

A VIEW ON WOMEN MICROFINANCE BENEFICIARIES OF ASSAM

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ABSTRACT

Microfinance represents as a means for economic empowerment. SHG Bank linkage programme is a good support for upholding microfinance benefits by the women folk. Microfinance broadly refers to a movement that envisages the world in which low income households have permanent access to a range of financial services for income producing activities, build assets and stabilize consumption. The present study concerns about socio-economic and socio-personal characteristics of two hundred and forty women microfinance beneficiaries of Assam Gramin Vikash Bank of a part of Brahmaputra Valley Zone constituting Sivasagar, Jorhat and Golaghat district of Assam. Majority of the respondent were found young (56.25%), educated up to Higher secondary level (31.67%), had nuclear family (69.16%), and 86.67% of respondents preferred Bank as their saving source.

KEYWORDS: Microfinance Beneficiaries, Socio-Economic, Socio-Personal

INTRODUCTION

Access to finance by the poor and vulnerable groups is a pre-requisite for poverty reduction and social unity. It should be promoted to an integral part of extension efforts to endorse inclusive growth. Microfinance represents as a means for economic empowerment. It increases self confidence and status of women within the family and within the society. It can make them able to earn higher income, provides employment, and enables them to adopt new technology, acquire new skill, promotes asset creation, can increase entrepreneurship among them. Microfinance broadly refers to a movement that envisages the world in which low income households have permanent access to a range of financial services for income producing activities, build assets and stabilize consumption. Frederick, J. (2009) observed that microfinance as an alternative source of credit for the rural women has received wide attention in recent years. Many micro financial institutions by working in rural areas or in poor urban neighbourhoods, by providing small loans for activities those low income groups would normally engage in, ensure that the poor are served and the wealthy are excluded. Assam Gramin Vikash Bank also provides microfinance to the Self Help Groups for their livelihood upliftment. In India, micro finance scene is dominated by Self Help Groups (SHGs)-Bank Linkage Programme, aimed at providing a cost-effective mechanism for providing financial services to the unreached poor. Based on the philosophy of peer pressure and group savings as collateral substitute, the SHG programme has been successful in not only in meeting the peculiar needs of the rural poor, but also in strengthening collective self-help capacities of the poor at the local level, leading to their empowerment. Assam Gramin Vikash Bank is a regional bank of Assam that also disburses microfinance to self help groups. For distinguishing the impact of microfinance, it is very needful to study the socio economic and socio personal profile of the people who are in urge to take help from microfinance. It was the basic premise of the present study. The present study focuses on socio economic status of self help group beneficiaries which have a linkage with objective:

- To know the socio economic characteristics of the women microfinance beneficiaries.
- To distinguish the socio personal characteristics of beneficiaries.

METHODOLOGY

The study was conducted in Upper Brahmaputra Valley Zone of Assam. A total of 13 socio- personal and socio-economical characteristics of women Self Help Group (SHG) members of three selected districts Golaghat, Jorhat and Sivasagar were studied for the present study. Two branches from each from the selected district were selected depending upon kind of information sharing with the researcher. Schedule was prepared and data were collected personally. The respondents were categorized based on each of the characteristics and frequency and percentage were calculated to examine their distribution separately for the districts.

Socio personal and Socio economic characteristics taken under the study were:

- Age
- Level of Education
- Type of family
- Size of family
- Caste
- Marital status
- Organizational membership
- Economic motivation
- Innovation proneness
- Risk bearing ability
- Self confidence
- Achievement motivation
- Saving source

RESULTS AND DISCUSSIONS

Age

The study reveals that majority of the respondents were of young age (56.25%) followed by respondents of middle age group (39.58%). Only 6.67 percent of respondents were observed belonging to Old age group. The same picture came when we segregated the respondent's district wise.

Table 1: Percentage Distribution of Respondents According to Their Age

N=240

Category	Frequency	Percentage
Young (18-35yrs)	135	56.25
Middle age (35-55 yrs)	95	39.58
Old (more than 55 yrs)	10	4.16
Total	240	100.00

Involvement of more young and middle aged women in SHG may be because of the fact that young and middle aged women are more energetic than the old women. Therefore, they can devote more time for their group. Because of the lack of government or private sector jobs into the vicinity of their native places, they find the SHG a way where they can utilize their skills and to maintain livelihood supporting their families.

Educational Level

It was measured by using the procedure developed by Trivedi and Pareek (1963) with slight modification by the author.

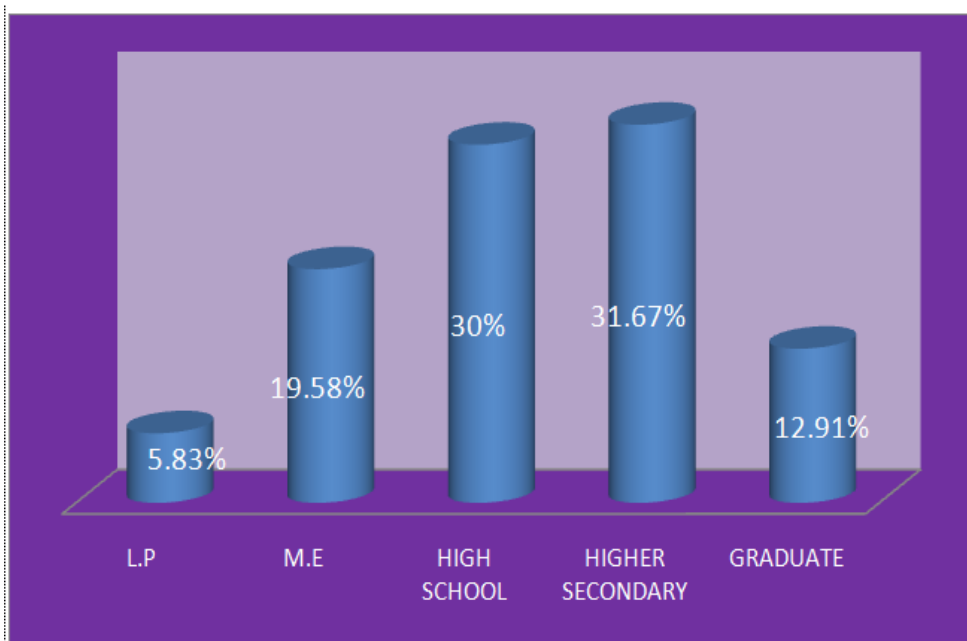


Figure 1: Distribution of Respondents According to Their Level of Education

From the figure it is well observed that majority of the respondent belonged to educational level of Higher secondary (31.67%) passed. Thirty per cent of respondents were observed as educated up to HSLC level, which was followed by respondent educated up to Middle English (M.E) level (19.58%). It was also observed that a countable percentage of respondents were educated up to Graduate level (12.91%) while a few number of respondents were educated up to lower primary (LP) level (5.83%). The similar result was observed district wise. The reason due to high percentage of respondents possessing higher education in all the districts may be because of their realization about the importance of formal women education.

Type of Family

Table 2: Percentage Distribution of Respondents According to Their Type of Family

N=240

Category	Frequency	Percentage
Nuclear	166	69.16
Joint	66	27.50
Extended	8	3.33
Total	240	100.00

The study reveals that majority of the respondents were observed to be having nuclear type of family (69.16%). Respondents belonging to joint family occupied second position evaluating in frequency (27.50%). On the other hand fewer percentages of respondents were belonging to extended family type. The predominance of nuclear family may be due to realization among the respondents about the advantages of nuclear families in terms of running the family, less responsibilities, privacy etc.

Size of Family

From the study it was found that that majority of the respondents were having to small size of family (62.50%) which is followed by respondents having medium size of family (26.67%) and a few respondents were having large family size (10.83%).

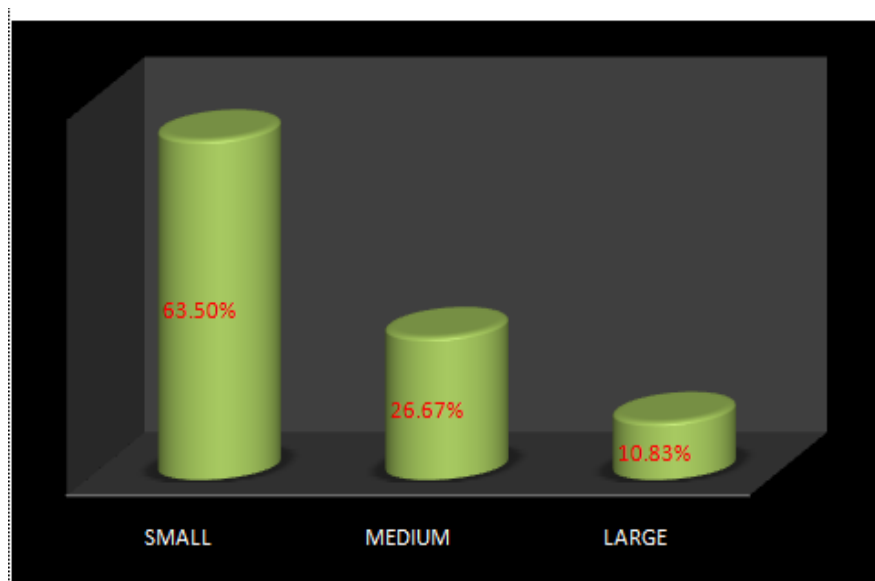


Figure 2: Percentage Distribution of Respondents According to Their Size of Family

The predominance of more number of small sized families might be due to their awareness regarding the increased cost of living and difficulties in maintenance of big family and they might have found it beneficial to have small families to lead a better and comfortable life.

Caste

It was measured by a scale developed by Trivedi and Pareek (1963) was used with slight modification in the caste structure.

Table 3: Percentage Distribution of Respondents According to the Caste

N=240

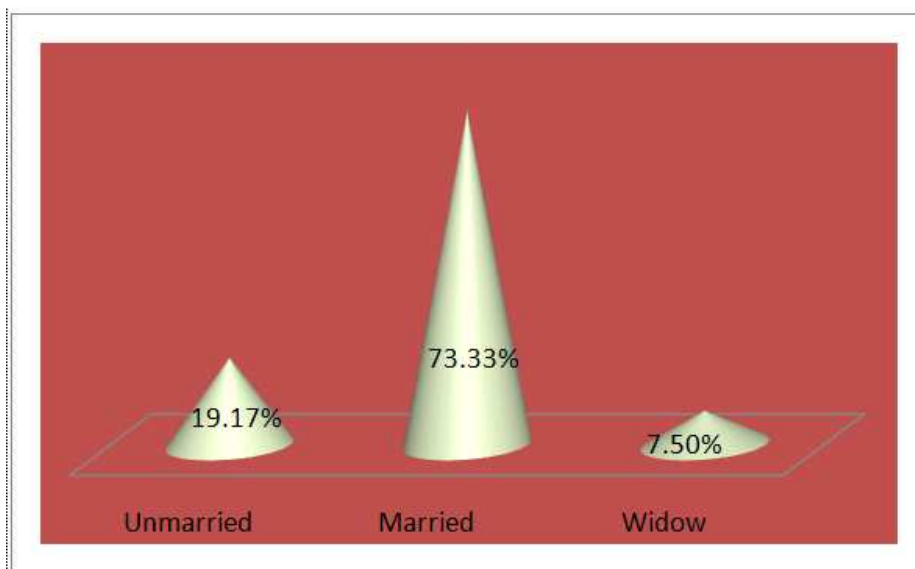
Category	Frequency	Percentage
SC-ST	102	42.50
OBC-MOBC	76	31.67
GENERAL	62	25.83
Total	240	100.00

The data presented in Table shows that majority of the respondents belonged to SC-ST caste (42.50%) followed by OBC-MOBC (31.67%) and General (25.83%).

People belonging to general caste seem to have high position in their locality. This may be the cause for the finding.

Marital Status

Findings showed that majority of the respondents were observed married (73.33%), which was followed by unmarried respondents (19.17%) and widow (7.5%).

**Figure 3: Percentage Distribution of Beneficiaries According to Their Marital Status**

Women tend to leave their village (home town) once they were married and as SHG is a long-term activity and leaving the group in between could affect its process. Hence, the result that most women were married members. In changing generation young woman are conscious about their education and established their identity. That is the reason why countable percentage of women respondents were found unmarried.

Organizational Membership

By the term organizational membership of beneficiaries it was denoted the extent to which a beneficiary is associated with various organisations in terms of memberships or office bearers in organisations. The study denoted half of the respondents had membership only in one self help group (50.83%). It was stunning to observe that 39.58 percent of the respondents had membership in more than one group that is one in self help group and other in different money lending group.

Table 4: Percentage Distribution of Respondents According to Their Organizational Membership

N=240

Category	Frequency	Percentage
Membership in one organization	122	50.83
Membership in more than one	95	39.58
Office bearer	16	6.67
Total	240	100.00

Economic Motivation

Economic motivation of the members was measured following by a scale developed by Supe and Singh (1969) with slight modification.

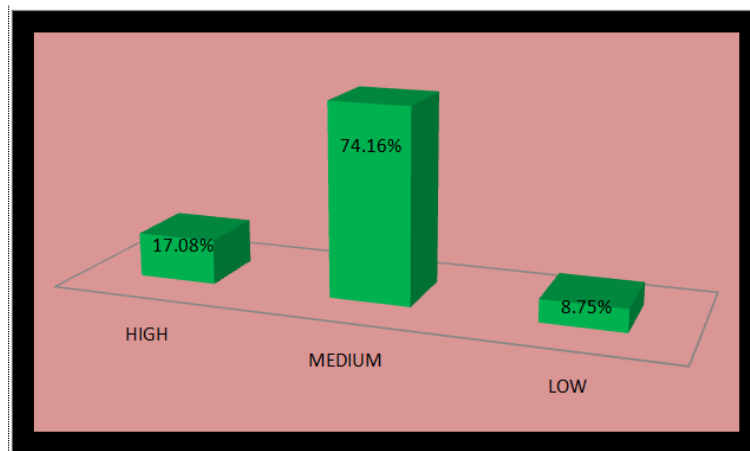


Figure 4: Distribution of Respondents According to Their Perceived Level of Economic Motivation

The studies revealed that majority of the respondents were in medium level regarding perceived economic motivation (74.16%). About seventeen percent (17.08%) of the respondents had high perceived economic motivation. A few numbers of respondents were under low level of perceived economic motivation (8.75%).

Innovation Proneness

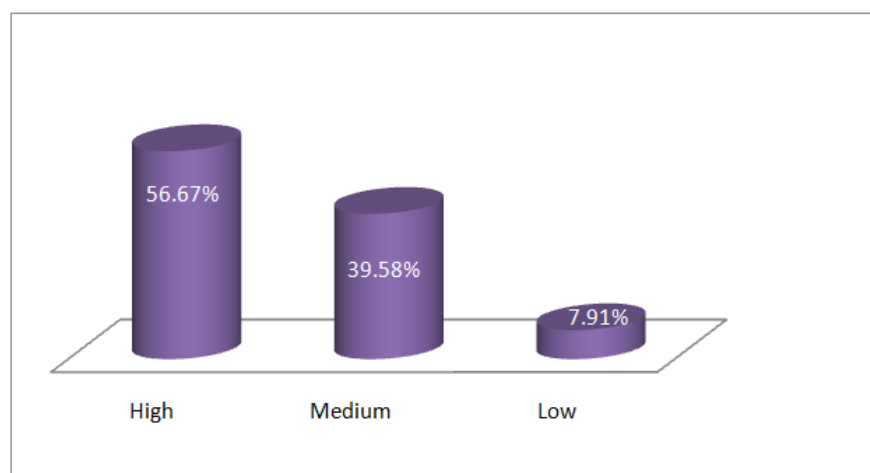


Figure 5: Percentage Distribution of Respondents According to Their Perceived Level of Innovation Proneness

From the study it was observed that majority of the respondents had high level of innovation proneness (56.67%). Lowest number of respondents had low level of innovation proneness (7.91%). It may be due to the reason that majority of respondents were under young age category. Young people are very enthusiastic to innovative ideas which are not readily observed in old age category. This kind of innovativeness resulted higher percentage of respondents having high level of innovation proneness. The education level of the respondents was also higher which might help them to adopt innovative methods.

Risk Bearing Ability

Risk bearing ability of the microfinance beneficiaries of the members was also viewed following a scale developed by Supe (1969) with slight modification by the author.

Table 5: Percentage Distribution of Respondents According to Their Perceived Level of Risk Bearing Ability

N=240

Category	Score range	Frequency	Percentage
High	Above 29.93	43	17.91
Medium	21.59-29.93	159	66.25
Low	Below 21.59	34	14.16
Total		240	100.00

It was observed that majority of the respondents had medium level of perceived risk bearing ability (66.25%) which was followed by Respondents having high level of perceived risk bearing ability (17.91%) while only 14.16% of the beneficiaries had low level of risk bearing ability.

The respondents had higher level of education and majority of them were young, but their economic motivation was found medium for majority of respondents. This may be the probable cause of the reason while the maximum number of respondents found to have medium level of risk bearing ability.

Self Confidence

Self confidence of the microfinance beneficiaries was also judged following a scale developed by Thakur (2011) and modified by the author.

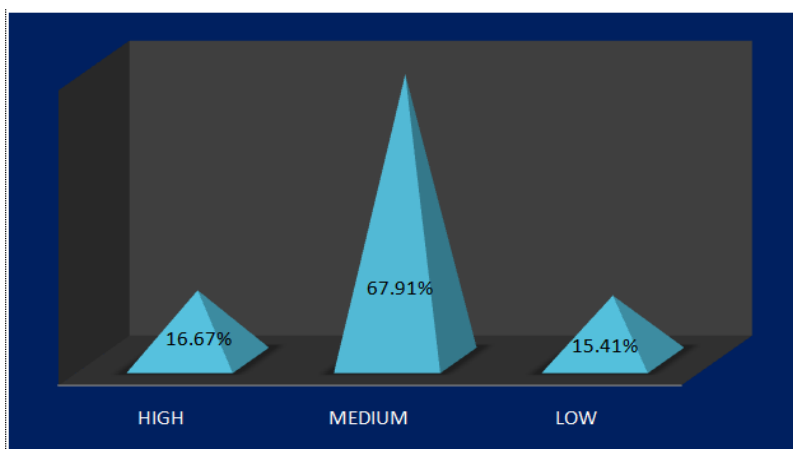


Figure 6: Percentage Distribution of Respondents According to Their Perceived Level of Self Confidence

The study reveals that majority of the respondents had medium level of self confidence (67.91%). On the other hand respondents having high level of self confidence (16.67%) and low level of self confidence (15.41%) are almost equal.

It may be due to the reason that the respondents are having higher level of education. Education makes a person confident.

Achievement Motivation

Achievement motivation of the microfinance beneficiaries is also an important matter for its fruitful utilization. It was measured by following a scale developed by Banerjee (1996) with slight modification from the author.

Table 6: Percentage Distribution of Respondents According to Their Perceived Level of Achievement Motivation

Category	Score range	Frequency	Percentage
High	Above 74.94	31	12.91
Medium	60.02-74.94	180	75.00
Low	Below 60.02	29	12.08
Total		240	100.00

From the table it can be observed that majority of the respondents had medium level of perceived achievement motivation (75.00%). Respondents having High level of achievement motivation and Low level of achievement motivation were almost equal in number (12.91% & 12.08%).

It may be due to the reason that the respondents joined Self help group to uplift their livelihood not for commercial profit and recognition.

Saving Source:

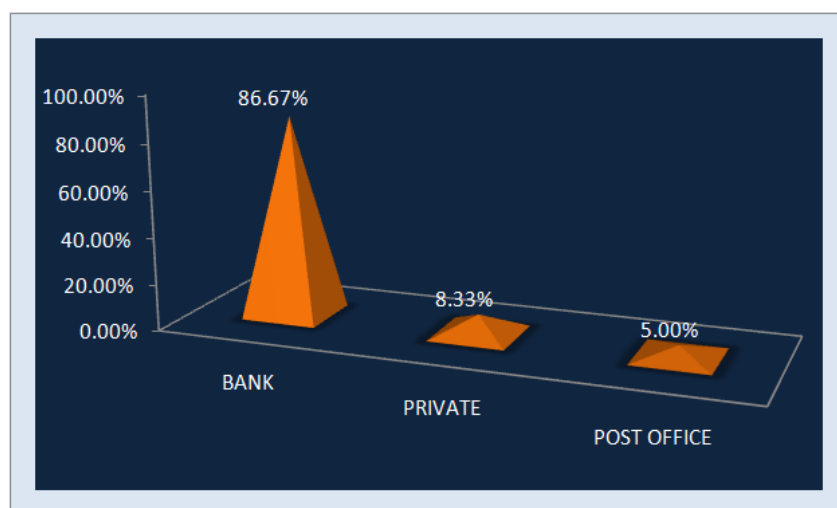


Figure 7: Percentage of Respondents According to Their Choice of Saving Source

It can be observed that majority of the respondents saved in registered bank (86.67%). Easy disbursement and comparatively high level of interest earned may be the probable cause for this. About eight per cent of the respondents saved in private agency (8.33%) and five percent of the respondents saved in post office. It may be due to the fact that a commercial bank is a financial intermediary which accepts deposits of money from the public and lends them with a view

to make profits. A post office may accept deposits but it cannot be called a bank because it does not perform the other essential function of a bank, i.e. lending money.

CONCLUSIONS

The study reveals that majority of the SHG members were young. Most of them were higher secondary passed and educational level was high. It is a positive indication of educational development in rural areas. Youth has a power to boom in life fighting against negative energy; it is proved in the study. A considerable percentage of respondents were young unmarried women. This category of respondents should be given more scope by giving the benefits of low rate of interest on microfinance, which will encourage them to step towards promoting entrepreneurship uplifting socio economic status and booming socio personal identity further.

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