# CONSTRAINTS AND SUSTAINABLE LIVELIHOOD ADAPTATIONS IN THE INFORMAL ECONOMY: EVIDENCE FROM BEGUSARAI

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#### **Abstract**

This research examined the evolution of rural livelihoods in Begusarai, Bihar, mainly focusing on the informal economy and community-based institutional mechanisms grounded in the SLF1. The study adopted a mixedmethods approach to understand household-level responses to agricultural decline, structural unemployment and ongoing socio-economic vulnerabilities. Primary data was collected in May 2025 using stratified sampling of 110 households, which involved household surveys, semi-structured interviews and a case study. To conduct statistical analysis like a chi-square & Cramer's V test to check the relationship between the variables. Results indicate that chi-square analysis shows a significant relationship between gender, livelihood and source of income, p < 0.001. On average 69% of respondents are employed in the informal sector. On average monthly income of 79% respondents are earn more than ₹10,000, which shows a modest upward trend in earnings. Female participation rate remains low at 23% because of socio-cultural constraints. Additionally, respondents were not ready to disclose personal information may have limited the granularity of certain findings. In the past highly dependence rate on agriculture, the region has witnessed a shift toward the informal economy due to wage disparities, volatility in farm incomes, limited formal employment opportunities and badly impact of climate change on agriculture. A case study of an entrepreneur shows the importance of SHG<sup>2</sup>, microfinance and collective action in promoting livelihood diversification and household resilience. This research is based on real evidence with verified theoretical insights. The study concludes with insightful information about changes in rural labour markets, the informal sector and found the new cause of migration in Bihar. It highlights the importance of a specific targeted policy for stakeholders. Highlight the importance of income security for socioeconomic development.

JEL Classification: O17, Q12, R23

Keywords: Sustainable livelihoods; Employment; Microfinance; Informal economy; Resilience and migration.

#### 1. BACKGROUND

Begusarai, a district in Bihar has traditionally depended on agriculture as its main livelihood. Census (2011) the district has a population of around 30 lakhs, out of which 80% (2.4 million) lived in rural areas. Most of the working population depends on agriculture as a main source of livelihood. As per the Govt. of Bihar's (2020) report on average, 70% of the state's workforce is involved in agriculture. However, the sector faces increasing challenges from land fragmentation, with average landholdings in

(2023) cited that over 90% of the workforce in India is engaged in informal employment, including construction, street vending, daily wage labour and home-based enterprises, Etc. Dr. Ratna Amrit (2020) cited in his paper, JEEViKA has facilitated the

leading to a gradual shift toward informal and

diversified livelihood strategies. The same pattern is

Due to this reason, the demand for the non-farm and

informal sector has risen. As per the ILO report

also observed in Begusarai.

formation of over 1.3 million Self-Help Groups, mobilising millions of rural women into economic activities. Through participation in SHGs, women

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<sup>&</sup>lt;sup>1</sup> Sustainable Livelihoods Framework

<sup>&</sup>lt;sup>2</sup> Self help group

have gained access to financial services, skill development programs and market linkages, contributing significantly to their economic empowerment.

JEEViKA has played a transformative role in this transition, mobilising rural area women into SHGs across Begusarai. The PIB, (2022) cited in his study that these SHGs offer access to microcredit and training, boosting household incomes by up to approximately 19% and enhancing participation in poultry farming, petty trade and Chambers, Robert agro-based businesses. Gordon R. Conway, (1992) cited in their study, the SLF<sup>3</sup>, which emphasises five key capital assets: human, social, natural, physical and financial as the foundation of rural resilience and economic security. Within this framework, livelihood diversification in Begusarai reflects adaptive response an vulnerability contexts, including fragmented landholdings, climate-related shocks and structural gaps in formal employment. The informal sector, expansion of SHGs and gendered micro-enterprise development represent shifts in livelihood strategies that rely heavily on social and financial capital.

This study fills the research gap in understanding how populations strategically use informal work, migration and SHGs as composite survival tools in districts like Begusarai, which lie at the intersection of agrarian stagnation and industrial aspirations.

#### 1.1. Transformational Phase of the Agro -Based to Industry - Led Economy

As per the Economic Survey of Bihar, (2022-23)cited in his report that around 65% of rural households on average identify agriculture as main source of livelihood, but only 38% said agriculture as their primary source of income. Begusarai, agriculturally dominant. Now recognised as Bihar's Industrial Capital, with major investments like a 991acre industrial zone approved in 2025. As per The Hindu (2025) cited in his report that informal work and industrial development have surged over the years. This discrepancy highlights the increasing reliance on non-farm activities such as wage labour, petty trade and informal services over the period of time. Priya Deshingkar and Shaheen Akter (2009) cited in his study that most of the migrant population works as daily wage labour in construction and tran -

sport (₹400-₹650/day), while women engage in home-based enterprises such as tailoring and pickle-making. Seasonal migration to Delhi, Punjab and Maharashtra is common among young people, with monthly remittances averaging ₹5,000-₹7,000. These funds are used for home improvements and asset purchases.

As per NRLM (2025) cited in his report, it has played a key role in women's empowerment, with over 10,04,181 SHG members in Bihar. As per the Press Information Bureau (2022) cited in his report, women access microloans (₹20,000-₹1.5 lakh) to run poultry farms, grocery shops and lease land. Repayment rates cross 97%, showing a strong financial discipline.

#### One of the SHG beneficiaries shared:

"Earlier, we waited for our husbands' earnings. Now we earn ourselves, we save, we decide. Even our children look at us differently."

#### 1.2. Field Insight: Statement by Mr Binay Kumar, Principal, Government School, Mohanpur (Begusarai)

He said that migration patterns have changed significantly due to changing aspirations and opportunities among rural families. He observes a shift from short-term, employment-driven migration toward longer-term relocation based on broader livelihood goals.

"In recent years, temporary migration has increased, highlighting not only the search for employment but also the desire for better living conditions. Many low-income families are now choosing to relocate permanently to seek greater stability and better access to basic needs. Limited availability of residential land, combined with the growing need for better educational and healthcare facilities, influenced their choices. At the same time, the local economy moves from dependence on agriculture to the service sector. It may create in new possibilities for employment and growth."

#### 1.3. Objectives

 Analyse the structural role of the informal economy in mediating livelihood adaptation amid agrarian decline and industrial transition in Begusarai.

<sup>&</sup>lt;sup>3</sup> Sustainable Livelihoods Framework

- Examine the intersection of gender, income and occupational structure within the informal sector to identify patterns of inequality and resilience.
- Assess the influence of self-help groups (SHGs), microfinance and skill initiatives on women's economic agency and household sustainability.

#### 2. LITERATURE REVIEW

The rural economy of Bihar has observed a significant transformation over the past 2 decades, in the context of declining agricultural stagnation, rising informalisation and increased female labour participation through community institutions. The same transformational shift was observed in Begusarai, where shrinking farm incomes and socioeconomic vulnerabilities have compelled households to diversify their livelihood strategies. Existing knowledge offers valuable insights to understand these trends but often addresses them in isolation rather than as interlinked processes shaping rural resilience.

### 2.1. Livelihood Diversification and Informal Strategies

Changes in livelihood patterns are widely recognised as an adaptive response to agrarian distress. Frank Ellis (2000) & Deborah Fahy Bryceson (2002) cited in their studies that a decline in farm productivity and market fluctuations push rural households towards multi-source income strategies, combining farm, non-farm and off-farm activities. Davis et al. (2010) cited in his study that informal work and seasonal migration serve as informal risk insurance in fragile rural economies.

However, these studies support that changes in the livelihood as a rational household strategy, they often lack micro-level evidence specific to economically backwards regions like Bihar, where structural unemployment and climate vulnerabilities highly impact on the social hierarchies.

### 2.2. Role of SHGs and Women's Economic Empowerment

The growth of SHGs has played a significant role in rural women's empowerment in India. JEEViKA, Bihar's flagship rural livelihoods programme frequently cited as an example of how community mobilisation can increase women's financial independence. Swati Suman and Jahanara (2022) found that JEEViKA beneficiaries in Begusarai significantly help to increase women's income level and decision-making power, with over 80% of participants reporting increased savings and greater household agency. Ajesh Palayi, Pramod Kumar and Rabindra Nath Padaria (2018) also demonstrate in their study that SHG clusters and education levels facilitate sustained participation and improved well-being among the SHG beneficiaries.

Both studies highlight ongoing challenges like limited access to the market, insufficient training and social norms that restrict women's full economic potential.

### 2.3. Emergence of Rural and Agro-Based Industries

Parallel to informal diversification and SHG-led microfinance, non-traditional rural businesses have emerged as a new source of livelihood. Bhaskar Deep (2018) cited in his study that agribusiness ventures such as mushroom cultivation and dairy farming offer supplementary income streams, with average monthly returns ranging between ₹8,000 to ₹15,000, only because of poor infrastructure, restricted access to affordable credit and low technical capacity often hinder the scalability of such ventures.

R. Kumar (2018) cited in his study the role of agroprocessing units in providing direct and indirect rural employment and the necessity of modernising transport and technology systems to realise their full potential.

Despite the number of studies, they tend to underexplore how such enterprises interact with informal work and migration, especially in structurally constrained distraicts.

### 2.4. Migration, Policy Failures and Structural Shifts

Policy frameworks intended to stabilise rural incomes in Bihar often fail to reach small and marginal farmers effectively. Krishna Kumar & Syed H. Mazhar (2021) said that despite the presence of the MSP mechanism, its poor on-ground implementation, weak purchasing systems and lack of institutional support have left many small landholders vulnerable to price shocks and income insecurity.

As agricultural returns stagnate, farmers in districts like Begusarai are compelled to expand their sources of earning. Rupa Kumari (2025) highlights in his study that a growing shift towards high-value crops and non-traditional farming is needed to mitigate declining profitability. These efforts are constrained by infrastructural poverty and inadequate policy support, which limit the benefits of diversification among the framers.

When a change in the source of livelihood alone fails to secure sustainable livelihoods, then migration becomes a last option. Reena Singh (2025) highlights in his study that ongoing agrarian hardship and limited non-farm opportunities within rural Bihar have intensified both seasonal and long-term migration, particularly among the younger population seeking employment in urban and industrial centres for better earnings.

#### 2.5. Identified Research Gap

Existing literature highlights key transitions in Begusarai's economy, declining dependence on agriculture, increasing informalisation and migration and the growing though uneven role of SHG and rural industries. However, most of the studies examine these trends in isolation, overlooking how households combine multiple livelihood strategies such as informal work, migration and microfinance participation to cope with agrarian and income shocks.

Policy failures, such as weak MSP implementation, limited credit access and poor infrastructure, remain underexplored as factors that drive changes in livelihood and industrial shifts. The demographic aspects of youth involvement and gendered labour dynamics, also receive limited attention.

This study addresses these gaps by providing an integrated empirical analysis of how rural households coordinate with the informal labour, seasonal migration and SHG participation to sustain

livelihoods and enhance resilience amid persistent economic and policy constraints in Bihar's rural context.

#### 3. METHODOLOGY

#### 3.1. Study Area and Timing Justification

The study was conducted in Begusarai district, Bihar, an agriculturally dominant region undergoing significant livelihood changes due to the decline of dependence on the agriculture sector as a main source of income, rising non-agricultural sector and the growth of community-based institutions such as SHGs. In 2025, the government officially declared Begusarai as the industrial capital of Bihar, for this reason researcher opted to examine the current state of the local economy. This study will evaluate how households have historically adapted through migration, informal work and engagement in community-based microfinance and to understand early indicators of industrial transformation.

Data collection was carried out in May 2025, after the pre-monsoon harvest of rabi crops and a better understanding of agricultural earnings for the season. It also coincided with the return of most migrant workers, who come home because temporary employment is available locally in construction, agriculture and other sectors. Collecting data before the monsoon ensures easier field access and a relatively stable labour migration period, facilitating accurate assessment of both seasonal and long-term migration patterns and their impact on household livelihoods.

#### 3.2. Research Design

A cross-sectional, mixed-methods approach is used to capture both quantitative trends and qualitative insights. This design allows triangulation across household surveys, focus group discussions (FGDs) and key informant interviews, providing a comprehensive understanding of livelihood diversification, women's economic participation and informal sector engagement.

#### 3.3. Sampling Strategy and Sample Size

A multistage stratified random sampling approach

was adopted:

- Stratification: Villages were stratified by agroecological zones, working-age population and economic engagement of gender in the livelihoods.
- Household Selection: 110 households were randomly selected from these strata to ensure representation of agricultural households, informal sector workers and SHG beneficiaries.

The sample size is selected according to balanced statistical representativeness with practical field considerations. It allows insightful subgroup analysis, such as by gender or employment type, etc.

Limitations: Cross-sectional design limits causal inference, small sample size may under-represent less common livelihood patterns and self-reported data may involve recall or social desirability bias. It is not a large enough sample size for complete generalisation to the entire district.

#### 3.4. Data Collection and Instruments

Primary data were collected through:

- Structured household surveys & conducted semiinterviews in Hindi and English for better understanding of livelihood patterns & socioeconomic conditions.
- Key informant interviews with a government school principal and a JEEViKA beneficiary.

Secondary sources, including the Census of India (2011), Government of Bihar reports (2020, 2023), JEEViKA reports (2021, 2023), etc., were referenced to contextualise findings. Data were cleaned and analysed using Google Sheets and Excel.

Use of Jamovi & JASP analytical software for chisquare & Cramer's V test for quantitative understanding.

#### 3.5. Data Analysis

- Quantitative data were analysed using descriptive statistics and factor analysis to identify patterns and determinants of livelihood diversification and SHG participation.
- Qualitative data were examined thematically to

capture social capital, institutional roles and vulnerabilities, with triangulation enhancing the robustness of findings.

#### 3.6. Ethical Considerations

Informed consent was obtained from all participants before data collection. Participants' anonymity and confidentiality were rigorously maintained throughout the process and it was ensured that primary data is used only for research purposes.

### 4. RESEARCH FINDINGS AND ANALYSIS

### 4.1. Statistical Analysis: Chi-Square Tests of Association

### 4.1.1. Relationship between Gender and Source of Livelihood

A Chi-square test of independence was used to examine whether livelihood sources differ significantly by gender.

**Table 4.1.1.1:** Contingency Table: Source of Income

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Gender	Daily wage	Service	Household	Agriculture	Other's	Total
	labour	Sector	Industry			
Male	41	18	8	13	5	85
Female	2	8	6	2	7	25
Total	43	26	14	15	12	110

Source: Primary Data

Table 4.1.1.2: Results

Tests	Value	D.f	P-
		4	Value
Chi-χ²	21.6	4	<.001
Likelihood ratio	22.4	4	<.001
Fisher's exact test	-	-	<.001
N	110	-	-
Cramer's V	0.443		

Source: Author's Calculations

#### Interpretation

The Chi-square value  $\chi^2$  = 21.6, d.f = 4, p < 0.001, shows a significant association between gender and livelihood source. This means men and women engage in different types of work. Males are mainly

in daily wage labour, while females are more concentrated in service and household industry work. Cramer's V = 0.443 indicates a moderate-to-strong relationship, suggesting gender strongly influences livelihood choice.

### 4.1.2. Check the relationship between gender and the average monthly income

A Chi-square test of independence was used to examine whether livelihood sources differ significantly by gender.

Table 4.1.2.1: Contingency Table: Average Monthly Income

				_	-	
Gender	5000 -	More than	10,000-	Not	Less than	Total
	10,000	15000	15000	shared	5000	
Male	13	40	28	2	2	85
Female	3	7	7	4	4	25
Total	16	47	35	6	6	110

Source: Primary Data

Table 4.1.2.2: Results

Test	Value	D.f	P-
			Value
Chi-χ²	15.1	4	0.004
Likelihood ratio	12.6	4	0.013
Fisher's exact test	-	-	0.007
N	110	-	-
Cramer's V	0.371		

Source: Author's Calculations

#### Interpretation

The Chi-square test  $\chi^2$  = 15.1, d.f = 4, p = 0.004 reveals a significant relationship between gender and income level. Income distribution differs across genders. Men are more represented in higher income brackets >15,000, while women are concentrated in lower to middle categories. With Cramer's V = 0.371, the relationship is moderate, indicating gender has a meaningful impact on income distribution.

# 4.1.3. Relationship between Source of Livelihood and Average Monthly Income categories

A Chi-square test was performed to assess whether the average monthly income levels differ across livelihood types.

<sup>4</sup>Degrees of Freedom

Table 4.1.3.1: Contingency Table: Average Monthly Income

		0 1		0	-	
Category	5000-	More than	10,000-	Not	Less than	Total
	10,000	15000	15000	shared	5000	
Daily wage	9	13	20	0	1	43
labour						
Service	3	18	5	0	0	26
sector						
Household	2	7	3	0	2	14
Industry						
Agriculture	2	7	5	0	1	15
Other's	0	2	2	6	2	12
Total	16	47	35	6	6	110

Source: Primary Data

Table 4.1.3.2: Results

Tests	Value	D.f	p-
			Value
χ²	72.7	16	<.001
Likelihood ratio	52.1	16	<.001
Fisher's exact test	-	-	<.001
N	110	-	-
Cramer's V	0.406		

Source: Author's Calculations

#### Interpretation

The Chi-square value  $\chi^2 = 72.7$ , d.f = 16, p < 0.001, indicates a highly significant association between livelihood type and income. Average monthly income levels vary sharply across occupations as daily wage labourers earn less and service sector workers tend to earn more. Cramer's V= 0.406. It shows a moderate-to-strong relationship, meaning the nature of livelihood significantly affects the average monthly income levels.

#### 5. RESULT AND DISCUSSION

#### 5.1. Demographics Analysis

#### 5.1.1. Age Group Distribution Analysis

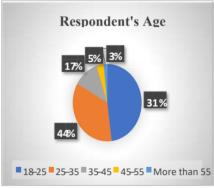
The given table of the age-wise distribution of respondents is provided for better understanding of the demographic profile and to assess the inclusiveness.

**Table 5.1.1.1:** Age-wise distribution of respondents

	>	<i>J</i> .
Age	Total in	Percentage
Group	count	(%)
18-25	34	31
25-35	48	44
35-45	19	17
45-55	6	5
More	3	3
than 55		
Total	110	

Source: Primary Data

Figure 5.1.1.1: Age of respondents



Source: Primary Data

This study found that 31% respondents were between 18 to 25 years old, indicating significant participation from youth and early job seekers. An additional 44% fell within the 25 to 35 age group, typically representative of individuals in early career or family-forming stages. Collectively, these two groups constitute 75% of the total respondents, underscoring the predominance of young and early adult workers in informal sector activities. In contrast, older age groups were under-represented, with only 17% of respondents aged 35 to 45 and 45 to 55 and more than 8% of respondents. This disparity may reflect limited digital literacy, reduced mobility or lower engagement among older populations.

These findings suggest that youth play a significant role in sustaining informal livelihoods and driving economic activities in the region. The older working class remain under-represented and overlooked.

Inclusive livelihood policies must address the distinct needs of both age groups to ensure balanced and sustainable rural development.

#### 5.1.2. Gender Distribution

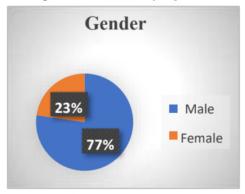
This table analyses the gender-wise distribution of respondents. It was used to gain a better understanding of the demographic composition and to evaluate the representativeness and inclusivity of the participants.

Table 5.1.2.1: Gender-wise distribution of respondents

Gender	Total in	Percentage
	count	%
Male	85	77
Female	25	23
Total	110	

Source: Primary Data

Figure 5.1.2.1: Gender of respondents



Source: Primary Data

Interpretation

This study reveals a significant gender disparity, with 77% male and 23% female respondents. It reflects the broader pattern in rural Bihar, where men are more prominently engaged in the informal sector and visible livelihood activities, while women's roles are often in unpaid or home-based informal work.

The low female participation suggests structural barriers such as mobility constraints, limited access to skills training and entrenched social norms where women's economic contributions may be underreported.

This gender gap underscores the need for inclusive livelihood policies, greater support for women-led SHGs and improved methods to capture women's informal labour in rural economic assessments.

#### 5.2. Source of income

The given table shows the occupational structure distribution of respondents to better understand their primary source of income.

Table 5.2.1: Occupational structure distribution of respondents

Occupation	Total in	Percentage
	count	(%)
Daily Wage	43	39
Labour		
Service Sector	26	24
Agriculture	15	14
Household	14	13
Industry		
Others	12	11
Total	110	

Source: Primary Data

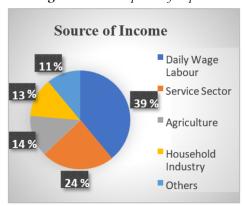
Interpretation

The study concludes that daily wage labour 39% remains the most common primary occupation, reflecting dependence on insecure informal work. Participation in the service sector 24% indicates

gradual livelihood diversification. Traditional sectors like agriculture 14% show a declining dependency, largely because most of the respondents said that they perceive farming as insufficient to sustain a good standard of living, compounded by recurrent floods that damage crops and reduce viability. Household industries 13% continue to play a minor role, and the other 11% include petty trade and transport-related activities.

Overall, the occupational structure highlights a dominance of low-income informal employment, emphasising the need for policies that promote livelihood security, skill development and non-farm employment opportunities in rural areas.

Figure 5.2.1: Occupation of respondents



Source: Primary Data

### 5.3. Nature and Income Distribution of the Informal Sector

#### 5.3.1. Participation in the Informal Sector

Table 5.3.1.1: Participation in the Informal Sector

Response	Total in	Percentage
	count	(%)
Yes	72	69
No	32	31
Total	104	

Source: Primary Data

#### Interpretation

After analysis of primary data, this study reveals that a significant portion 69% of the respondents, are engaged in the informal sector, indicating a strong dependence on non-regulated forms of employment. This reflects the limited availability of formal jobs and suggests that informal employment continues to play a central role in sustaining livelihoods in the region. The remaining 31% not involved in the informal economy may include students, dependents

or those in formal employment, albeit a minority.

#### 5.3.2. Source of income

Table 5.3.2.1: Source of income

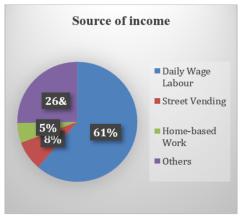
Types of	Total in	Percentage
Work	count	(%)
Daily Wage	46	61
Labour		
Street	6	8
Vending		
Home-	4	5
based Work		
Others	19	26
Total	75	

Source: Primary Data

#### Interpretation

This study reveals that the majority of respondents engaged in the informal sector, with daily wage labour dominating 61% underlining the precarious nature of employment. Street vending is only 8% as a livelihood, particularly in semi-urban and rural markets. Home-based work, at 5%, though less prevalent, reflects engagement in small-scale or craft-based production, often by women. The other 26% could include seasonal work, small service providers or informal transport services, signifying a diverse informal economy.

Figure 5.3.2.1: Source of Income



Source: Primary Data

### 5.3.3. Average Monthly Income from Informal Work

#### Interpretation

After analysing average monthly income distribution among informal workers, a stratified landscape is

revealed. Only 6% of respondents earn below ₹5,000 a majority report incomes above ₹10,000 with 45% exceeding ₹15,000 indicating engagement in skilled trades or diversified livelihood strategies. This suggests that informal work, though precarious, can offer relative financial stability for some. It shows that the coexistence of opportunity and disparity within the informal economy highlights the urgent need for income-sensitive policy interventions focusing on social protection, skill enhancement and pathways to formalisation to ensure inclusive and sustainable rural livelihoods.

Table 5.3.3.1: Average Monthly Income from Informal Work

Income	Total in	Percentage
Range (₹)	count	(%)
Less than	6	6
₹5,000		
₹5,000-	16	15
₹10,000		
₹10,000-	35	34
₹15,000		
More than	47	45
₹15,000		
Total	104	

Source: Primary Data

Figure 5.3.3.1: Average Monthly Income



Source: Primary Data

### 5.4. The Migration Patterns and Their Underlying Causes

Table 5.4.1: Rural to Urban Migration

Category	Total in	Percentage
	count	(%)
Self-migrated	87	81
Not migrated	20	19
Total	107	

Source: Primary Data

#### Interpretation

This study concluded that a significant proportion of individuals personally migrated to urban areas for work within the past year in search of better employment opportunities or better wages. Around 81% of respondents reported that they had migrated, indicating a strong trend of rural-to-urban migration for better earning opportunities.

This high migration rate among the youth suggests that considerable economic and social pressures are influencing individual decisions to relocate. So, stakeholders need to make a policy to create employment opportunities within the state.

Table 5.4.2: Reasons for Migration

Category	Total in	Percentage
	count	(%)
Better wages in urban areas	41	46
Lack of local employment	36	40
opportunities		
Agricultural challenges (e.g.,	7	8
crop failure, landlessness)		
Education & Health care	5	6
opportunities		
Total	89	
		1

Source: Primary Data

#### Interpretation

This study concludes that the majority of self-migrated respondents identified economic factors as the primary drivers for migration. Around 86% respondents reported that better wages & lack of local employment opportunities motivated them to move. Together, these findings underscore the importance of both pull factors, such as higher earnings and inadequate job availability in local areas, as the main causes of migration.

Additionally, around 14% respondents cited other causes of migration like agricultural challenges & education opportunities and lack of health carefacilities. These factors point to structural deficits in rural livelihoods, education infrastructure and health services that further compel migration. This study suggests that targeted rural development interventions should be implemented to address economic insecurity and improve local social services, which may reduce the rate of migration and support sustainable rural livelihoods.

### 5.5. Participation in Skill Development and SHG-Based Livelihood Initiatives

**Table 5.5.1:** Participation in Skill Development Programs at PMKK⁵

Category	Total in count	Percentage (%)
YES	19	18
NO	84	82
Total	103	

Source: Primary Data

#### Interpretation

This study concludes that only 18% of respondents or their family members have participated in PMKK skill development programmes, indicating low awareness and limited reach of these initiatives in the district. This suggests challenges such as inadequate promotion, poor accessibility and misalignment of training with local employment needs.

To address this gap, efforts should focus on increasing awareness and improving access through decentralised or mobile training centres and customising courses to match local livelihood opportunities. Integrating PMKK with community structures like SHGs can also enhance participation and impact.

**Table 5.5.2:** Association with SHGs under JEEVIKA

Categor	Total in	Percentage
У	Count	(%)
YES	45	54
NO	39	46
Total	84	

Source: Primary Data

#### Interpretation

The study found that around 54% of respondents and their family members benefit from SHGs under the JEEViKA initiative, reflecting strong community engagement in group-based financial and livelihood activities. However, nearly 46% of respondents are not part of SHGs, mainly due to a lack of awareness, limited access to active groups and social or economic barriers.

The remaining respondents may also face challenges such as lengthy procedures or insufficient outreach. To address these gaps, stakeholders should design targeted strategies to promote SHG participation, strengthen financial inclusion and link SHGs with skill development and livelihood programmes to enhance their role in sustainable rural development.

### 6. CASE STUDY AND CONCLUSION

## 6.1. Case Study: Aparna Kumari - 25 varieties from ₹1500: Pickle entrepreneurs from Pokhariya.

Location: Pokhariya, Begusarai Business: Pickle Business & Trainer Business Name: Maa Pickle Business

In the quiet lanes of Pokhariya, aromas of spices and spicy magic float out of a modest kitchen. Aparna Kumari, a determined woman from Pokhariya, never imagined that a humble start with just Rs 1,500 could one day turn into a full-fledged business selling 25 varieties of homemade pickles.

A mother of three, Aparna not only supports her family financially but also sponsors her children's higher education, one of whom is preparing for her CA<sup>6</sup> exam and the other is pursuing MCA<sup>7</sup>.

Her journey started with a simple idea of selling homemade mango pickle in her neighbourhood. Gradually, as customers appreciated the taste and quality of her product, the demand increased. She started preparing other varieties of pickle: lemon, pepper, garlic, mixed, amla and more. Today, their pickle chain includes about 25 different variants, with home delivery services that help them reach more customers in their city.

Arpana's main source of income now comes from this business, which has average monthly sales of around ₹40,000. She took her first and only loan under the PMFME<sup>8</sup> to expand her business operations. As the business grew, challenges were also faced. Due to some recent losses, she has found it difficult to pay her loan instalments on time, but she remains hopeful and focused.

What sets her apart is not only her entrepreneurial spirit but also her commitment to empowering other women. Along with her pickle business, she regularly

<sup>&</sup>lt;sup>5</sup> Pradhan Mantri Kaushal Kendra

<sup>&</sup>lt;sup>6</sup> Chartered Accountancy

<sup>&</sup>lt;sup>7</sup> Master in Computer Application

<sup>&</sup>lt;sup>8</sup> Pradhan Mantri Formalisation of Micro Food Processing Enterprises

trains local women in pickling techniques. She also participates in business meetings and networking events to sharpen her skills and find ways to support others.

"My main goal is to promote home-based industries so that women like me can work from home and become financially independent," she said. "My home has become more than just a production unit. It is a training space and a symbol of what women can achieve with courage and consistency."

"I'm not just pickling. I'm preserving dignity, dreams and self-esteem, one jar at a time," she said with quiet pride. "My daughter is preparing for CA. My son is pursuing MCA. Everything I earn goes into their future. This is my biggest return on my investment."

From a jar of mango pickle to 25 varieties and counting, Aparna Kumari's story is a shining example of how small ideas, when nurtured with passion and perseverance, can change the life of not only a family but an entire community of women.

#### 6.2. Key Challenges

- Precarious Employment: The dominance of casual labour highlights the instability and lack of predictability of income for the majority of informal workers.
- Gendered Constraints: Women's participation is constrained by entrenched social norms, inadequate mobility and limited access to productive resources.
- Absence of Social Protection: Informal workers operate without access to social insurance, legal safeguards or institutional recourse.
- Weak Market Linkages: PMKK and related programmes show low participation (18%), indicating poor alignment with industry-relevant skills.
- Youth Migration: The migration of rural youth for better wages reflects a failure to generate adequate local economic opportunities.

#### 6.3. Policy Recommendations

• Enhance SHG & PMKK Capacity and Reach: Expand credit availability, entrepreneurial training and market access for women-led

- enterprises, particularly through state-supported institutions like JEEViKA.
- Formalisation of Informal Work: Introduce social protection mechanisms tailored to the informal sector, including health insurance, pension schemes and portable worker benefits.
- Strengthen rural infrastructure: Improve physical and digital connectivity to enable greater access to markets, services and productive assets.
- Youth employment initiatives: Implement targeted skill development and vocational training programmes aligned with market demand to improve employability and retention.
- Gender-inclusive policy design: Develop affirmative mechanisms to overcome gender-based barriers, including mobility infrastructure, childcare services and female entrepreneurship incentives.
- Microfinance Deepening: Scale up SHG-based credit delivery and financial literacy initiatives under DAY-NRLM to enhance productive capital formation.
- Local economic development: Promote labourintensive rural industries and decentralised service delivery to reduce distress-driven migration and build community resilience.

#### 6.4. Future research scope

- Analysing the socioeconomic impacts and their change in the livelihood structure of informal workers.
- Longitudinal tracking of income mobility and employment stability among informal workers.
- Analysing scalable social protection mechanisms for informal workers after the evolving industrial corridors.
- Analysing market linkages and value chain integration for informal enterprises after evolving industrial corridors.
- These research scopes address critical dimensions of the sustainable informal economy's challenges, offering pathways for evidence-based policy recommendations.

#### 6.5. Limitations

- *Sample Size:* The 110-household sample restricts statistical generalisation.
- Self-Reported Data: Income and migration information may include recall bias.

- Gender Data Gaps: Women's unpaid and home-based work remains undercounted.
- Causality Limits: Cross-sectional design shows correlation, not causation.
- Temporal Limitation: Data collected in one season may not reflect year-round variations.
- *Institutional Bias:* The study depends partly on government and SHG reports, which may present optimistic portrayals.

#### 6.6. Conclusion

This study offers a research-based and theory-driven view of the informal economy as a key part of Begusarai's change. Livelihood diversification, informal jobs and migration show how people adjust to slow agricultural growth, limited industrial development, and ongoing social hierarchies. The informal sector acts as both a stabilising and limiting force. It absorbs extra labor but also maintains instability and income inequality. Adaptive resilience, however, is deeply gendered. Women's participation remains low due to patriarchal norms and asset.

inequality, producing economic inclusion without substantive empowerment. While initiatives like JEEViKA play a significant role in microentrepreneurship and financial inclusion, their potential is restricted by weak market integration and institutional fragmentation.

The statistical associations between gender, income and occupation reaffirm that informality is both opportunity and dependence. Rising youth migration further reflects spatial labour restructuring and the disconnection between local labour supply and productive demand.

The study of Begusarai's informal economy within the broader political economy of underdevelopment, where adaptation substitutes for structural reform. Sustainable livelihood enhancement requires a structural integration strategy, combining social protection, skill alignment and financial inclusion with regional industrial policy. Recognising informality as a legitimate economic sphere is vital for a more inclusive and resilient model of rural transformation.

#### ACKNOWLEDGEMENT

The author is grateful to Bhartiya Neeti Samvad Kendra (BNSK) for the guidance, support, and resources for conducting this study. I thank the Executive Director at BNSK-Bharat, Aman D. Vashista, for the constructive feedback, guidance, and encouragement. I also extend thanks to the survey respondents and community members for their participation.

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