# Microfinance and Women's Entrepreneurship: An Empirical Analysis of Bihar

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## Abstract

Microfinance has become one of the most important tools for reducing poverty and encouraging entrepreneurship among women in developing countries. In India, especially in Bihar, microfinance institutions and Self-Help Groups (SHGs) have provided financial support to women who were previously excluded from formal banking services. Access to small loans, savings facilities, financial literacy, and skill development has enabled many women to establish small businesses, increase household income, and improve their social position. Bihar has witnessed remarkable growth in women-led SHGs through government initiatives such as the Bihar Rural Livelihoods Promotion Society (JEEViKA), NABARD's SHG-Bank Linkage Programme, and various microfinance institutions. These initiatives have contributed to women's economic participation and entrepreneurial development in rural and semi-urban areas.

This study examines the relationship between microfinance and women's entrepreneurship in Bihar. It analyses how access to credit influences business creation, income generation, employment opportunities, financial independence, and decision-making power among women entrepreneurs. The paper also identifies the challenges faced by women in utilizing microfinance effectively. The study adopts a descriptive and analytical research design using secondary data collected from government reports, published research articles, books, and reports of NABARD, RBI, and JEEViKA. The findings indicate that microfinance significantly promotes women's entrepreneurship by improving access to financial resources, encouraging self-employment, increasing confidence, and strengthening social inclusion. However, challenges such as low financial literacy, inadequate business training, limited market access, and repayment pressure continue to restrict the full potential of women entrepreneurs. The study concludes that strengthening financial education, digital inclusion, and market support can further enhance the impact of microfinance on women's entrepreneurship in Bihar.

## Keywords

Bihar, Financial Inclusion, JEEViKA, Microfinance, Rural Development, Self-Help Groups, Women Entrepreneurship.