shows the category wise frequency and percent age level of the beneficiaries, where most them belongs to other backward castes (OBC) = 114 out of 200 & 50 from General & 36 from Schedule castes.

Table 4 Education-Wise Representation Of Samples.

	Frequency	Percent	Valid Percent	Cumulative Percent
Literate	137	68.5	68.5	68.5
Illiterate	63	31.5	31.5	100.0
Total	200	100.0	100.0	

The table no.6 shows the literacy rate of the beneficiaries on the basis of frequency level and percentage level, where frequency of literates is high with comparison to illiterate i.e. Literate = 137 (Literate only in the sense of Signature) & Illiterate = 63, out of 200.

Table 5 Representation Of Samples On The Basis Of Place.

	Frequency	Percent	Valid Percent	CumulativePercent
Rural	166	83.0	83.0	83.0
Urban	34	17.0	17.0	100.0
Total	200	100.0	100.0	

The table5 shows the area wise frequency level and the percentage level of the beneficiaries in which most of the beneficiaries belongs to rural areas i.e. 166 out of 200 and rest of 34 from urban areas.

ANALYSIS & RESULTS

The microfinance institutions and the SHGs that they serve, both in rural and urban regions of the Patna District, were the focus of the current research. This research is mostly descriptive in character and empirical in its approach. The purpose of this research was to investigate the role that microfinance may play in empowering women and to investigate the aspects that can affect a woman's ability to make decisions. The researcher did this by using a socio-demographic data sheet and a structured interview schedule to gather information from female borrowers in rural and urban regions of the Patna District. While there is not yet a universally accepted instrument, research on women's empowerment is conducted using the concept's many facets. The interview schedule was broken up into several different sections according to the different dimensions. The first part of the interview focused on the demographic characteristics of the female clients, such as name, age, education, marital status, family type, category, religion, monthly income, and SES (Socioeconomic status). After that, there was a general question section that asked about the need, purpose, and working nature of MFIs. The subsequent segment went into further depth about the five dimensions. To begin, inquiries concerning economic empowerment were presented.

This aspect of empowerment is comprised of income and asset related difficulties, as well as self-reliance and the purchasing patterns of females. The second section discusses social empowerment, which includes elements such as social involvement, mixing with people from different backgrounds, receiving and providing assistance to one another, gaining a voice, mobility, collective bargaining, access to a variety of organisations, participation in cultural activities, and so on. After then, the more personal and family issues were investigated, and then the more generic questions were asked. The level of knowledge that women had regarding the resources that were accessible to them in their local community was a key factor in

determining the weight that they gave to issues such as economic freedom, freedom of action, self-esteem, education, health, involvement in decision-making, self-actualization, exposure, gender equality, and so on. The fifth section focuses on women's political empowerment, which includes women's understanding of the importance of participating in political action, membership in local bodies, and positions of authority, among other things. Then, as the process of collecting data progressed, it became apparent that there are six aspects that must be taken into account in order to conduct an accurate analysis of the data. These aspects are a person's age, level of education, marital status, monthly income, social class of female borrowers, and the type of family in which they had previously resided. To begin, charts were created by selecting each of these characteristics one at a time and determining how probable it was that they would have an effect on one or more aspects of women's empowerment. The researcher next used descriptive statistical analysis, which offers outcomes of women's empowerment via microfinance institutions and their SHGs; how much they empowered themselves after acquiring this facility.

This was done after developing a chart and table for the study. Microfinance institutions (MFIs) have always been emphasising women's empowerment and poverty reduction, two major targets of the Millennium Development Goals (MDGs), as their primary and most prioritised goals of microfinance intervention, despite the fact that different microfinance schemes follow different patterns and aim at achieving different results. This is true even though different microfinance schemes follow different patterns and aim at achieving different results. In this research, different aspects of women's empowerment were investigated, and one of the findings was that the age group of women between 29 and 30 years old had the greatest rate of participation in microfinance organisations. Since participation in the study was limited to just females, this means that in the current research, all of the customers of MFIs are female. Out of 200 respondents, 148 are Hindus; the remaining clients are from other religions. However, among Hindus, OBC clients make up the highest percentage of MFI members; specifically, out of 200, 114 are OBC, compared to 50 from the general category and 36 from the scheduled castes. The majority of beneficiaries are members of the Hindu religion. Literate respondents make up the largest proportion of the sample as compared to illiterate respondents; for example, out of a total sample size of 200, 137 members are literate while 63 are illiterate but literate only in the sense of signature. The majority of microfinance institutions' clients come from rural regions; out of 200 beneficiaries, 166 come from rural areas, while just 34 come from urban areas.

This indicates that persons living in rural regions have a greater participation rate in microfinance organisations as customers. The majority of people who are helped by MFIs come from nuclear families. Out of 200 beneficiaries, 137 come from nuclear families, 53 come from joint families, and 10 come from extended families. The socio-economic status (SES) of members of MFIs is lower than that of members of other types of financial institutions (i.e. out of 200, 180 members belong to lower income group, 19 members belong to middle income group, and only 1 member belongs to high income group, which is a coincidence). Mainly individuals with low incomes become members of these institutions. It has also been shown that the majority of beneficiaries had a monthly income of less than \$5,000 before to joining MFIs. After joining MFIs, it was discovered that women's social empowerment was the highest among all other dimensions of women's empowerment. This was followed by their economic empowerment, which had a mean of 20.5000 and a standard deviation of 3.14635, their personal empowerment, which had a mean of 19.8400 and a standard deviation of 2.82565, their familial empowerment, which had a mean of 18.3850 and a standard deviation of 2.84203, their personal empowerment, which had a mean of 1 Empowerment of women has been one of the top priorities of development agencies and governments around the world, and it has been recognised that even in developed countries, women continue to experience various forms of discrimination in some way or another.

Despite this recognition, empowerment of women has been one of the top priorities of development agencies and governments around the world. In nations that are still developing, the unequal distribution of power between men and women, as well as the poor status of women, has been recognised as a significant barrier to equality and progress. Microfinance is the practise of providing modest loans to aspiring business owners who fall short of the financial requirements for conventional bank financing. It is also possible to characterise it as the provision of low-scale financial services to customers who are engaged in economic activity in a variety of urban and rural settings. The generally accepted definition of microfinance describes it as the provision of savings, credit, and various other financial services and products of very small amounts, primarily to the underprivileged in rural, semi-urban, and urban areas, with the goal of enabling these individuals to raise their income level and improve their standard of living. Microfinance has recently emerged as a topic of significant interest among governments, nongovernmental organisations (NGOs), and international institutions such as the World Bank. In the continuous fight against poverty as well as for the empowerment of women, this strategy has shown that it is both successful and popular as a measure. The

provision of adequate doses of microfinance at the appropriate time to the women folk for their personal, familial, and business purposes by a reliable agency would naturally generate confidence and zeal among them for the performance of their activities.

This would be the case whether the microfinance was used for personal, familial, or business purposes. It is predicated on the notion that the capability of low-income women to engage in business would be bolstered by the availability of small-scale loans, which would also expose these women to the small business sector. Self-Help Groups (also known as SHGs) are non-profit organisations that encourage members to engage in entrepreneurial endeavours by providing them with access to microcredit and providing other forms of assistance. In India, the formation of women's self-help groups has been acknowledged as a successful technique for the empowerment of women in both rural and urban regions. This is true whether the groups are formed in urban or rural areas. In light of the fact that women's overall empowerment is critically dependent on their economic empowerment, women are given the opportunity, through these Self Help Groups, to participate in a variety of fields, including but not limited to health, sanitation, nutrition, agriculture, forestry, etc., in addition to activities that generate income and have access to microcredit. One of the most distinctive aspects of the microfinance programme is that its primary emphasis is on the empowerment of women. This programme serves more than ninety percent female customers, making up the majority of its participants. The overarching goal here is to provide women more independence by enabling them to earn an income on their own, make a financial contribution to their family, and start businesses of their own via the provision of financial help to them.

CONCLUSION

In this particular research, ten different Microfinance Institutions and the SHGs that are affiliated with them have been chosen from different parts of the Patna District. The main focus of the study is on women of age group 20-50 (for details see table no. 2) who get benefited by these MFIs and try to empower themselves; the majority of these women belong to lower Socio-economic Status (SES) with monthly incomes of less than 10,000 rupees and rural areas of Patna District. The study was conducted in Patna District, India (for details see table no. 7,10,11 respectively). The women who participate in these SHGs come from a wide variety of backgrounds in terms of factors such as religion, educational level, marital status, and kind of family, among other characteristics (for details see table no. 4,5,6,8,9 respectively). There are so many goods and services supplied by MFIs that not only aid in the empowerment of women

and the reduction of poverty, but also give them a healthy future. Microcredit is only one of the services that can be obtained via these MFIs, but there are many more.

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