

IMPACT OF MICROFINANCE ON EMPOWERMENT OF RURAL WOMEN: AN EMPIRICAL STUDY IN VAISHALI & MUZAFFARPUR DISTRICTS, BIHAR

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Abstract: Microfinance refers to the small amount of fund which is provided to the needy people or low income group especially for women to increase their earning and also become economically independent. It is assumed that microfinance programme plays a very important role to empower rural women but the reality is not like that in everywhere. The present study attempts to know the socio-economic condition of rural women and also to examine the impact of microfinance on empowerment of rural women in Vaishali and Muzaffarpur districts in Bihar. The result suggested that the socio-economic condition of rural women in both the districts is not up to the mark due to various reasons and the microfinance is not making much impact on empowerment of rural women in both the district of North Bihar.

Index Terms: Microfinance, Women Empowerment, Rural Women, Socio-economic Indicator and MFIs.

I. INTRODUCTION:

Microfinance is defined as a financial activity that includes credit, savings and insurance to low income groups which fall just above the poverty line and poor people who fall below the poverty line. According to International Labour Organization (ILO), "Microfinance is an economic development approach that involves providing financial services through institutions to low income clients". In other word microfinance means small savings, loans, insurance and other financial services which are given to those poor people who do not have access to formal financial institutions to start new small venture to raise their income levels and improve the standard of living. It is supposed from microfinance to eliminate the poverty, empower the rural women and creating job opportunities through different schemes. There is no consent on the concept of empowerment because different professionals and different disciplines explain this concept in their own way. Empowerment is an inherent feature of a person which cannot be imparted by a third party. Empowered women contribute to the health and productivity of the entire families and societies and to improved prospects for the next generation. Empowerment means to make someone powerful, assist the weak to become strong and to facilitate someone to fight for his/her right. According to Nobel Laureate Amartya Sen (1993), "Empowerment refers to the freedom to lead different types of life is reflected in the person's capability set. The capability of a person depends on a variety of factors, including personal characteristics and social arrangement". Initially women empowerment was used to enable women to struggle for social justice through transformation of economic, social, cultural and political independency. In India's first five year (1951-56), the major emphasis is given on empowering the women so that they can play legal role in the society and family. Further emphasis is also given in developing some special organization which should be promoted by state and central government for the benefit of rural women.

II. CONCEPTUAL FRAMEWORK

Meaning of Microfinance

Microfinance is defined as the provision of financial services to low-income people for enabling them to raise their income levels and improve their basic standard of living and fulfill the other basic needs of life. Microfinance is a kind of banking service which is provided to those people who comes under the category of unemployed, low-income individuals and groups who has no access to other financial services.

Concept of Empowerment

Empowerment consists of internal strength which consists of self-motivation, self-esteem, self-worth and awareness. External facilities comprise of education, health, protection from law, fundamental rights, job opportunity, safe environment etc. The term empowerment varies person to person, culture to culture, country to country. Empowerment is an active, multi dimensional process which should enable them to realize their full identify and powers in all spheres of life.

Concept of Women Empowerment

Women empowerment is a multidimensional process which travels from many phases. Among all being economically independent is considered as most important, because economic dependence i.e., dependence on others for survival, itself is a hurdle in the pathway of women empowerment. In order to empower the rural women, the following areas like working pattern of rural women, access to various economic resources and access to society as a whole should be included. The overall development of rural women defines the real empowerment of women in rural India. There is an important role of SHGs in rural India through which the women can be empowered.

III. REVIEW OF LITERATURE

Literature survey provides a detail idea of different research studies which have been done previously. With the help of review of literature one can easily identify the research gap in the current studies and also develop a theoretical base to scrutinize the study. The following review has been made related to microfinance and empowerment of women.

Manimekalai (2004), in the study, "Economic Empowerment of women through Self-Help Groups" commented that NGO playing a special role by helping to run the income generating activities successfully.

In order to select or implement profitable income generating activity for women bank officials should counsel and guide them. The study suggested that the self-image and confidence of rural women have been boosted by the formation of SHGs.

Center for Micro-finance in Nepal CMF (2003), the study on microfinance tells the necessity for catering diversity of regulatory acts to all MFI's under one act for licensing, regulating and supervising. Microfinance seems to be having a large participation from MFIs managed private sector and were better off than government-owned MFIs. The study recommended that a smooth working can be managed by defining the role of government, NRB and micro-financer as early as possible.

Marr (2012), this study titled, "An Empirical study of Microfinance Social Performance", suggested that older MFIs as well as regulated ones tend to perform less socially, as compared to younger and non-regulated MFIs. The study summarized that MFIs with more assets and higher ratios for loans per loan officer have the tendency of performing more socially and MFIs in various regions reveals similar trends with regards to social performance except in the case of Eastern Europe and Central Asia and MFIs in countries having low income also exhibit similar trends like MFIs in upper middle income countries.

Mohanty (2011) study, "Economic empowerment of the rural poor through microfinance –A case study in Satya Badi block of Puri district" reveals that to have a better life microfinance institutions have been providing funds and opportunities to the rural poor and has not only enhanced the saving habit but also helped in reducing rate of poverty. The study suggested that banks should provide services at the door steps of the poor.

Hunt and kasynathan (2002) study entitled, "Reflections on microfinance and women's empowerment" suggested that the in the developing world poor women and men needs to access microfinance and donors should continue to make this work easy. The study also recommended the re assessing of microfinance in the light of evidence i.e. the women's from poorest families are not able to access credit and added that the range of microfinance packages is required to meet the needs of the poorest both women and men. Financial sustainability must be balanced against the need to ensure that some credit packages should be made accessible to the poorest.

Olajide (1980) studies performed by him entitled "Financing enterprises in Nigeria through Cooperative" indicate that there are two sources of credits for entrepreneur which is categorize as internal and external credits. From the studies it is found that the net flow of entrepreneurial activities releases the internal funds while the external funds comes from the loans given by or extended by micro finance providers. The conclusion of the studies refers that the microfinance banks give credit to microenterprises and the poor women who needs to carry out the business for providing microfinance services i.e. lone provision, saving collections, insurance money transfer and other non official services.

IV. RESEARCH GAP

A lot of research has been carried out in the field of microfinance and empowerment of rural women but not found any study related to impact of microfinance on empowerment of rural women: An empirical study in Vaishali and Muzaffarpur districts in Bihar after extensive study. So, this shows the distinctiveness of the study.

V. OBJECTIVE OF THE STUDY

The present study was carried out with the following particular objective:-

- To know the socio economic condition of rural women of Vaishali and Muzaffarpur districts.
- To examine the impact of microfinance on empowerment of rural women in Vaishali and Muzaffarpur districts in Bihar

VI. RESEARCH METHODOLOGY

Research Methodology holds a very important position in any study. It is the base on which the study is carried out, designed and formulated. The entire design of the study is reliant on the research methodology. It is important as because it provides the detail information regarding the objectives of the study and the methodology which will be followed to conduct the study.

• SAMPLING DESIGN

Multi-stage sampling technique has been used in the study. Out of 38 districts of Bihar only 2 districts have been selected for study purposes from North Bihar. The Vaishali and Muzaffarpur districts contain 32 Blocks (16 in each district) all together out of which 6 Blocks (3 each from both the districts) namely Vaishali, Hajipur & Lalganj from Vaishali district and Paroo, Saraiya & Kanti from Muzaffarpur district have been chosen for study purposes and then data has been collected from respondents randomly.

• SELECTION OF RESPONDENT

Only those rural women have been taken for study purposes who were involved in the microfinance activities in the Vaishali and Muzaffarpur districts of Bihar. The study has been carried out among the 6 Blocks of the two districts out of which 212 respondents have been approached through schedule.

• DATA USED AND COLLECTED

Both primary and secondary data have been used for study purpose. Primary data has been collected from area of study and secondary data has been collected from different sources like- NABARD, Bharat Microfinance Report, published and unpublished research paper etc.

• ANALYSIS OF DATA

To know the socio economic condition of rural women, percentage method has been used and to examine the impact of microfinance on empowerment of rural women, chi-square test has been used.

VII. LIMITATION OF THE STUDY

- Women empowerment is a biased term and it can be used in different point of view regarding empowerment.
- Only those rural women have been taken for study purposes who were involved in the microfinance activities.
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VIII. SOCIO - ECONOMIC CONDITION OF RURAL WOMEN

The basic information about the respondents will give a socio-economic profile of the rural women members of the microfinance programme. This is attained from their age, educational qualification, caste, marital status, religion, size of family, headship of family, occupation and income level.

Table No. 1 Age of the Respondent

Sr. No.	Age of the Respondents	Vaishali Districts	Muzaffarpur Districts	Total
1	18-35	64 (51.2) [60.4]	61 (48.8) [57.6]	125 (100.0) [59.0]
2	36-50	39 (49.4) [36.8]	40 (50.6) [37.7]	79 (100.0) [37.3]
3	51 & above	3 (37.5) [2.8]	5 (62.5) [4.7]	8 (100.0) [3.7]
	Total	106 (100.0)	106 (100.0)	212 (100.0)

(Source: Author Estimation Based on Primary Data). Figure in the () shows row percentage and [] shows column percentage.

Table No.1 shows the Distribution of Respondents by Age. It is examined from the above table that the most of the respondents belong to age group of 18-35 years (59%), followed by the age group age of 36-50 years (37.3%) and only 3.7% of the respondents belong to age group of 51 & above. Majority of women belongs to young and middle aged as compared to old aged.

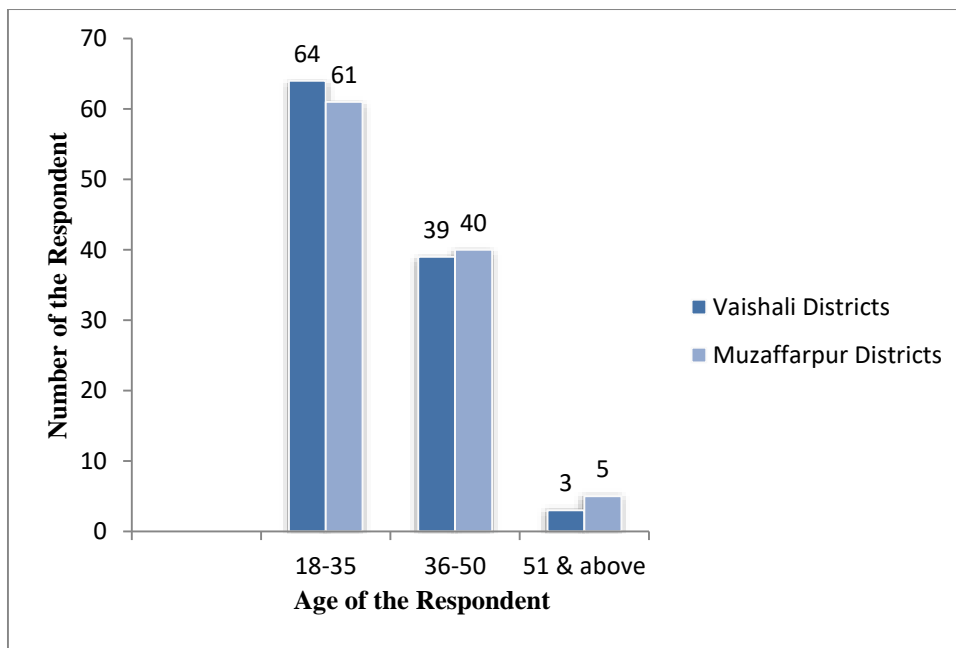


Figure No.1

Table No. 2 Caste of the Respondent

Sr. No.	Caste of the Respondents	Vaishali Districts	Muzaffarpur Districts	Total
1	General	36 (48.0) [34.0]	39 (52.0) [36.8]	75 (100.0) [35.4]
2	OBC	49 (51.0) [46.2]	47 (49.0) [44.3]	96 (100.0) [45.3]
3	SC	18 (52.9) [17.0]	16 (47.1) [15.1]	34 (100.0) [16.0]
4	ST	3 (42.9) [2.8]	4 (57.1) [3.8]	7 (100.0) [3.3]
	Total	106 (100.0)	106 (100.0)	212 (100.0)

(Source: Author Estimation Based on Primary Data). Figure in the () shows row percentage & [] shows column percentage.

Table No. 2 shows the Distribution of Respondent by Caste. This table indicates the impact of microfinance programme on the participant of different forward and backward castes. It is examined that 35.4% rural women belongs to forward class and 64.6% rural women belongs to backward class in which 16% & 3.3% rural women belongs to SC and ST.

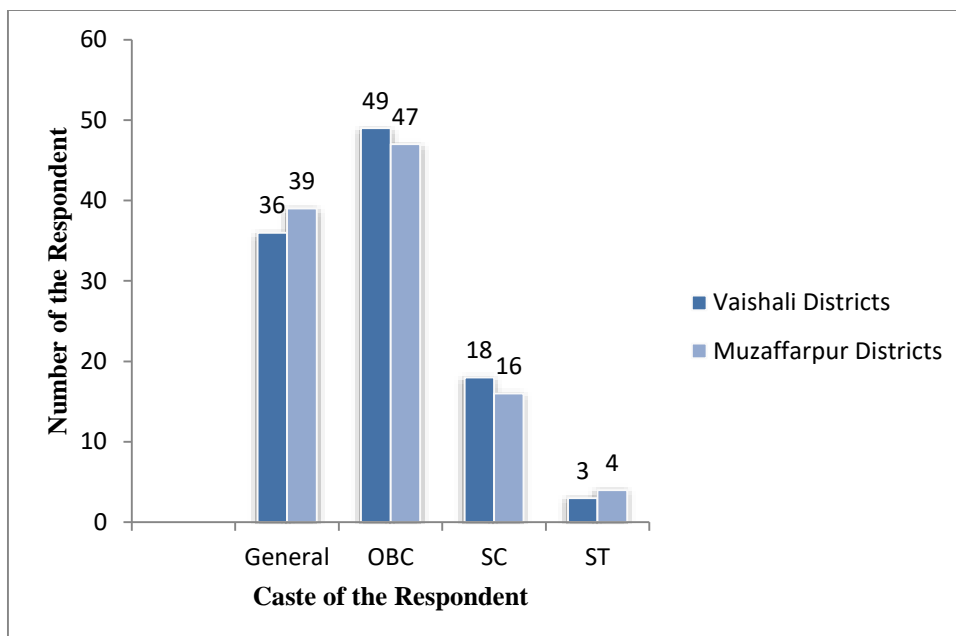


Figure No.2

Table No.3 Marital Status of Respondents

Sr. No.	Category of the Respondents	Vaishali Districts	Muzaffarpur Districts	Total
1	Married	82 (50.9) [77.4]	79 (49.1) [74.5]	161 (100.0) [75.9]
2	Unmarried	08 (53.3) [7.5]	07 (46.7) [6.6]	15 (100.0) [7.1]
3	Widow	14 (46.7) [13.2]	16 (53.3) [15.1]	30 (100.0) [14.2]
4	Divorce	2 (33.3) [1.9]	4 (66.7) [3.8]	6 (100.0) [2.8]
	Total	106 (100.0)	106 (100.0)	212 (100.0)

(Source: Author Estimation Based on Primary Data). Figure in the () shows row percentage & [] shows column percentage.

Table No. 3 shows the Distribution of Respondent by Marital Status. It is observed from the above table that most of the women members are married. As far as unmarried women are concerned they are less in number as compared to married women. . The data collected from the survey, it is examined that out of 212 respondents, 161 women members are married with 75.9% followed by 30 widow members with 14.2%. A very less number of women members are unmarried and divorced.

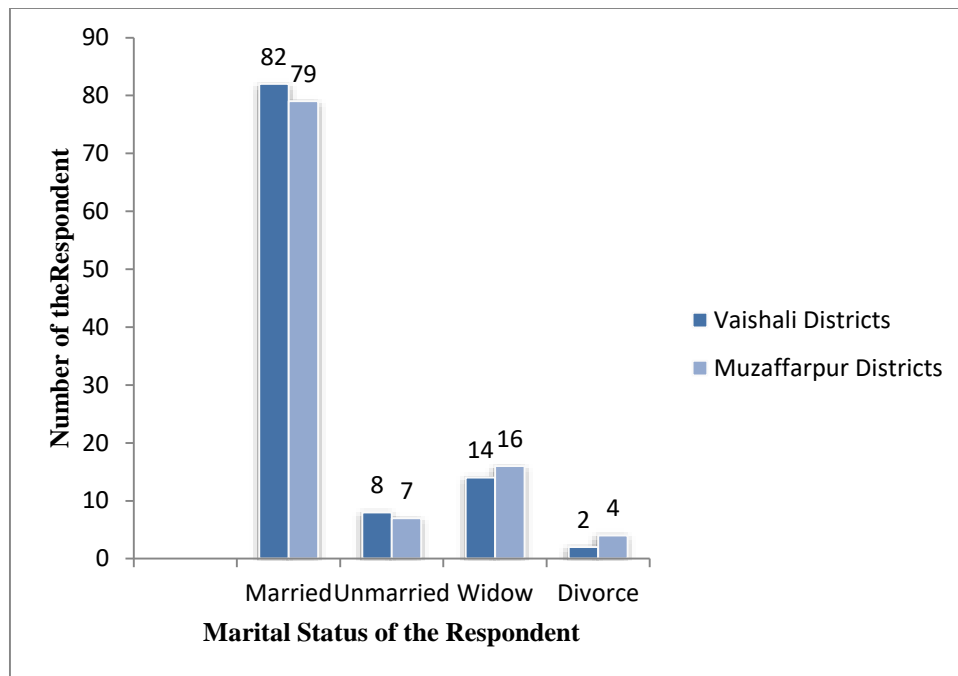


Figure No. 3

Table No. 4 Educational Qualification of Respondent

Sr. No.	Level of Education	Vaishali Districts	Muzaffarpur Districts	Total
1	Primary Education	22 (47.8) [20.8]	24 (52.2) [22.6]	46 (100.0) [21.7]
2	Secondary Education	17 (51.5) [16.0]	16 (48.5) [15.1]	33 (100.0) [15.6]
3	Matric	13 (48.1) [12.3]	14 (51.9) [13.2]	27 (100.0) [12.7]
4	Intermediate	6 (54.5) [5.7]	5 (45.5) [4.7]	11 (100.0) [5.2]
5	Graduation	2 (40.0) [1.9]	3 (60.0) [2.8]	5 (100.0) [2.4]
6	PG & above	1 (33.3) [0.9]	2 (66.7) [1.9]	3 (100.0) [1.4]
7		45	42	87

	Illiterate	(51.7) [42.4]	(48.3) [39.7]	(100.0) [41.0]
	Total	106 (100.0)	106 (100.0)	212 (100.0)

(Source: Author Estimation Based on Primary Data). Figure in the () shows row percentage & [] shows column percentage.

Table 3.4 shows the Distribution of Respondents by Education Qualification. As discussed earlier that level of education is one of the important sign for the empowerment of rural women in any country. According to 2011 census, the female literacy ration was 56.73% in Vaishali district and 54.67% in Muzaffarpur district which is higher than state female literacy ratio (51.5%). It is examined from the above table that, about 59% rural women were literates and about 41% rural women are illiterates. In the group most of the respondents (21.7%) have completed primary education but at the same time they are able to sign only. The other two groups of respondents (28.3%) have completed secondary education and matriculation is able to read and write. And only 3.8% of respondents have acquired higher education. This is the good sign for the development of society. Young respondents are more educated than older one.

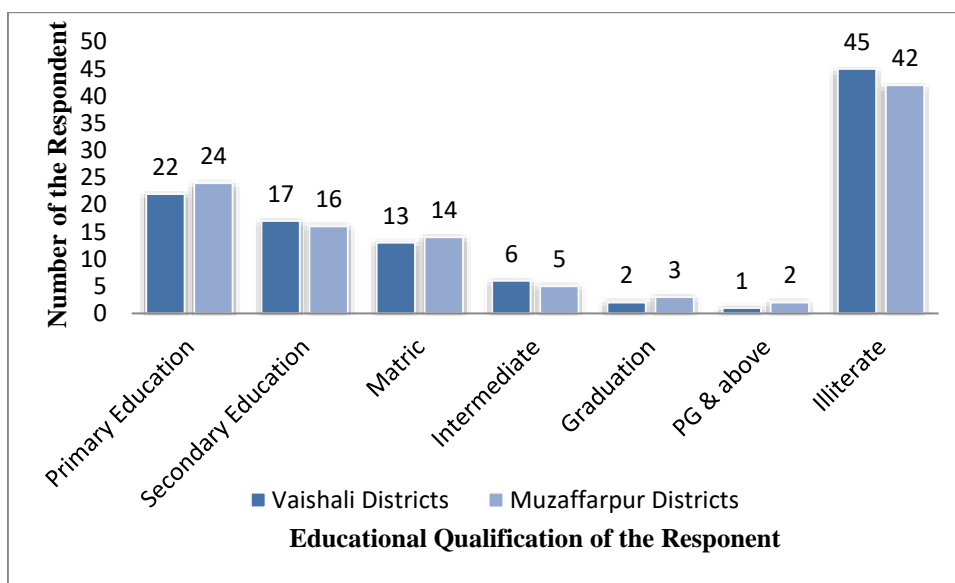


Figure No. 4

Table No.5 Religion of the Responent

Sr. No.	Category of the Respondents	Vaishali Districts	Muzaffarpur Districts	Total
1	Hindu	87 (48.3) [82.1]	93 (51.7) [87.7]	180 (100.0) [84.9]
2	Muslim	12 (57.1) [11.3]	9 (42.9) [8.5]	21 (100.0) [9.9]
3	Christian	0 (0.0) [0.0]	0 (0.0) [0.0]	0 (0.0) [0.0]
4	Sikh	7 (63.6) [6.6]	4 (36.4) [3.8]	11 (100.0) [5.2]
	Total	106 (100.0)	106 (100.0)	212 (100.0)

(Source: Author Estimation Based on Primary Data). Figure in the () shows row percentage & [] shows column percentage.

Table No.5 shows the Distribution of Respondent by Religion. India is an adaptable country. Whoever wants to follow any religion they can follow it without any pressure. Every religion has their own way of practice to follow. It is observed from the above table that most of women respondents follow the Hinduism religion followed by Muslims and Sikh. There is no Christian member found in both the districts. Out of 212 respondents, 180 respondents follow the Hindu religion with 84.9% followed by 21 Muslim members with 9.9% and 11 Sikh members with 5.2%.

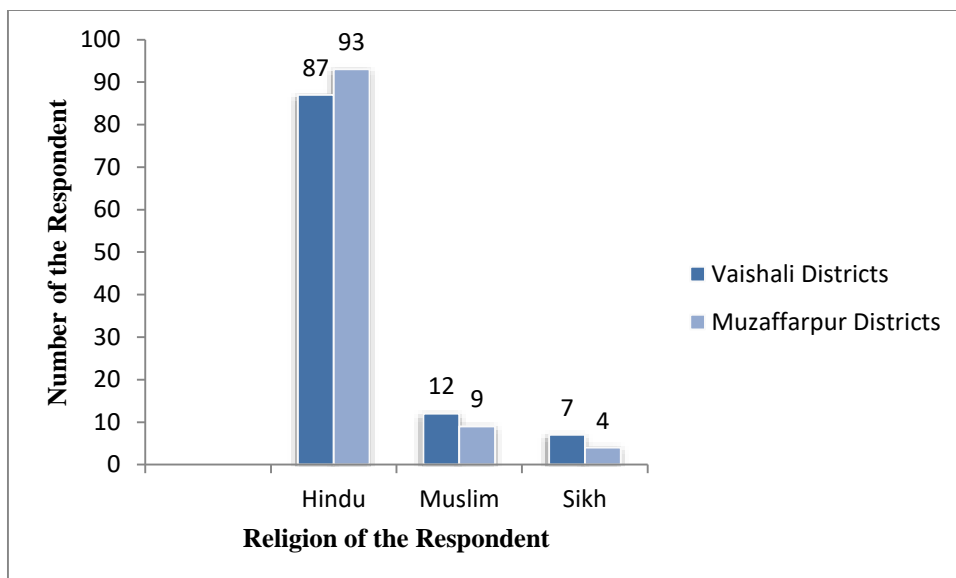


Figure No.5

Table No. 6 Distribution of Respondent by Size of Their Family

Sr. No.	Caste of the Respondents	Vaishali Districts	Muzaffarpur Districts	Total
1	2 to 5	17 (43.6) [16.0]	22 (56.4) [20.8]	39 (100.0) [18.4]
2	6 to 8	63 (53.8) [59.4]	54 (46.2) [50.9]	117 (100.0) [55.2]
3	9 to 10	19 (42.2) [17.9]	26 (57.8) [24.5]	45 (100.0) [21.2]
4	11 & above	7 (63.6) [6.6]	4 (36.4) [3.8]	11 (100.0) [5.2]
	Total	106 (100.0)	106 (100.0)	212 (100.0)

(Source: Author Estimation Based on Primary Data). Figure in the () shows row percentage & [] shows column percentage.

Table No. 6 shows the Distribution of Respondent by Size of Their Family. Indian society is a family oriented society. As a most part of family work is done by women and she is not able to take part in other activities due to time constraints. It is observed from the above table that in Vaishali district 59.4% of respondents have family sizes between 6 to 8 members and 17.9% of respondents have family size of 9 to 10 members, 16% have 2 to 5 members and only 6.6% have family size between 11 & above. In Muzaffarpur districts 50.9% of respondents have family sizes between 6 to 8 members and 24.5% of respondents have family size of 9 to 10 members, 20.8% have 2to 5 members and only 3.8% have family size between 11 & above. Out of 212 respondents, 117(55.2%) respondents have family size between 6 to 8 members followed by 45 (21.2) respondents having their family size between 9 to 10 members, 39 (18.4%) respondents having their family size between 2 to 5 and only 11 (5.2%) respondents having family size between 11 & above. Members of microfinance programme are taught of advantage of small family and also encouraged them to adopt family planning.

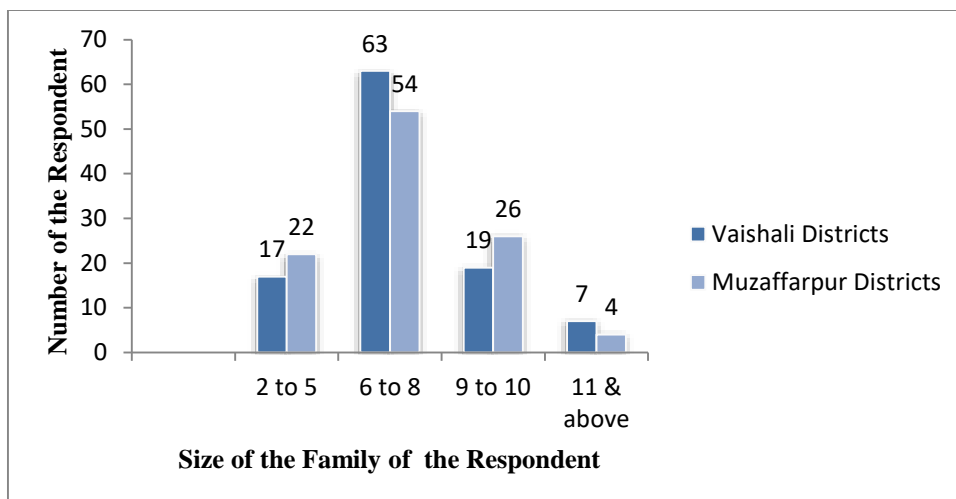


Figure No. 6

Table No. 3.7 Headship of the Family

Sr. No.	Headship of the Family	Vaishali Districts	Muzaffarpur Districts	Total
1	Male Headed	102 (49.5) [96.2]	104 (50.5) [98.1]	206 (100.0) [97.2]
2	Female Headed	4 (66.7) [3.8]	2 (33.3) [1.9]	6 (100.0) [2.8]
	Total	106 (100.0)	106 (100.0)	212 (100.0)

(Source: Author Estimation Based on Primary Data). Figure in the () shows row percentage & [] shows column percentage.

Table No. 7 shows the Headship of the Family. Heading of family by women shows that the transfer of power from male to female. But data collected from respondents shown in the table is very disappointing in this case. Approximately 97.2% respondents have reported that headship of the family in the hands of male where as 2.8% respondents have reported that headship of the family in the hands of women.

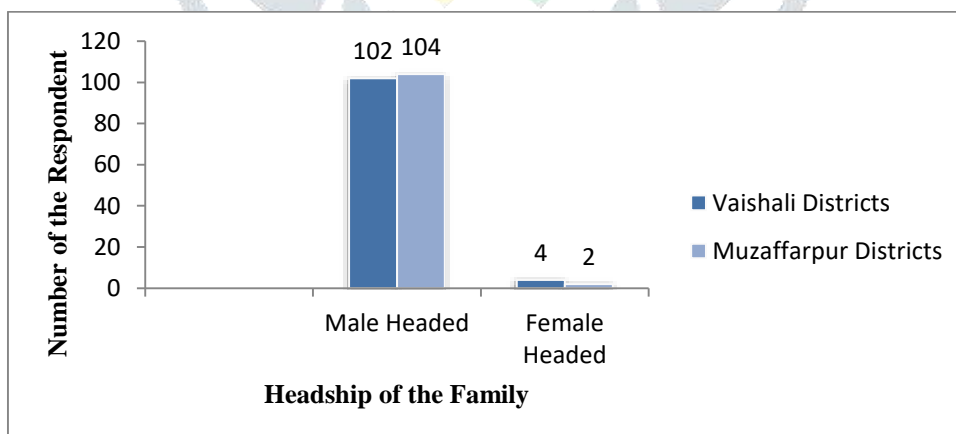


Figure No.7

Table No. 8 Occupation of the Respondents

Sr. No.	Occupation of the Respondents	Vaishali Districts	Muzaffarpur Districts	Total
1	Cultivation	56 (53.3) [52.8]	49 (46.7) [46.2]	105 (100.0) [49.5]

2	Business	9 (52.9) [8.5]	8 (47.1) [7.5]	17 (100.0) [8.0]
3	Labourer	34 (46.6) [32.1]	39 (53.4) [36.8]	73 (100.0) [34.4]
4	Others	7 (41.2) [6.6]	10 (58.8) [9.4]	17 (100.0) [8.0]
Total		106 (100.0)	106 (100.0)	212 (100.0)

(Source: Author Estimation Based on Primary Data). Figure in the () shows row percentage & [] shows column percentage.

Table No. 8 shows the Occupation of the Respondents. Occupation is the economic activity which is done to generate revenue. Most of the rural women are engaged in the agricultural work. Out of 212 respondents, 105 (49.5%) rural women were agricultural followed by 73(34.4%) labourer respondents and 17 (8.0%) respondents involved in business & other activity each. So it is observed from the above table that still most of the rural women are dependent on agricultural work and works as labourer.

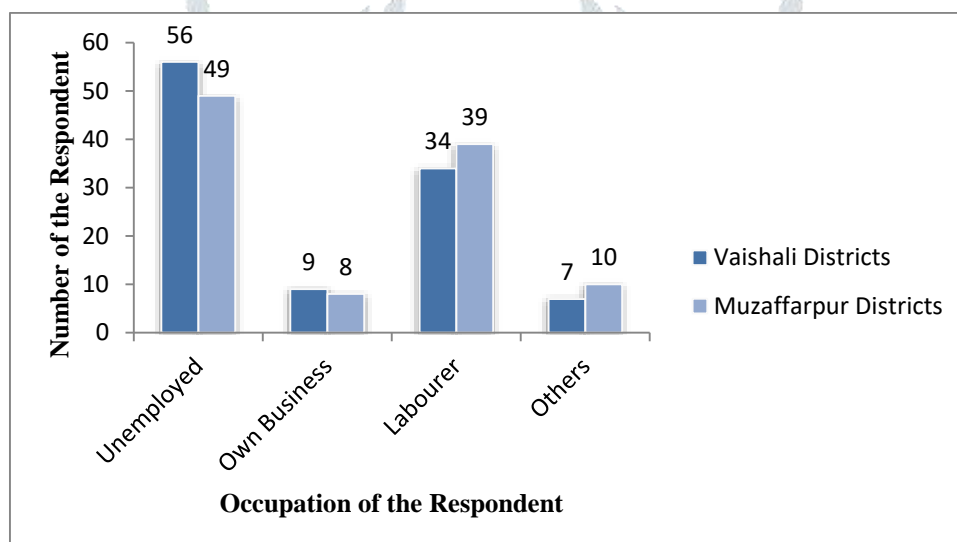


Figure No.8

IX. IMPACT OF MICROFINANCE ON EMPOWERMENT OF RURALWOMEN

In order to know the impact of microfinance in the empowerment of rural women in Vaishali and Muzaffarpur districts, the non-parametric test i.e. Chi Square test has been used. The analysis has been done in two parts, the first part is related to some basic questions of empowerment that’s why combined analysis has been done and second part is related to some important questions of empowerment that’s why separate analysis has been done.

HYPOTHESIS TESTING: FIRST PART

**Table No: 9
CHI SQUARE TEST TABLE**

Results	Table No. Participation in Microfinance Programme		Table No. Borrowed Fund Utilization		Table No. Respondent Control over Personal Income and Expenditure		Table No. Size of Assets and Control over Assets after Joining MFPs		Table No. Skill Up gradation of Respondent after Joining MFPs	
	O	E	O	E	O	E	O	E	O	E
Statistical Results	24	25.5	17	19	13	15	13	14.5	7	9
	27	25.5	21	19	17	15	16	14.5	11	9
	32	32.5	14	16.5	64	63	41	37	69	65.5
	33	32.5	19	16.5	62	63	33	37	62	65.5
	41	37.5	41	39	29	28	28	29.5	30	31.5
	34	37.5	37	39	27	28	31	29.5	33	31.5
	9	10.5	34	31.5	N/A	N/A	24	25	N/A	N/A
	12	10.5	29	31.5	N/A	N/A	26	25	N/A	N/A
χ^2	1.2737		1.7805		0.6365		1.4077		1.4057	
d.f.	3		3		3		3		3	
Table value	7.817		7.817		7.817		7.817		7.817	
A	0.05		0.05		0.05		0.05		0.05	
P-Value	0.7353		0.6191		0.8883		0.7037		0.7041	
Hypothesis	H₀: Women participation in microfinance programme has no significant role to play.		H₀: Borrowed fund utilization has no role to play in the empowerment of women.		H₀: There exists no control of women over her personal income and expenditure		H₀: There exists no control of women over the size of assets after joining microfinance programme.		H₀: No significant skill up gradation has been done after joining microfinance programme.	
	H_a: Women participation in microfinance programme has significant role to play		H_a: Borrowed fund utilization has playing a significant role in the empowerment of women. Empowerment of women.		H_a: There exist some control of women over her personal income and expenditure		H_a: There exists some control of women over her assets after joining microfinance programme.		H_a: Significant skill up gradation has been done after joining microfinance programme.	

Source: Authors Estimation Based on Primary data, Computed Using R Software Note: O= Observed values, E=Expected Values

RESULTS:

Table No. 9 represents the results of the chi square test in measuring women empowerment. The Results so obtained after applying chi square test have found statistically insignificant (i.e. p>0.05) in all the above five questions. So, null hypothesis is rejected in all the cases. So it cannot be said clearly whether micro finance is really making any impact or not in the empowerment of rural women in Vaishali and Muzaffarpur districts as because results are found statistically insignificant.

HYPOTHESIS TESTING: SECOND PART

Table No. 10
CHI SQUARE TEST TABLE
Decision Making of Respondent at Household after Joining MFPs

O (Observed Value)	E (Expected Value)	O-E	(O-E) ²	(O-E) ² /E
22	20	2	4.0000	0.2
18	20	-2	4.0000	0.2
71	69.5	1.5	2.2500	0.0323
68	69.5	-1.5	2.2500	0.0323
13	16.5	-3.5	12.2500	0.7424
20	16.5	3.5	12.2500	0.7424
χ^2				1.9496
d.f.				3
Table Value				7.817
A				0.05
P Value				0.00076

Source: Authors Estimation Based on Primary data, Computed Using R Software

The above table represents the results of the statistical test in terms of decision making in household after joining micro finance programme. In order to examine whether participation in microfinance programme has played any significant role or not in terms of decision making of women at household in the Vaishali and Muzaffarpur districts of North Bihar the Chi Square test has been conducted. Following hypotheses has been formulated for the purpose of the above analysis:

HYPOTHESIS:

- **Ho:** There exists no significant change in participation in household decision making after joining microfinance programme.
- **Ha:** Significant change in participation has been noticed in decision making after joining microfinance programme.

RESULTS:

The table value of Chi Square test for 3 d.f. at 5% level of significance is 7.817 which is higher than the calculated value which is only 1.9496 and it has been found statistically significant ($p < 0.05$). Hence, the calculated value is less than table value, the null hypothesis i.e. there exists no significant change in participation in household decision making after joining microfinance programme can be accepted and it can be conclude that participation in micro finance programme has not make any significant impact in the decision making power of women in household related activities after joining the programme.

Table No.11
CHI SQUARE TEST TABLE
Changed in Household Income of the Respondent after Joining MFPs

O (Observed Value)	E (Expected Value)	O-E	(O-E) ²	(O-E) ² /E
18	20	-2	4	0.2000
22	20	2	4	0.2000
79	76	3	9	0.1184
73	76	-3	9	0.1184
9	10	-1	1	0.1000
11	10	1	1	0.1000
χ^2				0.83684
d.f.				3
Table Value				7.817
A				0.05
P Value				0.8406

Source: Authors Estimation Based on Primary data, Computed Using R Software

The above table represents the results of the statistical test in terms of change in household income of respondents after joining micro finance programme. In order to examine whether participation in microfinance programme has played any significant role or not in terms of change in household income of respondents in the Vaishali and Muzaffarpur districts of North Bihar the Chi Square test has been conducted. Following hypotheses has been formulated for the purpose of the above analysis:

HYPOTHESIS:

- **Ho:** There is no change in the household income of the respondent after joining microfinance programme.
- **Ha:** There exist some changes in the household income of the respondent after joining microfinance programme.

RESULTS:

The table value of Chi Square test for 3 d.f. at 5% level of significance is 7.817 which is higher than the calculated value which is only 0.83684 and it has been found statistically insignificant ($p > 0.05$) i.e. 0.8486. So it can not be interpreted whether micro finance is really playing any role or not in changing the household income of the respondents after joining microfinance programme.

Table No. 12
CHI SQUARE TEST TABLE
Change in Own Property Ownership After Joining MFPs

O (Observed Value)	E (Expected Value)	O-E	(O-E) ²	(O-E) ² /E
29	30.00	-1	1	0.03333
31	30.00	1	1	0.03333
67	64.50	2.5	6.25	0.09689
62	64.50	-2.5	6.25	0.09689
10	11.50	-1.5	2.25	0.19565
13	11.50	1.5	2.25	0.19565
χ^2				0.6517
d.f.				3
Table Value				7.817
A				0.05
P Value				0.00057

Source: Authors Estimation Based on Primary data, Computed Using R Software

The above table represents the results of the statistical test in terms of change in property ownership after joining micro finance programme. In order to examine whether participation in microfinance programme has played any significant role or not in terms of change in property ownership after joining micro finance programme in the Vaishali and Muzaffarpur districts of North Bihar the Chi Square test has been conducted. Following hypotheses has been formulated for the purpose of the above analysis:

HYPOTHESIS:

- **Ho:** There exists no significant change in own property ownership after joining microfinance programme.
- **Ha:** There exists significant change in own property ownership after joining microfinance programme.

RESULTS:

The table value of Chi Square test for 3 d.f. at 5% level of significance is 7.817 which is higher than the calculated value which is only 0.6517 and it has been found statistically significant ($p < 0.05$) i.e. 0.00057. Hence, the calculated value is less than table value, the null hypothesis i.e. there exists so significant change in own property ownership after joining microfinance programme can be accepted and it can be conclude that participation in micro finance programme has not make any significant change in terms of property ownership for the rural women.

Table No.13
Chi Square Test Table
Contribution of Educated Women in the Family

O (Observed Value)	E (Expected Value)	O-E	(O-E) ²	(O-E) ² /E
9	10.00	-1	1	0.1000
11	10.00	1	1	0.1000
13	11.50	1.5	2.25	0.1956
10	11.50	-1.5	2.25	0.1956
8	10.50	-2.5	6.25	0.5952
13	10.50	2.5	6.25	0.5952
17	16.00	1	1	0.0625
15	16.00	-1	1	0.0625
59	58.00	1	1	0.0172
χ^2				1.9240
d.f.				3
Table Value				7.817
A				0.05
P Value				0.00837

Source: Authors Estimation Based on Primary data, Computed Using R Software

The above table represents the results of the statistical test in terms increase in contribution of women towards education in the family. In order to examine whether participation in microfinance programme have increased the contribution of women towards education in the family after joining micro finance programme in the Vaishali and Muzaffarpur districts of North Bihar the Chi Square test has been conducted. Following hypotheses has been formulated for the purpose of the above analysis:

HYPOTHESIS:

- **Ho:** No significant increase towards the contribution of educated women in the family.
- **Ha:** There exists some significant increase towards the contribution of educated women in the family.

RESULTS:

The table value of Chi Square test for 3 d.f. at 5% level of significance is 7.817 which is higher than the calculated value which is only 1.9240 and it has been found statistically significant ($p < 0.05$) i.e. 0.00837. Hence, the calculated value is less than table value, the null hypothesis i.e. no significant increase towards the contribution of educated women in the family can be accepted and it can be conclude that participation in micro finance programme has not make any significant change in terms of increase in contribution of women towards education in the family.

X. CONCLUSION

It is expected from microfinance programme to empower rural women by providing credit/fund through different schemes of microfinance. But the finding of the result shows the different story. Microfinance is not making much impact on women empowerment in both Vaishali district and Muzaffarpur district in Bihar, because of various reasons, some of them has been discussed here: member of microfinance programme is not utilizing their fund in proper manner, members of this programme are not interested to take participation in any training and skill development programme, most of the members are either illiterate or primary educated, most of the member are dependent on agricultural or labourer work & not interested to start a new type of business etc. Therefore, microfinance institutions have to come one step ahead to encourage the rural women to take participates in the microfinance programme and also to promote their schemes through organizing seminar.

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