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## **Potentiality of Women Unveiled: Microfinance...**

A study on Gobardhana Block of Barpeta District, Assam

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### Abstract

Privation of exposure, women cluster of our society were ignored, their potentiality and credentials never note-of for productive utilization, thus, their qualities remains unveiled. The SHG movement of microfinance (mF), bring an exception and has able to reach all over the world for her easy factors of financing , where women occupied the major share, as such, the entrepreneurial and other potentialities of this neglected cluster, become a case of concern. Same instance is in the Gobardhana Block, where woman's shows their potentialities of excellence in various economic activities, especially in weaving and farming. But, to have desired result, women clients of mF are in need of due care and attention like training, management etc. as demand by the time.

Key words: Microfinance, Potentiality, SHG, Unveil, Women

**Introduction:** In male dominated society of ours, the “women cluster” is always ill-treated, underweights and are hardly recognized of productive utilization, as such, their potentiality never got a chance to explored. For India, where employment avenues is remains a matter of anxiety, where figures of employment is suffering from “disguised-unemployment”, where

the gap of demand and supply of employment is still healthy, thus, “utilization of women potentiality” is the normal case of ignorance. But, thanks to the concept of “microfinance” (mF), which coined from Bangladesh by Md. Yunus, (the Nobel laureate in 2005, for peace) that has able to cover the ignorant of all sides and section, the poor, especially rural poor and women and the deprived

of formal financial system, under the shadow of mF and also leading towards „financial inclusions“. Mf has become an important component of development, poverty reduction and economic regeneration, women empowerment strategy around the world. By the early twenty first century, tens of millions of people in more than 100 countries were accessing services from formal and semi-formal microfinance institutions (MFIs) (Humble, 2009). Again, women are found more sincere, dedicated and loyal, while they are in economic activity, then male counterpart (except in risk bearing factor), and that is being evidence by many success stories of microfinance, world-wide. Those success stories and achievements became a revolutionary mechanism in the world and every country accelerated to adopt some programmes of mF, especially in the developing countries. Interestingly, mF able to motivate more women, for her easy features and for them it is an entry door to economic activity and results of mF today is the outcome of their sincerity and dedication. Considering their potentiality with mF programme many initiatives had been taken, as in 1997, Micro Credit Summit, held in Washington DC, adopted a resolution to reach 100 million of the world’s poorest families,

especially the women of families with credit for self-employment. Again, by proclaiming 2005 as the International Year of Microcredit, the General Assembly of the United Nations requested that “the Year’s observance be a special occasion for giving impetus to microcredit programs throughout the world” (Sharma Borah, 2008). This was in response to microcredit occupying a commanding position in economic development and purposive social change as evidenced by its continuing growth in terms of volume, geographical coverage, and influence over social, economic and political processes, especially women empowerment. The institutions, such as FWWB and RMK are two organisations charged with growing the seeds and saplings of the sector and preparing them for commercial financing by the banks. Friends of Women’s World Banking (FWWB) is a private NGO, and RMK an NGO funded and controlled by the Department of Women and Child Development of the central government, (Ghate. 2009), are the replication of women performance.

**Objective:**

The objective of the paper is to highlight the performance of women clients in mF programme and how that aiding in productive utilization of women, with special reference to the Gobardhana block

of Barpeta district, Assam.

**Methodologies adopted:**

The study has been made taking both the primary and secondary data and for primary data questionnaire being used and surveyed in Gobardhana block of Barpeta district. Primary data has been collected from the sample of 10% (i.e. of 119 No's of villages) of the total village of the block. Again, from the selected sample village the mF beneficiaries of SHG model have been selected randomly. While selecting the SHGs, they were categories in terms of „age“ in three groups (i.e. SHGs> 7yrs; SHGs>5yrs but < 7yrs; and SHGs> 3yrs but <5yrs ;), accordingly 368 no's of SHGs has been selected and 10% (i. e. 37 SHGs) of such selected SHGs has been considered as sample of study.

Area of the Study: the Lower Assam District Barpeta, covers an area of 3245 square K.Ms and is bounded by international border i.e. Bhutan Hills in the North, Nalbari District in the East, Kamrup and Goalpara District in the South and Bongaigaon District in the West. The District lies between latitude 26'5" North - 26'49" North and longitude 90'39' East - 91'17' East. The district, having 12 blocks and Gobardhana Block is one of the leading block with highest numbers of village and that is the outcome of merge

of a part of BTC (Bodoland Territorial council) area with this block, as the newly created Baska District of BTC has been attach with Gobardhana Block. There are 119 No's of village along with total population of 1, 76,873, out of that Male- 90,720 Female- 86,153, (Census 2001).

**Conceptual Framework:**

Microfinance:

Microfinance means the provision of thrift, credit and other financial securities and product of very small amount of the poor in rural, semi-urban or urban areas for enabling them to raise their income levels and improve their living standards. –RBI

Microfinance can be defined as giving access to financing to as many poor people as possible, allowing them to use their capacities in favour of durable development. (Yunus, 2003)

“Microfinance represents a participatory approach to development where people can take control of their lives and because of self-efficiency one does not need to be an individual of significant means to take creative business ideas, save according to ones owns priorities and ultimately plan for the future”

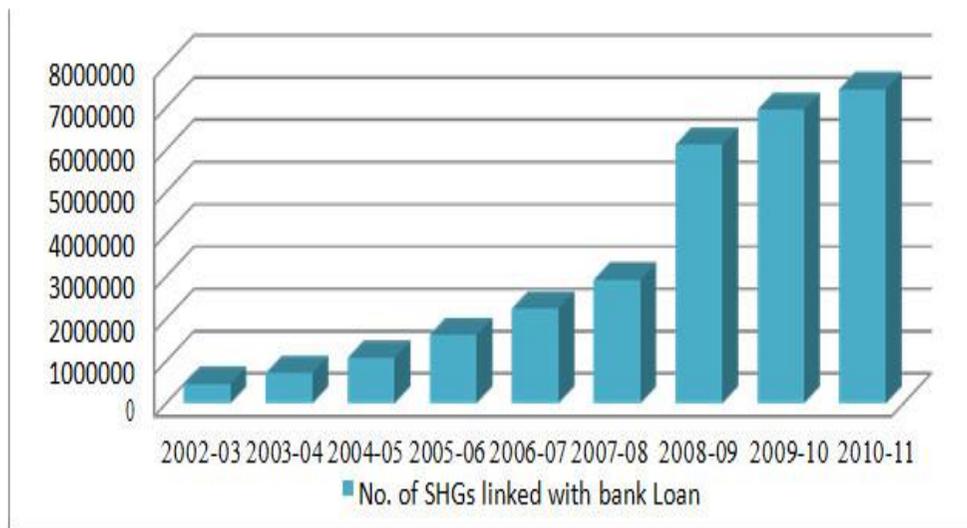
–Joel Wani. (The prominent economist of the United Nation.)

**Women performance in Microfinance:**

Mf programs have significant potential for contributing to women' economic, social and political empowerment. Access to savings and credit can initiate or strengthen a series of interlinked and mutually reinforcing empowerment. Mf development has emerged as major strategy to combat the twin issues of poverty and unemployment that continue to pose a major threat to the polity and economy of both the developed and developing countries, (Basu). A number of agencies- Government as well as Non-government Organizations-are, today involved in mF development programmes. Considering the remarkable success of women in mF programme worldwide and its active role as „driving force“ for the development of poor and vulnerable sections of our society, the concept of mF has able to fetch attention of policy makers. Thus, World Summit for Social Development, which was held in Copenhagen, in March 1995, had underscored the importance of

improving access to credit for small producers, landless farmers and other low-income individuals, *particularly women* and disadvantaged groups. Again, while we talk about women in mF, it is the SHG model which able to attract huge women clients world-wide. The SHG-Bank linkage program, in India, which commenced in 1992, with a target to link of 500 SHGs, has grown phenomenally (Sundaram, 2009). As per NABARD report (2010-11), that figure reached to 7.462 million SHG covering over 97 million rural households. Of the total 7.462 million SHGs, over 4.78 million SHGs have access to direct credit facilities from banks with an outstanding loan amount of Rs. 312.21 billion as at end of March 2011. As dominating model of microfinance, the SHG model has made rapid growth in terms of numbers of SHGs, loan disbursement and outstanding and also in linking of SHGs to banks, what is called SBLP. The growth trend can be observed as follows:

**Fig: 1. Growth trends in SHG (SBLP):**



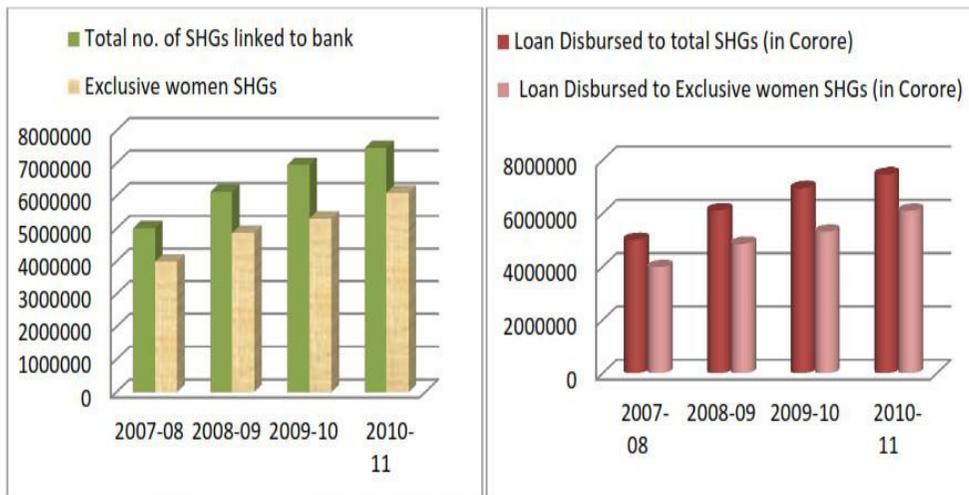
Source: Srinivasan, 2009, NABARD (status of micro finance in India, 2010-11).

One of the most distinguishing features of the program is that a majority (81.7 per cent) of the SHGs are exclusive woman groups. Women SHGs have accounted for 75.5 per cent of the total savings and 83.7 per cent of the total loan outstanding of SHGs in 2010-11 (Sinha, 2012). In mf status reports of NABARD, the mf performance has been

disclosed, which depicts the SHG model as the only dominating model in India in terms of clients reach, loan disbursement, loan outstanding, group formation etc. The details of total SHGs, number of women SHGs and credit linked from the last four years are given below:

Year	2007-08	2008-09	2009-10	2010-11
Total SHG linked to	5009794	6121147	6953000	7462000
Exclusive Women	3986093	4863921	5310000	6098000
Loan Disbursed all	8849.26	12253.51	14453.30	14547.73
Loa Disbursed to Exclusive Women SHGs (In Corore)	7474.26	10527.38	12429.39	12622.33

Source: Status of Microfinance in India, NABARD.



Source: Status of Microfinance in India, NABARD.

The performance of women in SHG model of mF can be considered satisfactory in terms of SHGs formation, loan

disbursed or linking towards banks, because they become the key factors of the model. Interestingly, the performance scenario of women in this model is not an over-look for India, but it is an average scenario all over the world. As for example, the „Grameen Bank“ of Bangladesh, is women dominated organization, where all the executive members are women, thus an replication of unveiling of women potentiality in practice. The dealing organisations and agencies like NGOs, Banks etc. feel confident and secure, as women are more sincere and honest in transactions and those intermediaries are willing to execute more transaction with them and the high recovery rate

has been encouraged by many banks,(Purkaystha, 2004).

**Women participation in mF in the Block:**

The block is one of the leading blocks of the district in terms of numbers of village and population, as such; it has good numbers of mF clients, which in majority are women. Again, among the various models of mF, the „SHG model“ is the only dominating model of the block and is under the domain of women clients, thus, the study is confine to the said model.

**Beneficiaries of mF in the Block:** The beneficiary of mF here means the clients, who deal in mF in the block. The study reveals the following position of SHG beneficiaries:

**Table: 1 Clients under SHG model in Gobardhana block up to Dec. 2011:**

MFI of the Block	Total SHG	Total Members	Tribal Members	Non-tribal Members	Group Size (Members)
Gobardhana Block	1,480	18,760	5,482	13278	10 to 16
ASOMI	1,170	9,870	997	8873	5 to 10
RGVN	948	3,958	403	3555	05
Bandhan	108	2,867	346	2521	25 to 30
Total	3,706	35,455	7,228	28,227	-----

Source: Annual Reports of MFI Branches.

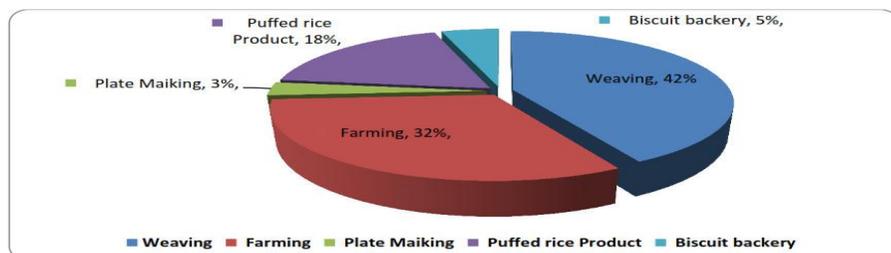
So, of the total members of mF in the block 20.39 percent are tribal and rest 79.39 percent are non-tribal clients, out of that, women members accounts for 93 percent, who engaged in SHGs.

To consider the performance of women in mF and to reach to the objective of the study some factors which generally taken as the performance indicator are replicated here. But studies reveals that, among the others factors, „economic factors“, (i.e. income generation factors) can be considered as dominating one in a developing country, (Morduch & Haley, 2001). So, more stress has been given in „economic factor“ and efforts are also made to know the saving behaviors of the women in the block. Thus, the study primarily focuses on the following:

- Nature of economic activity initiated;
- Income and savings position of women members;

**Nature of economic activity:** During field investigation, the respondents were asked about the nature of activities, they involved in. Though, mF programmes are not designed to follow any particular category of activity, but considering her basic nature of thrift, small size credit, group approach etc. it's generally influences the mF clients to have small and ancillary types of activities/ industries, which mainly required small amount of investment, (Soile, et al., 2003).

The types of activities noticed during investigation in the block are weaving, farming like piggery, dairy, fishery, goatary, poultry, making plates by of areca nut-leaf, making various types of product out of puffed-rice, Biscuit bakery etc. The weaving and farming activities are found to be two major economic activities in block and become the main earning source, and following diagram is being used to present the proportion of mF clients in various activities



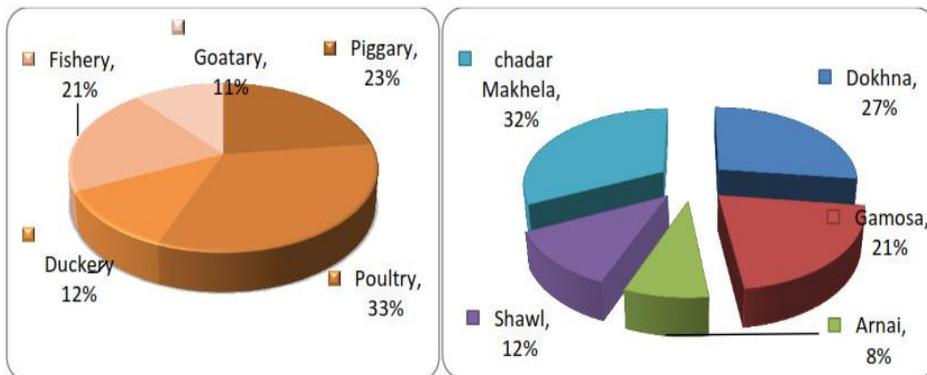
Source: Field survey.

Fig. 4 shows that, 42 percent of the total activities are covered by weaving and then farming, because of sizable tribal population and clients”, again weaving is their traditional activity. Among the various farming activity, the piggery, poultry and fishery units are highest in numbers in the block. The performance of other types of activity like puffed-rice products is moderate and that of areca-nut leaf is very poor because of raw-materials

problems.

As, weaving and farming activities become the two main sources of income generation, for the t women clients in the block, because these activities are hassle free and they have easy access to those in terms of knowledge, skill, time, low investments etc. The following diagrams are offered to depict the details of farming and weaving activity of the block.

**Fig. 5. Division of Various Farming Activities. Fig. 6. Division of Various Weaving Activities.**



Source: Field Survey. (Dokhna means traditional Bodo dress; Chadar Makhela means traditional Assamese Dress; Arnai (Bodo terms) means Scarf; Gamosa mean traditional tawel).

In farming, “poultry” and in weaving, “Chadar Makhela” scored height percentage; clients of the block are more interested to these activities as given in the diagram. Rests of the activities are in the growing stage and yet

to come-up in greater way. Proper exposure like training, adequate capital (i.e. credit), provision for equipment’s etc. if provided, than much can be expected from this field.

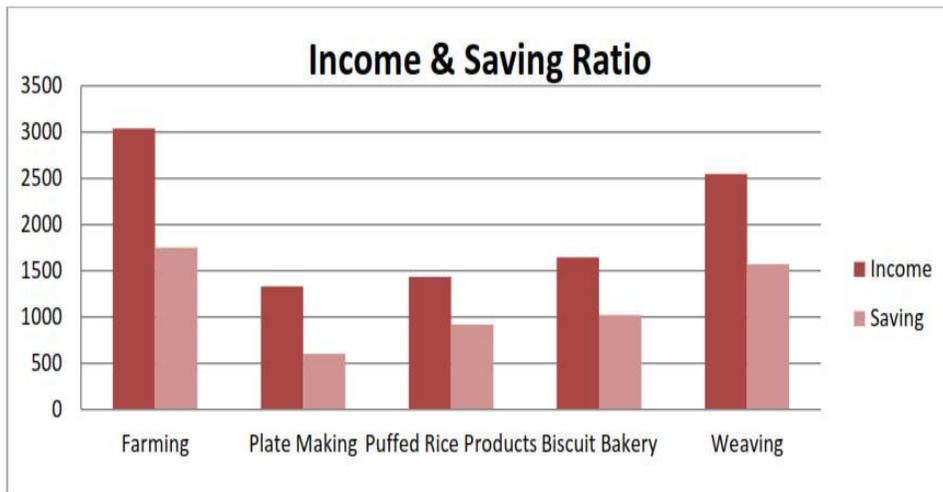
***Income and savings***

**position of women members:**

During investigation effort were made to know the income and savings pattern of the respondents and found positive. Though, existing income level is not satisfactory, in present day context, but a movement has been noticed among them for mF and respondent feel secure, because

„having some income is more than nothing“. Again, women are basically of less-expensive nature and willing to save more, as such they maintain some savings even in such low amount of income. The following diagram is used to present the income wise savings pattern of women in mF:

Fig: 7. Average Annual Income and Savings Patterns of Individual women Clients of the Block.



Source: Field Survey.

From the diagram, it is cleared that, in an average 58.59 percent savings are made by the mF clients, and that seems highest, in case of weaving and biscuit bakery, which are 61.57 and 61.97 percent, respectively. Though the income and saving amounts are small, but it is a movement towards economic

empowerment, so appreciable. The intermediaries of mF also like to deals with the women clients, as they found high recovery rate and has encouraged by many banks to provide microcredit through SHGs which has helped the microcredit movement, (Purkaystha, 2004). Thus evidencing the women’s

active involvement performance in earnings and savings and that leading towards economic empowerment.

**Consequences of unveiling Women Potentiality:**

Unveiling of women potentiality emerges on many factors and gives the sense of their empowerment, thus an effort were made to realize that in practice considering decision making power rights in family and interest towards politics, which considered the outcome of economic power.

**Women mobility and decision making in family:**

the MFIs/NGOs of the block claim that women are increasingly „coming out“ as a result of credit programmes. In some cases, where mobility outside the home is often restricted, women have reported increased mobility, simply having to inform male heads of households instead of soliciting their permission (Sharma Bora, 2008). Although NGOs appear to have had some success in supporting women to travel to NGO and local government offices, much more could be done to empower and support women to enter the market place. One important indicator of change is the ability to make decisions within the household. On this issue, we asked the respondent about their involvement in decision making of her family, they reveal that,

they could decide on spending their own income, although men were often consulted in case of big amount of spending like on purchase of jewelry or assets etc. and has developed self-confidence and self-esteem, among them. Women are more able to articulate their views and were able to command attention and respect within the household, and often within the community.

**Interest towards politics:** It is the “economic power” which actually influences other factors, like education, health, living standard, thoughts etc. and has bring sea change in the mindset of women of eighties and nintees and women of today, (Sharma Borah, 2008). While reflecting the performance of women, basically in SHGs, ‘*Jeevika*’, a model SHG of rural Bihar, which reveal the potentiality of rural women’s called the *Didi* (Sister) in driving the social and economic shifts. The change entails first the empowerment of the poorest women both economic and social development, (Tiwari, 2010). During investigation efforts were made to know the position of women in the society and their involvement in the same, taking the factor ‘**politics**’

Majority of the women of the block are interested in politics i.e. 61percent of total and this signifies the sense of their empowerment, and is the result of economic performance, because economic power and politics has a key link. Again, among the interested, 4 percent has already involved in politics i.e. in panchayat election. In all, the level of involvement, self-confidence, and self-esteem of women in the block has turn in positive way, thus evidencing their positive performance.

#### **Conclusion:**

Once women start enjoying freedom in the areas like formal education, independent decision making on economic matters and policy matters as well, access to better health care and health facilities, one can say that they are empowered, which will contribute to better self-image and will encourage her to perform in a better way for herself for her family, to the society and the nation as a whole.

The mF become a driving force of society, especially for poor and women, in economic empowerments, poverty alleviation, productive utilization and social development. The

same have been seen among the women of Gobardhana block, deals in mF under SHG model. Results depict that, performance of mF is not up to the mark and that is owing to **small size of loan, lack of training, SHG management/ monitoring etc.** The positive aspect is that, women of the block are more productive and hardworking, though as of now they are engage basically in traditional activities, but special training about innovative business ideas or for small industrialization etc. will materialize and can make the involved clients more beneficial.

#### ***Some suggestion for further development:***

- As the members of SHGs are mostly women and from poor and remote places, so they face many difficulties in reaching the MFIs branches. So, an effort to enhance the „mobile service“ of mF will go long way and will avoid such problems.
- The existing credit limit/slabs needs to increase, considering the needs of capital in

present day context, as the demand for more amount loan always exist and lack of so, hindered in the progress of their business.

- The regulatory bodies have to be more active and should make some policy regarding deposits mobilization of SHGs. There exists the

need for, SHG promotional institution (SHGPI) to manage the SHGs of the block for long and active sustainability and care should also be made to conduct regular training for giving innovative business idea to raise their income level

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