

Original Research Article

IMPACT OF ASA MICROCREDIT ON LIVELIHOOD STATUS OF RURAL WOMEN IN SYLHET

Abstract

The present study was conducted to assess the socioeconomic characteristics and impact microcredit of women borrowers of ASA credit among borrowers in Sadar Upazila of Sylhet district. With these views in mind, data were collected randomly from 60 respondents who were involved in different IGAs under Sylhet Sadar Upazila. Survey method was followed to collect required data. Descriptive statistics was applied for the analysis of data and sustainable livelihood framework was used for analyzing the impact of credit. Socioeconomic characteristics showed that maximum numbers were belonged to middle-aged group (31-45 years). Average family size of the respondents was 3.90. There was a remarkable increase in attitudes and opportunities of the respondents towards improved livelihood after joining with the ASA credit program. The findings showed that ASA loan brought about positive impact on livelihood improvement of the borrowers. It was also found to have a significant positive effect on women's social empowerment indicators namely attitude towards to their daughter's education, mobility to outside home, participation and decision making ability, etc. Finally, the present study suggests for conducting further study of similar type in other parts of the country to make the findings representative one.

Keywords: Microfinance, ASA, Livelihood, Sylhet

1. Introduction

Bangladesh is one of the most densely populated countries of the world with a population 150.6 million. Its density of population is 1015 persons per sq km. About 80 percent of its total population live in rural areas and are directly or indirectly engaged in wide range of agricultural activities (BBS, 2012). Still more than 24.3 percent of people of the country live under poverty line in 2016 (World Bank, 2019) . The poverty extent is possibly more alarming in rural areas because of low per capita income, devoid of subsidiary occupation, wide spread landlessness sub-standard livelihood, minimum balanced caloric intake and quite various diseases thereby to die at early age people particularly the children. Under the circumstances, provision of microcredit among the poor both rural and urban areas has been at present globally considered to be an economic as well as social relief for self-employment with a view of increasing income and improving living conditions. Now days, there are lot of national, international as well as local NGOs dealing with microcredit program in Bangladesh. Rural women are to a greater extent benefited by the microcredit program in our country. It has been improving rural livelihood and social empowerment of women in the country. Effects of microcredit program on rural women are also supposed to reduce poverty from the rural areas.

35 In Bangladesh, 81.3 million of the populations are female and the role of women is strongly
36 affected by social and religious barriers such as the veiling of women in public and the
37 segregation of male and female (BBS, 2019). Those are the restrictions or constraints of
38 women's participation in work outside home. However, productive involvement is high,
39 especially in rural areas, which is not clearly reflected on official statistics. The main constraints
40 related to the development of women members are (i) illiteracy, (ii) lack of technical skill, (iii)
41 social and cultural behaviors, (iv) inadequate and ineffective training, and so on.

42 Bangladesh made a notable progress in income and poverty reduction since independence. The
43 faster progress of poverty reduction was made possible by the implementation of different
44 programs at the government and non-government levels. Out of numerous national, international
45 and local NGOs, ASA is one of the national NGOs working all over Bangladesh. ASA provides
46 microcredit to rural people for initiating and continuing their different IGAs.

47 A good number of research works might have been done related to various IGAs (Banerjee et al.,
48 2013; Chemin, 2008; Chowdhury & Mukhopadhaya, 2012; Imai & Azam, 2012; Islam & Choe, 2013)
49 but literature shows that studies on microcredit provided by ASA have not yet gained much
50 importance among the researchers particularly to the aspect of rural poverty alleviation. The
51 present study is therefore, expected to provide factual insights into the microcredit program of
52 ASA to the end of poverty alleviation in the rural areas of Bangladesh in general and Sylhet
53 district in particular.

54 The main purpose of the assessment is to ascertain the major impact of ASA microfinance
55 services on the life and mode of livelihood of the borrowers and to see whether the program
56 could have positive impact on the beneficiaries particularly in reducing poverty and women
57 empowerment.

58 The specific objectives are as follows:

- 59 ➤ To assess the socio economic characteristics of the sample households.
- 60 ➤ To investigate into the impact of ASA credit on livelihoods and empowerment of women
61 beneficiaries

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65 **2. METHODOLOGY**

66 **2.1 Selection of the Study Area**

67 The area in which farm business survey is to be conducted depends on the specific purpose of the
68 survey and the possible co-operation from the respondents. Keeping this in mind 6 villages
69 namely Jahanpur, Allurtall, Nur pur, Mira para, Major tilla and Tultikor under Sylhet Sadar of
70 Sylhet district were purposively selected for this survey.

71 **2.2 Sampling Procedure**

72 In complete enumeration required information were collected from each and every element of
73 the population which makes the survey very costly and time consuming. The present study was
74 based on a sample survey of households which could represent reasonably a true picture of the
75 entire population. After selection of the study area, a list of current beneficiaries was collected
76 from the ASA upazila branch office at Sylhet sadar upazila. From the list, 60 beneficiaries were
77 randomly selected out of 280 beneficiaries, which constituted 21.43 percent of ASA members in
78 those villages.

79 **2.3 Analysis of Data**

80 After collection primary data was scrutinized, checked and carefully edited and then classified,
81 tabulated and analyzed keeping consistency with objectives set for the study to derive the
82 relevant findings. Tabular technique was mostly used to analyzed data at present the results
83 because it is simple in calculation, widely used and easy to understand. The tabular analysis was
84 mainly based on some statistical measures like averages, percentages etc.

85 To examine the impact of credit on livelihood of the selected households, DFDI Approaches of
86 livelihood was followed livelihood approach can be easily modified to provide a framework for
87 the analysis of chronically poor households through a series of features using identifying
88 household assets or capitals before and after within the wider social and economic transforming
89 processes of community institutions and obligations, legal framework and market structures.
90 Before and after data had been taken to examine and identify how much relative impacts of
91 credit on the respondents living were occurred. Livelihood strategies are influenced by the
92 prevailing transforming structures and institutions and the vulnerability. The livelihood approach
93 groups individuals into different livelihoods according to their access to assets (including both

94 material and social resources) and their capabilities to combine them to livelihood strategies for a
 95 means of living. The model breaks access into the 5 capitals:

- 96 (i) Human capital (eg. education, health).
- 97 (ii) Natural capital (eg. land).
- 98 (iii) Financial capital (eg. access to credit).
- 99 (iv) Social capital (eg. community networks).
- 100 (v) Physical capital (eg. infrastructure like markets and roads).

101

102 3. Result

103 3.1 Sociodemographic status of the respondent

104 In the present study, age of the respondents was classified into three categories, as shown in
 105 Table 1 the table showed that the respondents aged between 31 to 45 years accounted for 56.67
 106 percent while the young constituted 8.33 percent. There were only 35.00 percent respondents
 107 who belonged to old aged. So; it can be said that middle aged group were maximum of the
 108 respondents.

109 **Table 1 Age distribution of the respondents**

Parameter	No. of respondents	Percentage (%)
Age group		
Young (up to 30 years)	5	8.33
Middle aged (31-45 years)	34	56.67
Old aged (>45 years)	21	35.00
Education level		
Illiterate	-	-
Can sign only	5	8.33
Primary (1-5 year)	23	38.33
Secondary (6-10 year)	30	50.00
Above secondary (>10 year)	2	3.34
No. of family member		
Small family (up to 4)	46	76.66
Medium family (5-6)	10	16.67

Large family (>6)	4	6.67
Total	60	100
Occupation		
Primary occupation		
Farmer	56	93.33
Service	4	6.67
Total	60	100
Subsidiary occupation		
Agriculture	7	11.67
Dairy	21	35.00
Poultry	18	30.00
Handicraft	7	11.67
Fishery	3	5.00
Goat rearing	4	6.67
Total	60	100
Land		
Small (0.1-2.49 acre)	55	91.67
Medium (2.50-7.49 acre)	5	8.33
Large (> 7.50 acre)	-	-
Total	60	100

110 Source: Field Survey 2017

111 Education plays a vital role on any sort of citizen of a country. To examine the education level of
 112 the respondents, it was classified into five categories. Table 1 revealed that 50.00 percent of the
 113 respondents had secondary level education. Respondents of different categories vis-à-vis can
 114 sign only, primary and above secondary levels constituted 8.33, 38.33 and 3.34 percent
 115 respectively. There was no illiterate credit holder. So, the educational level of respondents was
 116 satisfactory compared to current literacy system of the country.

117 A family or a household was defined as a group of persons living together, taking meals from a
 118 single kitchen and living under the control of one head. Table 1 shows that 76.66 percent of the
 119 respondents had small family (up to 4 members). Respondents of other groups viz. medium and

120 large family constituted 16.67 and 6.67 percent respectively. So, small size dominated the family
 121 status of the respondents.

122 Occupation is one of the important attributes of socio economic characteristics. In the study area,
 123 most of the respondents were mainly housewives and besides they were engaged in various IGAs
 124 by taking loan from ASA. Table 1 shows the status of primary and subsidiary occupations of the
 125 respondents. In the case of primary occupation, 93.33 percent of the respondents' were
 126 housewife and only 6.67 percent were engaged with service. The respondents involved with
 127 subsidiary occupations namely agriculture, dairy, poultry, handicraft, fishery and goat rearing
 128 were constituted 11.67, 35.00, 30.00, 11.67, 5.00 and 6.67 percent respectively. So, housewife
 129 and dairy were the major occupation for the respondent in the study area.

130 The data regarding the ownership of land of the respondents revealed that majority of the
 131 respondent (91.67 percent) owned small land (0.10-2.49 acres) followed by medium land (2.50-
 132 7.49 acres) in the study area. So, most of the ASA credit holders belonged to small landholder.

133

134 **3.2 Impact of ASA Credit**

135 **3.2.1 Impact on human assets**

136 Human asset helps to develop mankind by themselves. Human assets denote health status,
 137 nutrition and skills and knowledge. Table 2 shows the changes in human assets after taking credit
 138 from ASA by the respondents.

139 Table 2 reveals that 53.33 percent of respondents replied that their health status was improved,
 140 40.00 percent replied to no change and 6.67 percent replied decreased health condition. The table
 141 also showed that 58.33 and 76.67 percent of the total respondents replied improved nutritional
 142 condition and skills and knowledge involvement with ASA respectively. At the same time about
 143 38.33 and 18.33 percent of the respondents reported that their nutritional status and skills and
 144 knowledge remained unchanged respectively. So, it can be said that overall most of the
 145 respondents were benefited after taking the ASA credit.

146 **Table 2 Changes in Livelihood Assets**

	Items	Degree of change					
		Increased		Unchanged		Decreased	
		N	%	N	%	N	%
Human Asset	Health status	32	53.33	24	40.00	4	6.67

	Nutrition	35	58.33	23	38.33	2	3.34
	Skills and knowledge	46	76.67	11	18.33	3	5.00
Natural Capital	Land (leased/ mortgaged)	7	11.67	50	83.33	3	5
	Water and aquatic resources	5	8.33	54	90.00	1	1.66
	Trees	14	23.33	46	76.67	-	-
Social assets	Network and connections	40	66.67	17	28.33	3	5.00
	Formal and informal groups	49	81.67	9	15.00	2	3.33
	Common rules and sanction	53	88.33	7	11.67	-	-
	Collective representation	48	80.00	12	20.00	-	-
	Leadership	47	78.33	13	21.67	-	-
Changes in cash	Cash in hand	45	75.00	15	25.00	-	-
	Deposit in bank	38	63.33	22	36.67	-	-
	Savings	49	81.67	11	18.33	-	-
Changes in livestock and poultry assets	Poultry birds	12	20	47	78.33	1	1.67
	Ox/bullock	1	1.67	59	98.33	-	-
	Cow/heifer	17	28.33	43	71.67	-	-
	Goat/sheep	4	6.67	56	93.33	-	-
	Duck	7	11.67	53	88.33	-	-
Changes in physical infrastructure	Sanitation	32	53.33	28	46.67	-	-
	Solar energy	12	20.00	48	80.00	-	-
	Mobile	12	20.00	47	78.33	1	1.67
Changes in Agricultural Equipment	Weedier	2	3.33	57	95.00	1	1.67
	Harvester	1	1.67	59	98.33	-	-
	Plough	8	13.33	50	83.33	2	3.33
	Yoke	3	5.00	56	93.33	1	1.67
	Ladder	6	10.00	51	85.00	3	5.00
	Axe/da/Nirani	11	18.33	47	78.33	2	3.33
	Fishing net	-	-	60	100	-	-
Changes in Agricultural inputs	Local variety seed	8	13.33	52	86.67	-	-
	HYV seed	14	23.33	46	76.67	-	-
	Manures	17	28.33	38	63.33	5	8.33
	Crop production	18	30.00	42	70.00	-	-
	Maintenance of family expenditure	51	85.00	9	15.00	-	-

	Family planning	47	78.33	13	21.67	-	-
	Education of children	52	86.67	8	13.33	-	-
	Social development activities	54	90.00	6	10.00	-	-
	Marketing	52	86.67	8	13.33	-	-
	Homestead gardening	32	53.33	28	46.67	-	-
	Livestock raising	27	45.00	33	55.00	-	-
	Poultry and goat rearing	9	15.00	51	85.00	-	-

Source: Field Survey 2017

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3.2.2 Impact in natural assets

150 Natural capital consists of natural resources including their flows and services. Here information
151 about land (leased/mortgaged), water and aquatic resources, number of trees as the natural
152 capital of respondents were collected. Table 2 showed the changes in natural capital of the
153 respondents. It is clear from Table 2 that only 11.67 percent of the respondents reported that
154 amount of land (leased/mortgaged) was increased where 83.33 percent reported unchanged
155 condition and only 5 percent reported that their land was decreased.

156 In the fact of water and aquatic resources, 8.33 percent of the respondents replied that asset was
157 increased and 90 percent reported to be unchanged. The number of trees were increased for
158 23.33 percent of the respondents' and 76.67 percent of the respondents reported that their asset
159 was unchanged. The change of land and water and aquatic resources were quite negligible
160 because it was not so easy to lease for the poor women at a time. Social asset refers to formal and
161 informal social relationships, including the degree of trust, reliability, mutual support and
162 adaptability. Social asset also includes formal and informal rules collective representational
163 quality, leadership quality, etc. The way in which people work together, both within the
164 household and in wider community, is of key importance for household livelihoods. Table 2
165 revealed that almost 66.67 percent of the respondents reported that their social network and
166 connections were increased after involving with ASA credit where 28.33 percent said that no
167 change and only 5 percent said that their network and connections has decreased. It was observed
168 that almost 81.67, 88.33, 80.00 and 78.33 percent of the total respondents replied that their status

169 on joining with formal and informal groups, common rules and sanction, collective
170 representational quality and leadership quality were improved respectively. The unchanged
171 answers given by the respondents in this directions were 15.00, 11.67, 20 and 21.67 percent
172 respectively. So, positive improvement had been occurred on social assets after joining with
173 ASA credit program which was satisfactory.

174 Financial capital includes financial resources such as cash, savings, income, bond, debenture, etc.
175 Here information about cash and domestic animals as major financial resources of the
176 respondents were collected.

177 Cash under the financial asset consists of different items i.e., cash in hand, deposit in bank,
178 savings, etc. Table 2 revealed the changes of these cash items. It is clear that 75.00 percent of the
179 respondents reported that their cash liquidity was increased while 25 percent mentioned
180 unchanged. In cash position the case of deposit in bank and savings almost 63.33 and 81.67
181 percent of the respondents reported increased position respectively. The respective unchanged
182 responses Only 36.67 and 18.33 percent. So a remarkable positive change had been occurred on
183 cash in hand, deposit in bank and savings after joining with ASA credit program among the
184 borrowers in the study area.

185 Livestock and poultry are the part of financial capital. It includes value of poultry birds, ox,
186 bullock, cow or heifer, goat, sheep, buffalo, duck, etc.

187 Table 2 reveals that almost 78.33 percent of the total respondents opined that the amount of their
188 poultry bird asset was unchanged where 20 percent said that in increased and only 1.67 percent
189 gave decrease answer. The table also shows that 1.67, 28.33, 6.67, 11.67 percent of the
190 respondents reported that amount of ox or bullock, cow or heifer, goat or sheep and duck was
191 increased where almost 98.33, 71.67, 93.33 and 88.33 percent of the respondents responded to be
192 unchanged respectively and no one respondent said that their assets were decreased.

193 Physical asset refers to the physical infrastructure, household goods, tools, equipment,
194 agricultural inputs, etc. These assets are essential to sustain a life and improve the livelihood in
195 the society.

196 Physical infrastructure under physical capital includes sanitation condition, solar energy, number
197 of mobile, etc. Table 2 shows that about 53.33 percent of the respondents reported that their
198 sanitation condition increased while 46.67 percent reported to be unchanged. The table also
199 revealed that almost 20.00 percent of the respondents reported increase in solar energy and

200 mobile while 80 .00 and 78.33 percent opined unchanged position respectively. So, a little
201 improvement had been happened on physical infrastructure. Most of these assets remained to be
202 unchanged.

203 Agricultural equipment under physical asset include weeder, harvester, plough, etc. Table 2
204 showed the changes of agricultural equipments due to the involvement with ASA credit. It is
205 clear from that about 3.33, 1.67, 13.33, 5.00, 10 .00 and 18.33 percent of the total respondents
206 reported increased change in weeder, harvester, plough, yoke, ladder, axe or da or nirani
207 respectively. The respective percentages indicate unchanged position were 95.00, 98.33, 83.33,
208 93.33, 85.00 and 78.33. Also a minimum of the respondents indicated decrease change in these
209 assets. So, most of these assets remained to be unchanged because it was not so easy for them to
210 purchase that asset at a time.

211 Agricultural inputs includes local variety seed, HYV seed, manures, etc are the part of physical
212 capital. Table 2 depicts that 13.33 percent of the total respondents responded that the quantity of
213 the local variety seed was increased during the study period where almost 86.67 percent opined
214 that it was unchanged and no one said it was decreased.

215 It is clear from the same table that almost 23.33 and 28.22 percent of the respondents reported
216 increased position of HYV seed and manures while 76.67 and 63.33 percent said unchanged and
217 only 8.33 percent manure only said decreased position respectively. So, overall impact was not
218 quite satisfactory for agricultural inputs.

219 In Bangladesh, women are still lagging behind in the case of decision making and empowerment
220 in the households. This situation is improving gradually through the involvement of women in
221 different activities within and outside the home. Though involvement in different IGAs under
222 different credit programs women can take participation to make family decision with male
223 persons, though most of the women are dominated by the male person of the household. Table 2
224 showed the changes in decision making role of the women after joining the ASA credit program.

225 Result depicts that almost 30.00, 85.00, 78.33, 86.67, 90.00, 86.67, 53.33, 45.00 and 15.00
226 percent of the respondents decision making ability in the case of crop production, maintenance of
227 family expenditure, family planning, education of children, social development activities,
228 marketing, homestead gardening, livestock raising and poultry and goat rearing were increased
229 after involving with ASA credit program while there percentages indicating unchanged position
230 were 70.00, 15.00, 21.67, 13.33, 10.00, 13.33, 46.67, 55.00 and 85 .00 percent respectively. No

231 respondent decrease in this direction. So, overall decision-making ability was dramatically
232 increased and women become empowered.

233 **Conclusion**

234 Based on the findings of the study, the following conclusions may be drawn:

- 235 ➤ The ASA as NGOs for the poor and small landholding groups may be considered genuine
236 to take care of them though it might have some constraints.
- 237 ➤ Standard of living of the respondents has improved to some extent after joining the ASA
238 credit program.
- 239 ➤ Women might be good associates of the socioeconomic development of the family as
240 well as of the country. They can contribute significantly to the socioeconomic
241 improvement of the family if proper atmosphere as well as facilities can be ensured.
- 242 ➤ Provision of credit is an imperative element for involving the rural women in income
243 generating and development activities.

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