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The Role of Micro-Credit in Promoting Women's Socio-Economic Empowerment: A Study of Ramgarh Cantt District, Jharkhand

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Abstract

Microcredit has emerged as an important tool that promotes financial inclusion and brings about an improvement in the socio-economic status of women. This study looks at how micro-credit helps women become more influential players in society and the economy in Ramgarh Cantt District, Jharkhand. A structured questionnaire was used to collect primary data from 200 women beneficiaries of Self-Help Groups (SHGs), microfinance institutions, cooperative societies, and bank-linked credit programmes through quantitative, descriptive and analytical research design. The analysis of the collected data involved utilising descriptive statistics, Pearson correlation, Chi-square test, and other inferential statistics. As revealed by the results, participation in micro credit programme have positive impact on increased household income, regular saving, self-employment, entrepreneurship, and financial stability. The women also reported increased participation in household decision-making, greater confidence, improved mobility, stronger leadership abilities and participation in community activities. Statistical analysis revealed a strong positive correlation between participation in the micro-credit programme and socio-economic empowerment of women ($r = 0.71$, $p < 0.001$). A significant association was noticed between the length of SHG membership and household decision-making ($\chi^2 = 18.46$, $p = 0.001$). Beneficiaries have to face certain challenges. These challenges are inadequate loan amount, pressure to repay the loan, low financial literacy, weak market linkages, and delay in loan disbursement. As per the study, micro-credit stimulates women's socio-economic empowerment when backed by entrepreneurship training, financial literacy, institutional support and access to market. According to the findings, the information can help policymakers, financial institutions and development agencies in enhancing women-centred financial inclusion and sustainable livelihood programmes.

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1. INTRODUCTION

Micro-credit has emerged as a powerful tool to increase financial inclusiveness. It can also improve socio-economic development among the poorer sections of the community, especially women. Almost half the population of the world is made up of women. They contribute to economic production, household and agricultural management and community development. Women play a significant role in agriculture. Despite their critical contribution, many women still face structural hurdles like restricted access to financial resources, low educational attainment, limited ownership of productive assets, gender discrimination, and exclusion from the formal banking system. Throughout history, these difficulties limited their access to decision-making and economic opportunities in households and communities. For several decades now, policymakers, development agencies and financial institutions have been increasingly aware of the important role played by affordable credit for women in supporting women's entrepreneurship and poverty reduction, in addition to enhancing household welfare and gender equity. As a result, many developing countries, including India, have adopted micro-credit for rural development strategy as well as women empowerment programmes (Yunus, 2003; Kabeer, 2005).

Microcredit refers to the provision of loans and other financial services on a small scale to low-income people who may be lacking collateral, formal employment, or credit history and are hence excluded from the conventional banking system. Micro-credit programmes, unlike conventional banking systems, focus on group lending, social collateral, and joint responsibility, minimising default risk by encouraging peer accountability. The idea became internationally famous when Muhammad Yunus and the Grameen Bank of Bangladesh showed how poor rural women could take out tiny loans and invest them in income-generating enterprises to improve their living standards. The microfinance movement that arose in the late 20th century has spread all over the world. Credit makes it possible for poor households to cope if there is adequate institutional capacity. They also invest in productive activities (Yunus 2003; Armendáriz and Morduch 2010).

Micro-credit is a major policy intervention against poverty and to promote women's empowerment through Self-Help Groups (SHGs), cooperative societies, Microfinance Institutions (MFIs), and bank-linked financial programmes in India. The National Bank for Agriculture and Rural Development (NABARD) initiated the Self-Help Group-Bank Linkage Programme, which has become one of the world's largest microfinance programmes that help millions of rural women get access to adequate formal credit without collateral. Government programs like NRLM, Deen Dayal Antyodaya Yojana, and various livelihood missions by the states have further enhanced women's participation in savings groups and business activities. Aimed at enhancing women's skills, confidence, leadership and participation in socio-economic development, the programmes seek to improve both access to finance and technical assistance (NABARD, 2023; Government of India, 2023). Socio-economic empowerment of women is more than just access to money. Changes in income generation, increasing employment opportunities, more savings, greater asset ownership, improved education and healthcare, improved mobility, enhanced political participation, greater self-confidence, and increased decision-making power in households and society.

Empowerment can be described as the process by which people develop the ability to make strategic life choices which were formerly denied to them. According to Kabeer (1999), empowerment involves access to resources, engaging in decision-making, and achieving desired outcomes. In the same vein, Sen (1999) stated that it is important not to think of development as economic growth alone but as an enhancement of the capabilities and freedoms of individuals. Micro-credit from this point of view is an enabling device which provides women with necessary financial capital, strengthening the women's social capabilities and economic independence. The research done in various countries has shown that participation in micro-credit programmes enhances women's economic well-being. Women who get micro-credit are more likely to start small businesses, diversify sources of household income, save, invest in children's education, use healthcare, and improve household consumption. Moreover, regular interaction through Self-Help Groups (SHGs) supports collective learning, development of organisation and leadership, financial literacy, and awareness about government welfare schemes. Women's participation in local governance institutions and organisations often increases due to enhanced social interactions. This finding corroborated evidence from numerous other authors (Pitt & Khandker, 1998; Hashemi et al., 1996; Swain & Wallentin, 2009).

Despite this, micro-credit as a means of women's empowerment remains an area for academic dispute. Despite the finding of substantial increases in income and decision-making power for women borrowers in some studies, others contend that simply gaining access to credit does not equate to empowerment. Numerous factors have an impact on the outcome of micro credit programmes such as education level, family support, market access, cultural norms and more. In some situations, women are responsible for repaying loans while male family members have control over the use of the money, reducing the potential for real transformative change. Furthermore, low loan amounts and high repayment pressure, weak market linkages and lack of business training hamper the sustainability of women-led enterprises (Mayoux, 2001; Goetz and Gupta, 1996; Banerjee et al, 2015). The inconsistent patterns observed in the findings suggest that micro-credit must be accompanied by other interventions such as capacity building, skill development, entrepreneurship training, social support, etc.

Jharkhand is one of the resourceful states of India that suffers from socio-economic problems. Moreover, a large part of the rural population of the state is still poor, unemployed and unbanked. Women, especially from low-income and backward communities, often rely on informal moneylenders who charge exorbitant rates of interest, trapping them in cycles of debt and financial vulnerability. Government departments, commercial banks, NABARD and Non-Governmental Organizations have gone to great lengths to popularise Self Help Groups and micro credit throughout the state. In the Ramgarh Cantt District, there has been significant growth in the number of self-help groups

(SHGs) working in various sectors including livestock rearing, tailoring, vegetable production, food processing, handicrafts, petty trade and other micro-enterprises. Thanks to these initiatives, women have been able to earn money, sustain their households, and engage with local economic development. To show how far these programmes have converted this into meaningful socio-economic empowerment requires systematic empirical studies.

The present study has therefore been taken up to analyse the role micro-credit impacts women socio-economic empowerment in Ramgarh Cantt District, Jharkhand. The researchers aim to test if participating in a micro-credit programme has impacted women's income, savings, employment opportunities, household decision-making, educational investment, health access, social participation, mobility and quality of life. Moreover, it seeks to determine the important constraints faced by women beneficiaries in using micro-credit effectively for sustainable livelihood development. Taking a sample of 200 women beneficiaries, the study investigates the micro-credit interventions and equipment in Jharkhand. By localising evidence, the study verifies solutions. The study results will help in the literature on financial inclusion and empowerment of women. Besides, it will provide practical assistance to policymakers, financial institutions, development practitioners, and community organisations interested in increasing women's economic participation in the rural development process. The Sustainable Development Goals (SDGs), particularly the eradication of poverty, gender equality, decent work and reduced inequalities, have become common global goals. In these contexts, it is important to understand the role of micro-credit in improving the socio-economic status of women. This has become relevant at academic as well as policy levels (United Nations, 2015; World Bank, 2022).

2. MATERIAL AND METHODS

The present study utilised a quantitative research approach. Moreover, the study used a descriptive and analytical research design. Further, the study examined the role of micro-credit for socio-economic empowerment of women in Ramgarh Cantt District. A descriptive design was regarded as appropriate since it simplifies the systematic collection, organization and interpretation of data related to the socio-economic attributes of respondents, access to micro-credit services and the extent of contribution of such services to various empowerment dimensions. The analysis allowed examining the relationship between participation in micro-credit and different indicators of both economic and social empowerment. The use of research design has become popular in evaluating the contribution of microfinance and Self-Help Groups (SHGs) to rural development and women empowerment. The design allows for making valid and reliable inferences on complex socio-economic phenomena (Kothari, 2004; Creswell and Creswell, 2018).

The research was conducted in the Ramgarh Cantt District of Jharkhand, which is important economically and has a mix of urban, peri-urban, and rural areas. Despite the fact that considerable industrial and mining activities take place in the district, a large number of women depend on agriculture, livestock rearing, petty trade, handicrafts, wage labour and other unorganized activities. In the last ten years, several government programmes, such as the National Rural Livelihoods Mission (NRLM), the Self-help Group-Bank Linkage programme sponsored by NABARD, and schemes run through commercial banks and NGOs, have increased access to micro-credit among economically weaker women. The Self-Help Group formation, financial inclusion and support to women to start income-generating activities. This microfinance district is an ideal location to study the socio-economic impacts of participation in micro-credit programs (NABARD, 2023; Government of India, 2023).

The target population consisted of female beneficiaries of micro-credit received from Self Help Groups, cooperative credit societies, bank, or microfinance institutions, who had utilised the same for productive or livelihood activities. Eligible respondents for the study were women aged eighteen years or above who had been associated with a micro-credit programme for at least a year prior to the survey. The minimum duration was felt to be necessary in order to provide respondents with adequate experience with the use of credit instruments for being able to assess reasonably the change in their socio-economic conditions arising from the participation in the programmes. Women newly joining micro-credit programmes or those who had not received assistance were excluded from the study to maintain uniformity in assessment with respect to the outcome of the programme.

For the investigation, a total of 200 women beneficiaries were selected. The sample size would be adequate for the descriptive statistics and relationship between the variables. Also, it would ensure an adequate representation of different socio-economic categories of the study area. The selection of respondents was done by means of purposive sampling and simple random sampling. At the outset, villages and urban wards comprising functioning Self-Help Groups and engaged in micro-credit programmes were deliberately chosen based on data secured from local development agencies, banking institutions and community organisations. As a next step, lists of eligible women beneficiaries were created from SHG records. Then respondents were selected using simple random sampling. Doing this helped in reducing selection bias. It also gave every eligible participant an equal chance of selection for the study. It has been advised for community-based social science research that the site is purposively selected and the respondents randomly chosen when the programme beneficiaries are geographically concentrated. (Creswell & Creswell, 2018; Kumar, 2019)

The main source of data for the study was primary information. Data was collected through face-to-face interviews using a structured questionnaire specifically developed for the purpose of the study. Direct interviews were adopted as they had better understand of the questions, low non-response, and clarifications were turned whenever the respondents were having difficulty understanding particular items. The questionnaire included mostly closed-ended questions but had also a few open-ended questions to capture the experience and perception of respondents regarding the use of micro-credit. The instrument gathered information relating to demographic characteristics, education, marital status, occupation, household income, family size, duration of SHG membership, the amount of loan received, utilization of borrowed funds, repayment behaviour, saving practices, entrepreneurial activities, access to financial institution, household decision making, mobility, participation in community organization, holding leadership position, health care expenditure, children's education, owning productive assets and perceptions whether there has been a change in socio economic status after participation in micro-credit programmes. Similar multidimensional indicators have been used in studies that have measured women's empowerment using microfinance (Hashemi et al., 1996; Swain and Wallentin, 2009).

A five-point Likert scale was employed to operationalize various constructs pertaining to women's empowerment, with response options of strongly disagree (1) to strongly agree (5). The empowerment indicators tapped perceptions by assessing whether the respondent's economic independence, income generation, making financial decisions, confidence, social participation, leadership, mobility, awareness of government welfare schemes and bargaining power in the household improved. A composite score was used to indicate the level of socio-economic empowerment. The higher scores indicate a higher level of empowerment after involvement in micro-credit programmes. The questionnaire was first prepared in English and later on translated into Hindi for better communication with respondents. Prior to being administered, the translated version of the tool was reviewed for conceptual equivalence and linguistic clarity by subject experts and local field investigators.

Before undertaking the main survey, a pilot survey with the participation of twenty women beneficiaries from a neighbouring area outside the final sample was run in order to assess various features of all items of the questionnaire such as their clarity, reliability, sequencing, and relevance. Feedback acquired through the pilot survey was used to alter vague questions, enhance wording, simplify technical terminologies, and improve the logical flow of the instrument. The main survey validity was not affected as pilot respondents were not included in the actual survey. The internal consistency reliability of the empowerment scale was assessed with the Cronbach alpha coefficient which was above the generally accepted value of 0.70 which is sufficient for proceeding with the analysis (Cronbach, 1951; Hair et al., 2019). Expert review by academicians working in rural development, sociology, economics, and women's studies was carried out to establish content validity. Experts evaluated whether the items included in the questionnaire are adequate to measure the intended constructs of the study.

In addition to primary data, secondary information was collected from various authenticated sources in order to get the best understanding of the empirical data. The materials consisted of NABARD publication, Reserve Bank of India (RBI), Ministry of Rural Development, Government of India, Jharkhand State Rural Livelihood Promotion Society, Census of India, Report of National Sample Survey, annual report of commercial banks, research journals, books, proceedings of Conference, doctoral dissertation and peer-reviewed articles on micro finance, women empowerment, financial inclusion and rural development. By integrating primary and secondary data, the study was able to provide not only local findings but also provide data to compare with national picture and international evidence (World Bank, 2022; United Nations, 2015).

Data was collected from households through visits for a period of 3 months. To ensure that respondents would be available, prior appointments were made. The duration of each interview was thirty to forty-five minutes depending on her educational level and the complexity of her livelihoods. The purpose of the research was made clear to the respondents by the researcher, who also informed them that it was purely academic, participation was voluntary, and they could refuse to answer any question without facing any consequences. Formal consent, either through writing or verbally obtained, was given prior to each interview. To maintain confidentiality and anonymity, identification codes were used in place of respondents' individual names throughout the research. The collected information was used only for academic purposes and stored in a secure manner that protects the privacy of the participants. This is in conformity with accepted ethical standards of social science research (Israel & Hay, 2006).

After fieldwork, the data was checked for completeness, coded and entered into the Statistical Package for the Social Sciences (SPSS) Version 26 for analysis. Before conducting statistical analyses, the data cleaning process was performed to identify missing values, inconsistencies and entry errors. The socio-economic attributes and micro-credit consumption patterns of respondents were summarized using frequency distributions, percentages, arithmetic mean, standard deviation and cross-tabulations descriptive statistical techniques. The relationships between study variables were tested with the help of inferential statistics. Pearson's correlation coefficient has been used to investigate the relationship between participation in micro-credit programmes and socio-economic empowerment. In addition, relationships between selected categorical variables such as the duration of SHG membership, decision-making of the household and so on have been computed through the Chi-square test. As appropriate, independent sample t-tests and one-way analysis of variance (ANOVA) were performed to compare empowerment score by demographic groups. Statistical significance was assessed at the 5% probability level which is the norm in behavioural and social science research (Field, 2018; Pallant, 2020).

3. RESULT

The data collected in Ramgarh Cantt District, Jharkhand, from 200 sampled women beneficiaries of micro-credit programmes analysis revealed that SHG membership and micro-credit have improved the socio-economic conditions of women significantly. With various socio-economic backgrounds, the respondents were able to shed more light on the micro-credit impact on women empowerments. Most respondents were from a century 31–40 years of economically active age (36.0%) followed by 41–50 years (28.0%) and women of 20–30 years age group were at 24.0% while above 50 years of age were at 12.0% of the total sample. This age profile indicates that women in their productive age-group are more active in income-generating activities through micro-credit programmes.

According to Swain and Wallentin (2009) and NABARD (2023), institutions can enhance the chances of economically active women participating in entrepreneurial activities. In other words, availability of finance is important.

The education profile of the respondents reveals that most have moderate levels of literacy. 34.0% have secondary education, 26.0% primary education, 17.0% higher secondary education, 8.0% graduates, and 15.0% illiterate. The women having secondary or higher education generally showed more confidence in managing loans, maintaining records, and undertaking enterprises despite educational attainment differing between respondents. Notable in this research was the evidence that education enhances financial literacy, capacity for entrepreneurship, and the use of micro-credit (Kabeer, 2005; Armendáriz & Morduch, 2010).

Table 1: Socio-demographic Profile of Women Beneficiaries

Variable	Category	Frequency (n)	Percentage (%)
Age (Years)	20–30	48	24.0
	31–40	72	36.0
	41–50	56	28.0
	Above 50	24	12.0
Educational Status	Illiterate	30	15.0
	Primary	52	26.0
	Secondary	68	34.0
	Higher Secondary	34	17.0
	Graduate & above	16	8.0

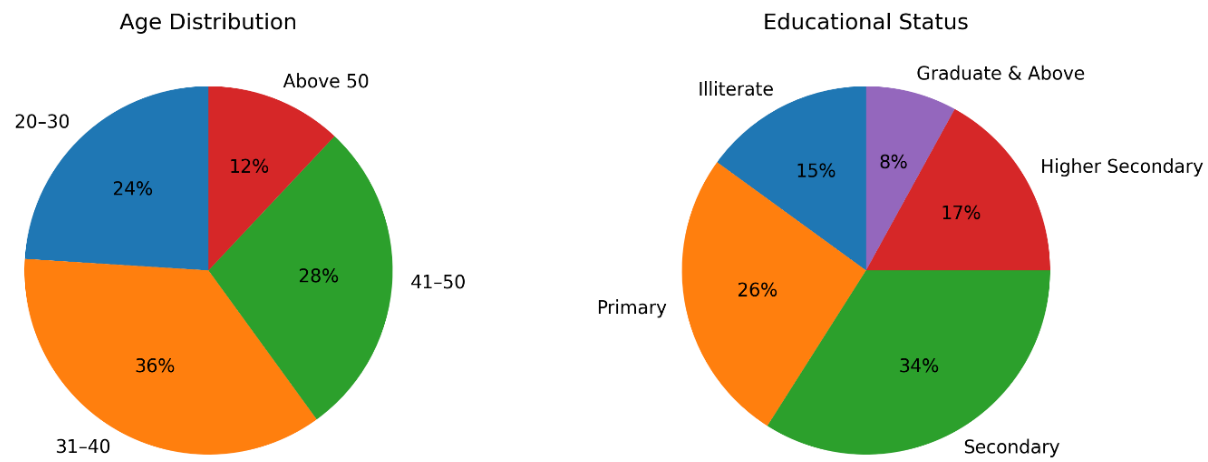

Figure 1: Demographic profile of women beneficiaries

Fig.1, The age and educational status of the respondents are presented. The age profile reported the highest number of respondents in the 31-40 years category (36%), followed by the 41-50 years category (28%). A little less than one-quarter is the 20-30 years category (24%). The least number of respondents is from the above 50 years category (12%). In terms of educational status, the highest number of respondents studied till secondary education (34%). This was followed by primary education (26%) and higher secondary education (17%). Fifteen percent of the respondents were illiterate while only 8% had graduate level education or above, indicating the study population largely consists of moderately educated people.

Occupational distribution after taking micro-credit showed high diversification of livelihoods. Around 29.0% of respondents set up small retail or trading operations, and 22.0% raised livestock. Tailoring and garment production accounted for 20.0%, while 15.0% were in agriculture and allied activities. Handicrafts and other home-based businesses were reported by 14.0%. According to these findings, micro-credit created job opportunities for self-employment through the investment of women in productive economic activities that generated regular income for the household. A number of respondents have stated that they depended on irregular wage labour or household work before joining SHGs, while access to institutional credit helped them to diversify their income source and reduced their dependence on the informal moneylender. Studies have shown similar outcomes as micro-credit has been established to inspire entrepreneurship and livelihood diversification among rural women (Hashemi et al., 1996; Yunus, 2003).

After engaging with the micro-credit programmes, there has been an increase in the monthly income of the respondents' households. Before receiving micro-credit, above 62% of households used to receive less than ₹8000 per month. Also, only 8% of households were there who received above ₹15000 per month. As loan utilisation took place, proportion of households earning less than ₹8,000 came down sharply to 21.0%, while households earning above ₹15,000 increased to 34.0%. Likewise, the share of households earning ₹8,000–

15,000 rose significantly, indicating a general improvement in household circumstances. The respondents remarked that income derived from livestock farming, petty trading, tailoring, food processing, and agricultural enterprises, thanks to micro-credit, brought about this change. The findings support earlier studies that show access to financial resources increases household income and can reduce poverty among women beneficiaries (Pitt & Khandker, 1998; World Bank, 2022).

Table 2: Economic Changes for Women Beneficiaries Before and After Receiving Micro-credit

Indicator	Before Micro-credit	After Micro-credit
Households earning below ₹8,000/month	62.0%	21.0%
Households earning above ₹15,000/month	8.0%	34.0%
Women maintaining regular savings	28.0%	79.0%
Women engaged in self-employment	31.0%	78.0%

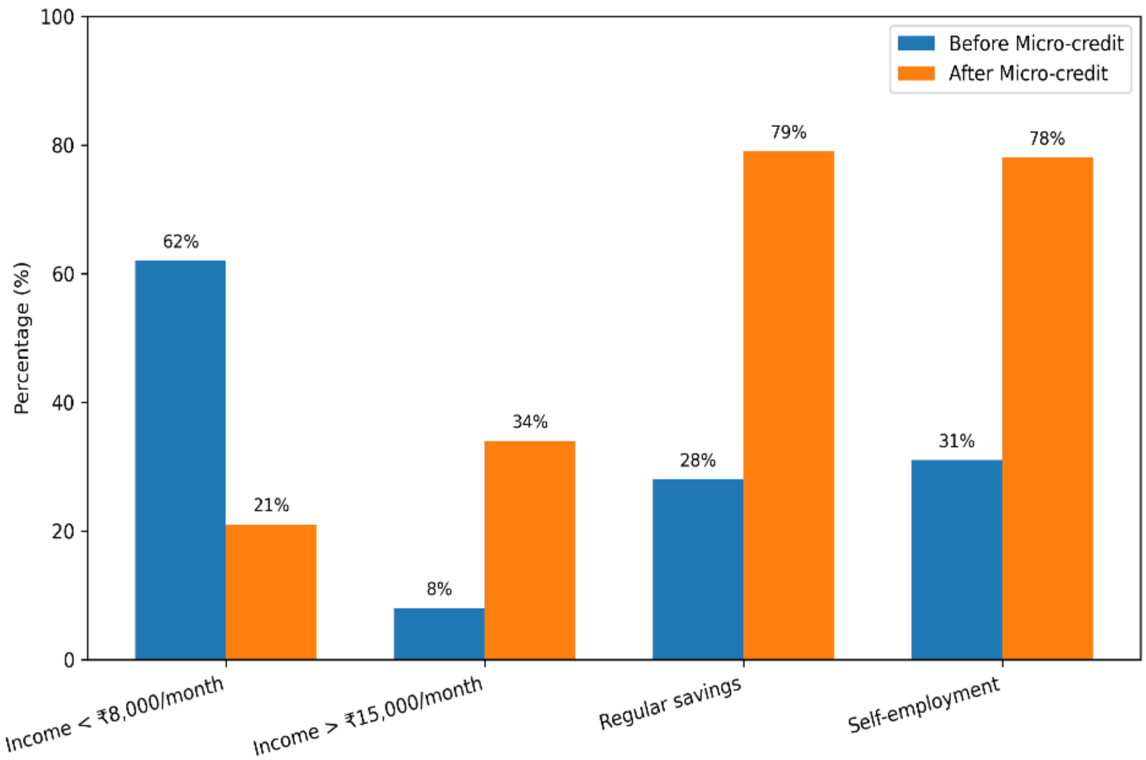

Figure 2: Economic Indicators Before and After Micro-credit

Fig.2, analyses key economic characteristics of respondents' before and after getting micro credit assistance. Prior to receiving access to micro-credit, about 62% respondents were earning less than ₹8,000 per month. This section reduced to 21% after being provided with micro-credit. On the other hand, the segment which earned more than ₹15,000 a month increased from 8% to 34%. Regular savings witnessed a remarkable enhancement from 28% to 79% and self-employment from 31% to 78%. The findings reveal that micro-credit led to an increase in income and savings behaviour and the respondents became self-employed. Thus, it improved their economic well-being.

Furthermore, microcredit programs were discovered to dramatically change savings behavior among respondents. To begin with, prior to joining SHGs (Self-Help Groups), only 28.0% of the respondents maintained regular savings. After receiving micro-credit and due to participation in group savings, 79.0% were savers. The habit of regularly setting aside savings enhanced financial discipline, bolstered preparedness for unexpected situations, and minimized reliance on informal borrowing at exorbitant interest rates. Numerous respondents reported that their savings had helped them to pay for their children's education, medical care, home repairs and to expand their businesses rather than borrow from loan sharks. According to NABARD (2023) and Kabeer (1999), collective savings within the SHGs led to financial discipline and accountability among the group members.

The women's overall authority has risen because of micro-credit. Prior to the joining of SHGs, only 38.0 per cent of the respondents were playing an active role in the decisions relating to expenditure of the household level. 42.0 per cent managed to influence the decisions regarding education of the children. 36.0 per cent participated in the decisions pertaining to health care. And only 24.0 per cent had a participation in the decisions regarding the investment. After involvement in micro-credit programs these percentages went up to 81.0%, 86.0%, 80.0%, and 72.0% respectively. The respondents said that they had more confidence in voicing their opinions due to their financial contributions in the household income, along with their greater awareness of financial planning. Women empowerment refers to the enhancement of women's ability to make strategic choices in a context where this ability was previously denied to them. In this sense, increased involvement in household decisions reflects one of the key dimensions of women empowerment. Further, it is in consonance with Kabeer's conceptual framework. As per Kabeer (1999), access to productive resources strengthens women's agency and bargaining power in households.

The results further showed great improvement in social empowerment indicators. Roughly 88.0% of participants experienced an increase in their self-confidence after participating in SHGs and 83.0% got a larger freedom of mobility to banks, market, government offices, and training programmes. The respondents who felt an increase in community participation was 74.0%. Leadership skills were found to increase among 69.0%. Awareness regarding government welfare schemes reached 77.0%. Participation in regular meetings of the SHG helps the women to all share their experiences. They also discuss SHG issues and community issues at these meetings. Furthermore, they undergo training for financial literacy and can voice shared concerns regarding local development issues. These interactions strengthened social networks as well as leadership skills and community participation of the children. Hashemi, et al. (1996) and Swain and Wallentin (2009), found that village-based financial programmes promote the economic and social development of women.

Even with these positive results, respondents mentioned some difficulties that hindered the use of micro-credit. Almost a third of the participants (34.0%) reported that the loan amount was insufficient for expanding their enterprises. Further, one-fifth (22.0%) underwent repayment pressure due to irregular business income. Marketing opportunities were not available to 18.0% of the respondents, particularly women engaged in handicrafts and agriproducts. 15.0% reported experiencing financial literacy constraints and 11.0% of respondents faced delayed approval and disbursement of loans. Yet, these limitations were not substantial enough to counter the beneficial effects of micro-credit, rather, they indicate the necessity for enhanced institutional support, entrepreneurship training, market linkages and flexible credit products for the long-run sustainability of women-owned firms. Challenges similar to those described were noted in other microfinance studies conducted in developing countries (Mayoux, 2001; Banerjee et al., 2015).

The inferential statistical analysis backed up micro-credit's important contribution to woman empowerment. A large positive correlation ($r = 0.71$, $p < 0.001$) was found between participation in micro-credit programmes and the composite empowerment score, indicating that increased participation in micro-credit activities was linked to greater improvements in income, savings, decision-making capabilities, social participation and empowerment overall. In addition, the Chi-square statistics indicated a significant relationship ($\chi^2 = 18.46$, $p = 0.001$) between duration of SHG membership and household decision making suggesting that women associated with SHGs for a longer duration are likely to be more empowered. The evidence from our study reinforces the idea of the impact of micro-credit programmes on women's development as already seen in the empirical evidence (Pitt & Khandker, 1998; Kabeer, 2005; World Bank, 2022). The overall empirical findings suggest that micro-credit has served as an effective catalyst for enhancing the socio-economic empowerment of women as it has led to increased financial stability, entrepreneurship, household decision-making, social participation and opportunities for sustainable livelihood development in Ramgarh Cantt District.

Table 3: Socio-economic Empowerment Outcomes and Statistical Analysis

Indicator	Result
Increased household decision-making	81.0%
Improved children's education decisions	86.0%
Increased self-confidence	88.0%
Improved mobility	83.0%
Increased community participation	74.0%
Pearson Correlation (Micro-credit vs. Empowerment)	**$r = 0.71$, $p < 0.001$**
Chi-square (SHG Membership vs. Decision-making)	**$\chi^2 = 18.46$, $p = 0.001$**

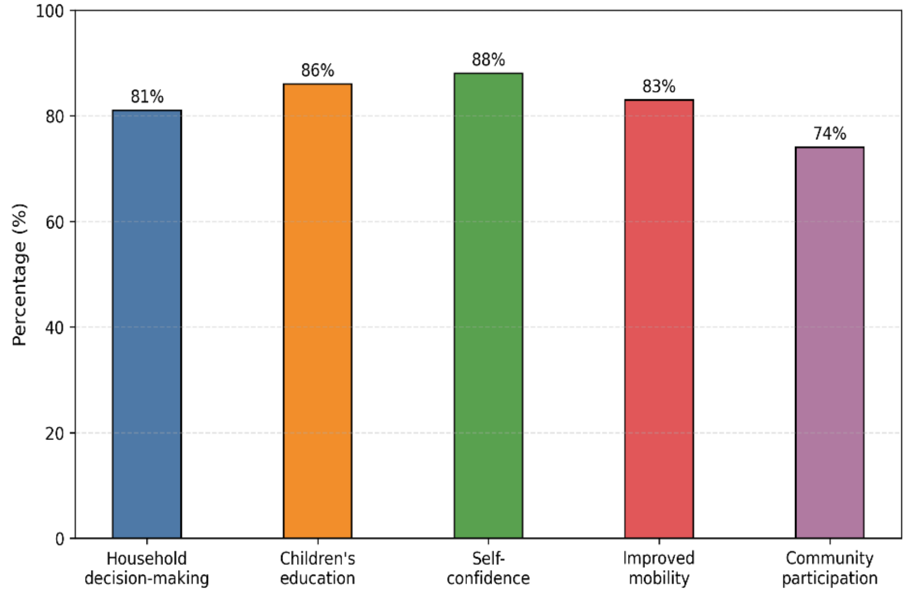

Figure:3 Empowerment Outcomes

Fig.3, the main empowerment outcomes gained by the respondents due to joining Self-Help Groups (SHGs) and avail of microcredit. Self-confidence saw the most improvement, at 88% whereas children's education, improved mobility and household decision making saw an increase of 86%, 83% and 81% respectively. Community participation also rose significantly, with 74% of those surveyed, indicating more participation in social and community activities. These findings reveal that micro-credit does not only offer economic benefits. Furthermore, these services have empowered women to make decisions, gain confidence, afford their children education, enjoy social mobility, and take part in community development.

4. DISCUSSION

The results of the present investigation indicate that micro-credit has contributed immensely to the socio-economic empowerment of women in the Ramgarh Cantt District of Jharkhand. The study results show that access to institutional credit through SHGs has enhanced women's income generating capacity, strengthened the financial stability of households, increased participation in family decision-making, and expanded their involvement in social and community activities. These results lend credence to the popular belief that financial inclusion is an important prerequisite for women's empowerment because access to credit enables them to start small enterprises, save and lessen dependence on informal moneylenders. According to this paragraph micro-credit is not simply a loaning mechanism, but also an agent of socio-economic change if the credit is distributed with active involvement through SHGs. This is evident from the positive changes among the respondents. Research by Yunus (2003), Kabeer (2005) and Armendáriz and Morduch (2010) suggest similar conclusions. This micro-credit enhances women's capabilities by increasing access to productive resources and improving economic independence.

A major finding of the present study is that household income has significantly increased with the participation of micro-credit programmes. Women used borrowed funds to make a livelihood from livestock, tailoring, petty trade, agriculture, handicrafts, food processing, etc. This enhanced their income and increased the household bargaining power. The rise in income in the study is consistent with the idea that affordable credit gives the poor access to other productive assets instead of relying on informal borrowing at high-interest rates. An increase in income at the household level also resulted in better spending on nutrition, healthcare, education of children, and housing improvements, thus strengthening the overall well-being of the family. The evidence shows that participation in micro-credit programmes substantially increases household income, as well as improves the standard of living of low-income women. Pitt and Khandker (1998), and Hashemi et al. (1996).

The study also found a considerable rise in regular savings of respondents after joining the Self-help groups. Having savings is an important aspect of financial empowerment. it allows households to be resilient in facing emergencies and not borrow from others. By saving consistently, women learn to plan their finances better, and it also helps them invest in income earning activities in the future. The system of saving collectively by the SHGs encourages members to display financial discipline among themselves which further enhances their sustainable financial behavior. According to NABARD, 2023, savings mobilization is one of the most important outcomes of the SHG-Bank Linkage Programme. This was also supported by Kabeer, 1999 who argued that access to financial resources increases women's ability to make meaningful economic choices.

An important finding of the current study was the rise in women's involvement in household decision-making. Micro-credit borrowers claimed to be more involved in decision-making—household spending, children's education, health care, business investment, and savings decisions. This has happened because women are earning money and the bargaining power has increased. It seems that their financial independence makes them more confident and better recognised in the family which reduces the traditional gender imbalance in household decision-making. Kabeer's (1999) definition of empowerment emphasizes the link between access, agency and achievement. These findings support this conceptualization. They also agree with Sen's (1999) capability approach that defines development as the broadening of individuals' freedoms to make informed choices and participate in decisions affecting their lives.

Likewise, micro-credit has produced substantial social benefits beyond economic advancement, the results suggest. The SHGs (Self-help Groups) have become important learning and social interaction spaces as evident from the enhanced self-confidence, higher mobility, better leadership traits and involvement in more community organizations. Through group meetings, financial literacy sessions, and participation in community activities, the women have become aware of existing government schemes for their welfare, legal rights, health services and entrepreneurial opportunities, among others. These results indicate that empowerment is multi-dimensional; it does not only enhance income but also encompasses the psychological, social and institutional. According to Swain and Wallentin (2009), it has been found that SHGs participation builds the social capital of women and their involvement in the community. Similarly, the World Bank (2022) has reported that financial inclusion with capacity-building leads to more sustainable empowerment.

The research verifies the positive contribution of micro-credit systems to the socio-economic development of women, but it also identifies some constraints of these systems. Several respondents said that the available loan amounts were inadequate to expand their businesses; furthermore, the repayment obligations sometimes created stress in low-income periods. Barriers to enterprise growth have included limited financial literacy, inadequate entrepreneurial training, weak market linkages, and delays in loan disbursement. Findings suggest that credit alone cannot lead to sustainable empowerment without additional measures. Complementary interventions in skill development, business mentoring, digital financial education and strategic marketing as well as institutional guidance need to be taken. Goetz and Gupta (1996) made similar arguments that women may not be able to benefit from credit if they do not have control over the use of the loan. Banerjee et al. (2015) noted that the enhanced development impact depends significantly on the quality of associated services and the local economy.

The evidence obtained from the present study further corroborates these interpretations. The finding of a significant positive correlation between micro-credit participation and socio-economic empowerment, as well as the statistically significant association between the duration of SHG membership and household decision-making indicates that sustained participation in group-based financial programmes progressively contribute to the empowerment of women. Participation for a longer duration in SHGs improves financial literacy, entrepreneur experience, social networking and leadership which result in cumulative improvement in economic and social well-being. These results are similar to earlier studies showing the continuous impact of ongoing participation of women in micro-credit program which has brought about changes at the level of women, households, and communities (Pitt & Khandker, 1998; Kabeer, 2005).

5. CONCLUSION

The finding of the study states that micro-credit has become an effective tool for the socio-economic empowerment of women in Ramgarh Cantt District of Jharkhand. According to the feedback given by 200 women beneficiaries, access to micro-credit through Self-Help Groups (SHGs) has greatly enhanced women's participation in the economy, earned income of the household, savings behaviour, entrepreneurial wellbeing and overall financial status. Access to institutional credit has facilitated the establishment and expansion of small-scale enterprises by women such as tailoring, livestock rearing, petty trade, agriculture, handicrafts and food processing thereby reducing dependence on informal sources of finance and contributing to sustainable livelihood development. According to Yunus (2003), Kabeer (2005), and Armendáriz and Morduch (2010), women's access to financial resources empowers them economically, allowing them to contribute more effectively to the development of the household and community.

The research also shows that micro-credit benefits extend beyond income improvement to also include social empowerment benefits. Women's enhanced participation in household decisions, increased confidence, greater mobility, better leadership skills and participation in local organisations indicate that women's social status has undergone a significant change after joining SHGs. The working of Self-Help Groups has not only helped in accessing financial services but also in improving social networking, financial literacy, mutual support, and awareness of government welfare schemes. The Kabeer (1999) empowerment explains that empowerment must consist of access to resources, agency, and improved life outcomes. On the other hand, Sen (1999) capable approach argues that development can be defined as the expansion of people's capabilities.

The study also noted several challenges that hinder the success of micro-credit programmes, despite the positive notes above. A number of women beneficiaries continue to face important constraints like insufficient loan size, delay in loan disbursement, limited financial illiteracy, lack of entrepreneurial training, weak linkage with markets, and pressure for repayment. The fact that credit access by itself will not ensure sustainability unless it is followed up by other interventions such as skill development, training on enterprise management, digital financial inclusion, marketing support, and institutional support. Concerns of a similar nature have been raised by Goetz and Gupta (1996), Mayoux (2001), and Banerjee et al. (2015) alleging that micro-credit's development impact is dependent on its broader social, economic and institutional environment.

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