

REPRT OF SURVEY ON EFFECT OF MICROFINANCE IN RURAL AREA IN ACADEMIC SESSION 2016-17

Microfinance is among one such development strategies to alleviate poverty. By giving access to working capital and training, microfinance can raise the productive capacity of those who have no such access to get financial resources from traditional financial institution. Through engendering the microfinance , society can provide financial resources to marginalised women for income generating activities and can reduce the women's vulnerability to poverty.

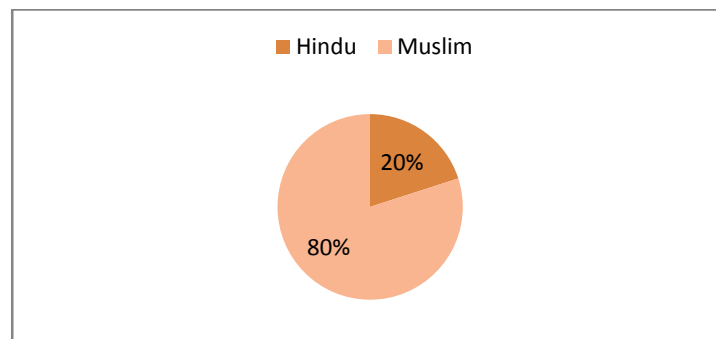
However, success of such initiatives depends on the interaction among the several social processes within multi-dimensional society. Aim of our survey is to observe the contribution of microfinance as a weapon to gain empowerment of women.

MAJOR FINDINGS ALONG WITH DISCUSSION

Demographic profile

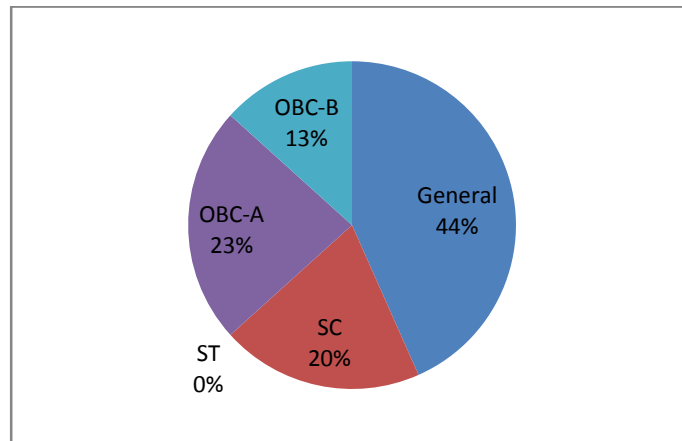
The primary data and related information was collected for 100 respondents from Nabagram block. About 20% of the respondents have the male household heads believing in Hindu religion and 80% of the respondents with male heads of the family believing in Islam religion. Among the respondents, 44% of them belongs to the general category, 20% belongs to scheduled castes, 13% belongs to OBC-B category and remaining (23%) belongs to OBC-. These are shown in the Figure 1 and Figure 2 below.

Figure1. Distribution of respondents according to religion



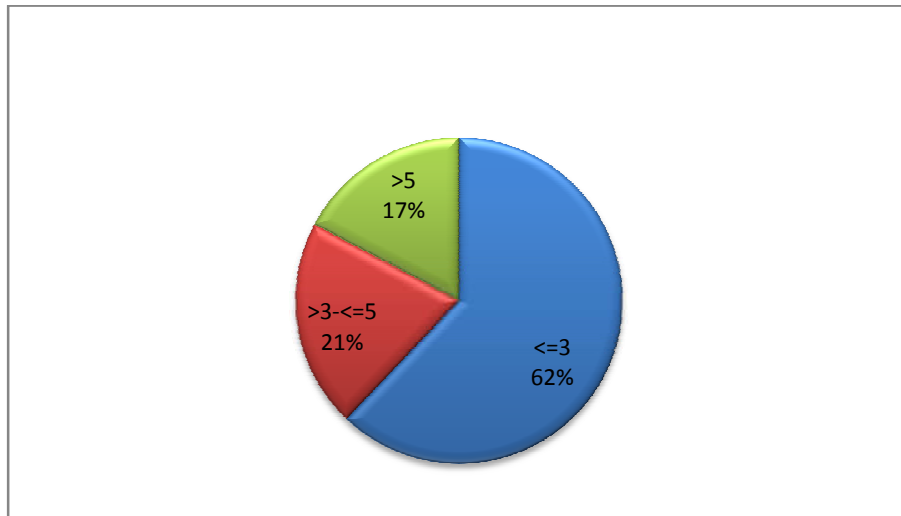
Source: Calculation based on field survey during February, 2017.

Figure2. Distribution of respondents along Caste



Source: calculation based on field survey during February, 2017

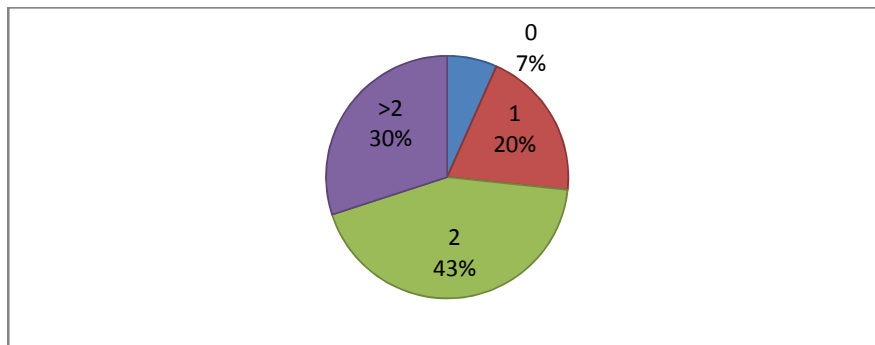
Figure:3. Distribution of respondents along their number of member of family



Source: calculation based on field survey during February, 2017.

Around 62% of respondents belongs to a family with number of family member is ≤ 3 and 21% of them have family member within 4-5. The remaining respondents (17%) belong to the family with number of members more than 5. This indicates that during this period of drastic urbanisation, characteristics of rural areas are also changing. We have found that majority of the respondents are residing in nuclear family structure. The various aspects of social life are being continually transformed due to the effects of dynamic social changes always.

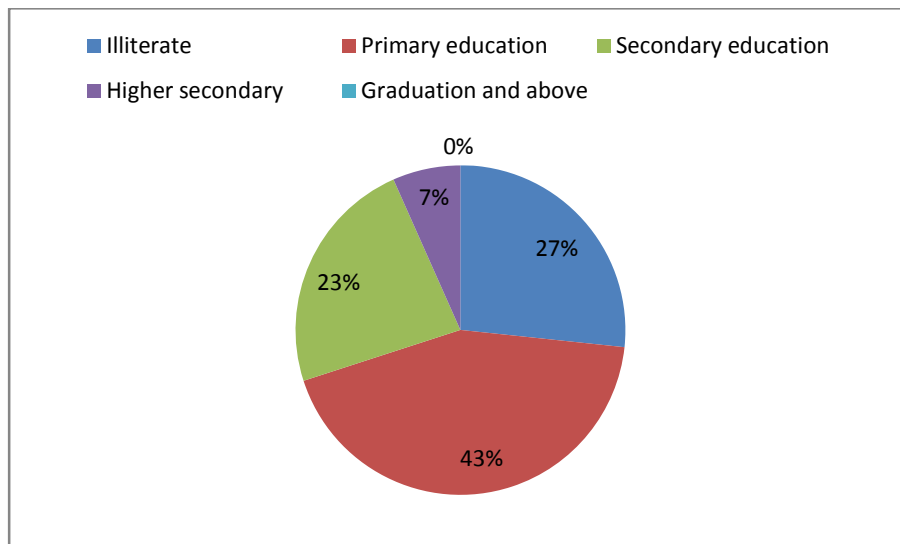
Figure4. Distribution of respondents according to number of child



Source: calculation based on field survey during February, 2017.

Around 20% of respondents have single child and 30% of the respondents have more than two child. 43% of respondents have 2 children, and 7% of respondents do not have any child. We found that the working women cutting across income groups and religions generally prefer less children due to their dual burden. However, this choice mostly depends on their husbands, not on them as we were informed during our field survey.

Figure5. Literacy wise distribution of respondents



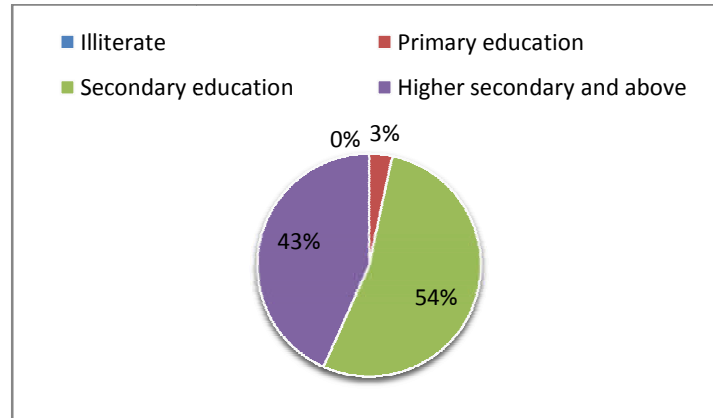
Source: calculation based on field survey during February, 2017.

Only 7% of the respondents (Figure 5) have more than 10 years of schooling whereas

27% of the respondents are illiterate. The average education level of the members is quite low. 43% of the members are being functionally literate. These statistics consistent with data at District level also. However, these findings ensures that the 'Affinity Groups' are consisting with people of homogeneous group. One of the major aim behind engendering microfinance is to provide opportunities to those women who are suffering from gender inequalities within society. By providing educational and vocational training, microfinance assists in upholding productive capacity of women. Therefore it is one of the primary requirements of the formation of SHG that members should come from same affinity group. Our facilitators have fulfilled the criteria.

Another interesting features is that majority of respondents (54%) comes from those family with 10 years of schooling experience. 43% of the family has an experience of 15 years of educational attainment. This is shown in Figure 6. Thus support of the family members for woman's' SHG involvement is an indicator of real motivation. Here we can notice a existence of co-operative gender processes within the family.

Figure 6. Distribution of respondents along highest year of schooling of family



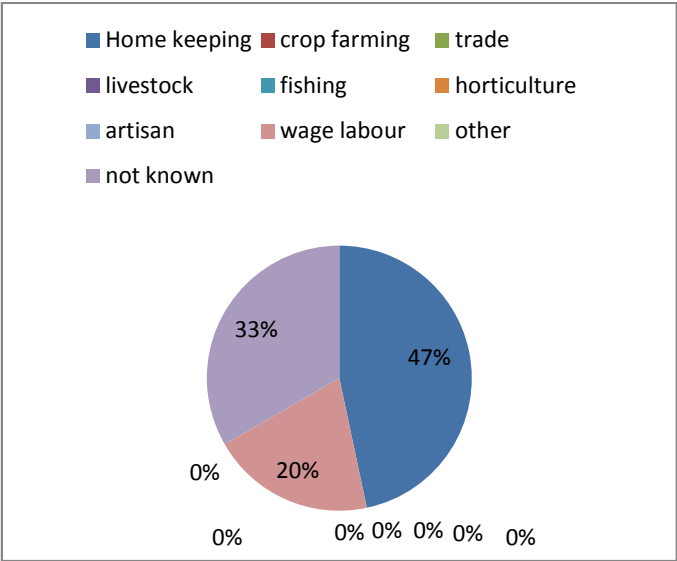
Source: calculation based on field survey during February, 2017.

EMPLOYMENT

Women in our sample are basically involved in home keeping services (47%) . only 20% of them are wage labour and they have independent source of income. Interestingly, 33% of them are unaware about their contribution to society as a productive unit. This views is matched with our previous finding of low literacy of the members. Figure 8 represents that women are coming from those families which are operating in informal sectors. 57% of the family of members are involving in crop production, 3% in fishing, 7% are artisans and 20%

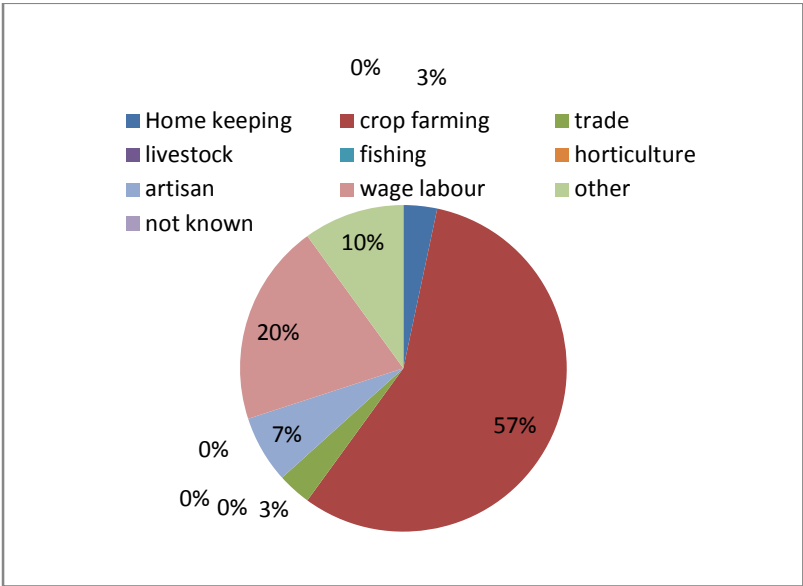
of them are collecting their basis sustenance by working as wage labour. Therefore, there is similarity in economic background which is one of the criterion of formation of group..

Figure:7. Distribution of respondents along various occupation



Source: calculation based on field survey duringFebruary,2017.

Figure8. Distribution of respondents along prime occupation of family

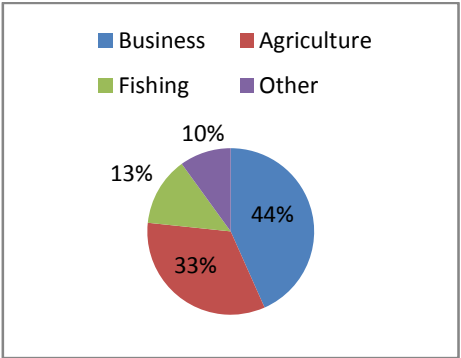


Source: Author''s calculation based on field survey duringFebruary,2017.

We have already mentioned earlier that during survey, we have observed considerable variety in scale of operation of the groups. Some groups have attained first grading whereas other have entered into the second grading. Apart from that few of them are trying to be proved as

a viable group. So, some groups are operating with “inter-loans’ and other are at the stage so that they can use “Revolving Fund”. Our survey report has revealed that 44% of respondents have used the SHG loan as initial funding for their independent business activities. 33% of them have utilised micro-finance for agricultural activities and another 13% for fishing. Around 10% of respondents have utilised loans for consumption purposes.

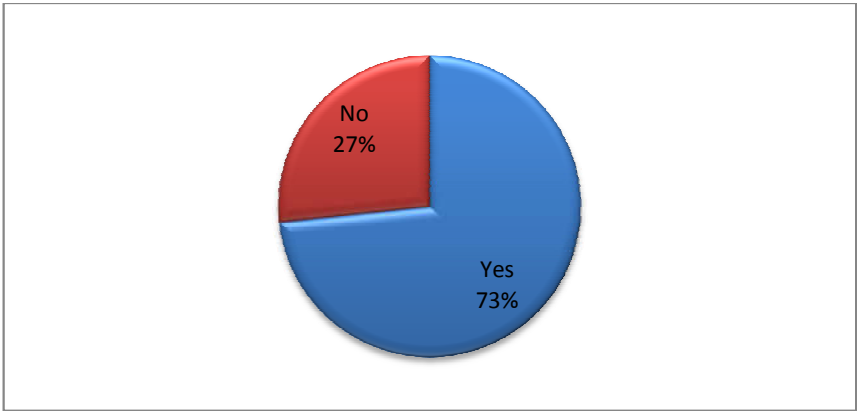
Figure: 9. Area of Investment



Source: calculation based on field survey during February, 2017.

One of the major findings is that when surveyors enquired about the area of investment, 73% of respondents (Figure:10) have reported that they have utilised their loan on such income generating activities which are different from the prime occupation of the family. 27% of them have continued with their prime family occupation. This is an encouraging findings that the members have utilised micro credit for boosting their own income generating activities not their husbands’ or fathers’ occupations..

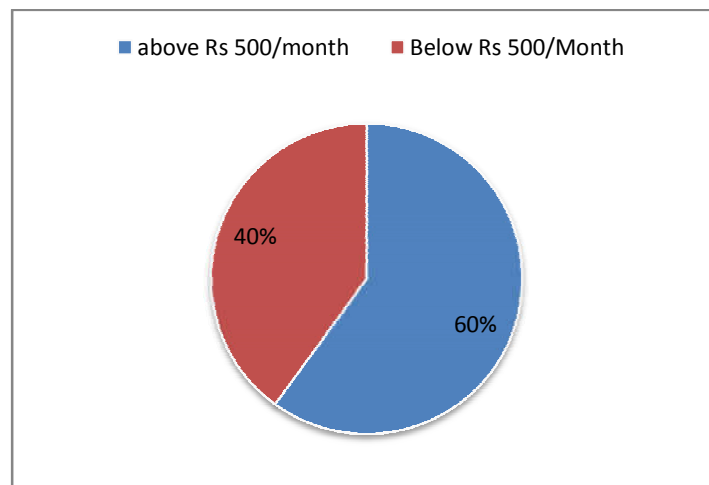
Figure: 10. Difference among area of investment and prime occupation of the family



Source: calculation based on field survey during February, 2017.

One of the major objectives of the formation of group is to ensure each member earn at least Rs 500/month by utilising revolving fund. Our survey has found that among the respondents 60% of them can earn Rs500 or more than that per month by utilising revolving fund, whereas remaining are unable to earn such amount. Reasons behind that some group are still under grading 1 and in some cases lack of formulation of appropriate project by facilitators is responsible behind these failure.

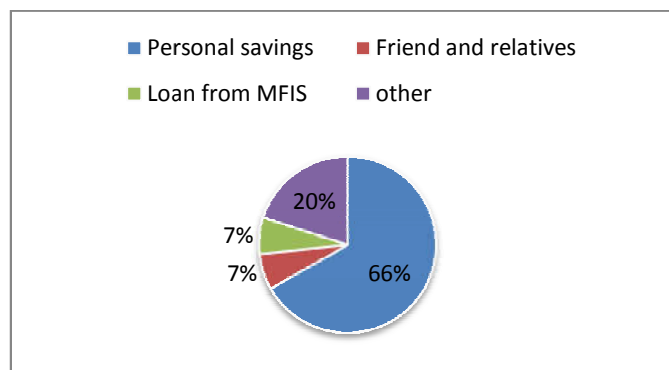
Figure: 11 Amount of increased income after entering group



Source: calculation based on field survey during February, 2017.

It is well-known fact that facilitators must form the group with those who are preferably come from same socio-economic background and do not have access to formal financial

Figure 12.Sources of initial capital



Source: Author's calculation based on field survey during February, 2017.

financial institution. So lack of funds is their common problems. We have found that 66% of them have arranged initial capital from personal savings. 7% of them have collected fund from MFIs for generating earning activities. There comes the question of real motivation by facilitators and funding agencies. Apart from few, majority of facilitators did not conducted

any market survey to identify the needs that can be catered by microfinance. On their part , majority of them never took any such initiatives so that the willing poor women can get proper financial assistance from MFIs. Funding authorities are also not trying to ascertain the purpose for which the loans are disbursed. They only maintain their accounts. No such real initiatives has taken to explore some new income generating arenas where microfinance can help the willing women to take new challenges. So role of facilitators as capacity building through taking some initiatives for getting required loan amount, conducting vocational training is very much restricted.

Figure 13.Amount of loan

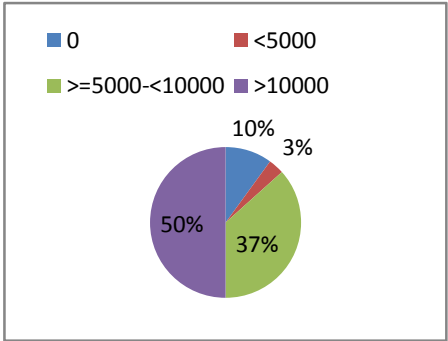
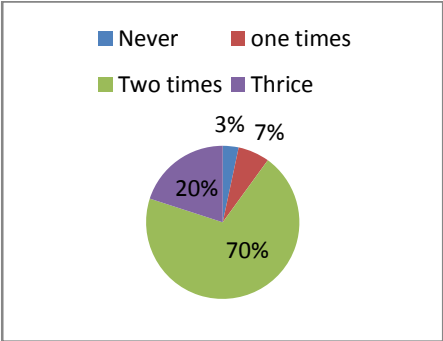


Figure14.Frequency of loan taking



Source: calculation based on field survey duringFebruary,2017.

From figure 13 and 14 it is clear that poor women have taken considerable amount of loan from MFIs quite regularly. Their repayments practices is quite good.(Figure:16). However, as per guideline the repayment periods of loan which are usually within 3-6 month, is not followed by our case studies. Majority of them (41%) repaid loan within 6 month- 12 months . A considerable number of respondents (35%) repaid loan within 12months -24 months. Only 10% of them are following guideline and submitted within 3-6 months.

Figure 15. Frequency of repayments of loan

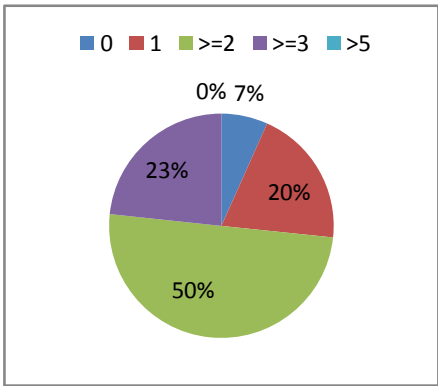
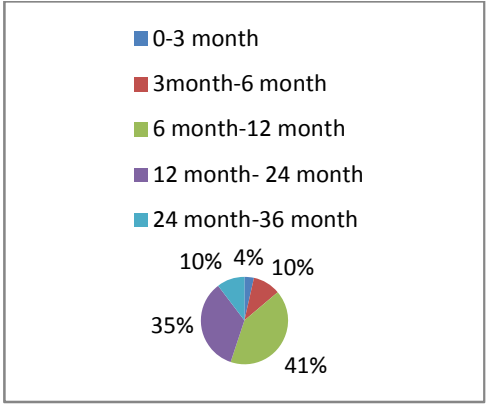


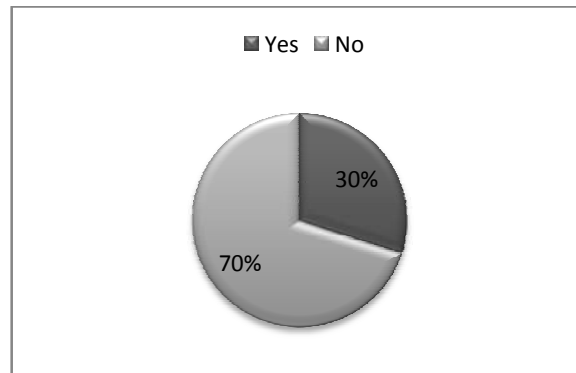
Figure16. Duration of installments



Source: calculation based on field survey duringFebruary,2017.

However, from Figure 17, it is clear that even though 30% of them have made some delayed in repaying loan, but majority of respondents (70%) are not defaulter.

Figure 17. Distribution of respondents for defaulting loan



Source: calculation based on field survey during February, 2017.

In the case of default, members are facing penalties. **Figure 18** shows that in majority cases (47%) defaulter members are rusticated. In some cases they face penalty and they have faced problems in getting further loan.

All such findings prove that poor women are very much eager to take loan from MFIs. But perspectives of funding authority and facilitators should changed

CONCLUSION AND POLICY SUGGESTIONS

Objectives of development policy makers in countries around the World in 21st century is to ensure balanced and inclusive economic growth. Gains of economic growth are easily accessible to relatively advantaged, who find it easier to involve in the growth process while, poor marginalised women have to wait much longer to reap the benefits. Bringing these sections of society to mainstream economical activities is essential to achieve equitable growth, which is prerequisite for the long-term sustainability of social development and economic prosperity.

.Our empirical findings have illustrated that by using microcredit, women can changes the perspective of gender processes within family as well as in public sphere. Such domain that does positively signify their empowerment in their public

domain. From Figure:10, it is clear that 73% of respondents have reported that they have utilised their loan on such income generating activities which are different from the prime occupation of the family. This is an encouraging findings that the members have utilised micro credit for boosting their own income generating activities not their husbands' or fathers' occupations. This feature has supported co-operative gender and cultural processes which assist women to get real motivation for micro finance involvement from their family. Study has revealed that members of SHGs seek for greater assistance from facilitators as well as funding authority regarding information, skill development training, raw material supply and process of marketisation of their products. In several cases inadequate training has just upgrades the skill that have poor women already posses in typical activities like preparing

jam , jelly, spices, knitting, tailoring, livestock activities, etc. Failure of bank personnel to formulate suitable projects for expansion of scope to enthusiastic poor women due to their lack Family's outlook which has altered regarding women's attachment with microfinance programmes,would be sustained if these changes would be supported by the economic and noneconomic social processes at public sphere.