

## 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.

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**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.

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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 provided 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 was 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 were 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** **were** conducted dependeds on the specific  
68 | purpose of the survey and the possible co-operation from the respondents. Keeping this in mind 6  
69 | villages namely Jahanpur, Allurtall, Nur pur, Mira para, Major tilla and Tultikor under Sylhet  
70 | Sadar of Sylhet district were purposively selected for this survey.

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71 **2.2 Sampling Procedure**

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

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79 **2.3 Analysis of Data**

80 | After collection primary data was scrutinized, checked and carefully edited and then classified,  
81 | tabulated and analyzed **kepping** 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.

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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

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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 which showed that the respondents aged between 31 to 45 years accounted  
106 for 56.67 percent while the young constituted 8.33 percent. There were only 35.00 percent  
107 respondents who belonged to old aged. So; it can be said that middle aged group were maximum  
108 of the respondents.

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

Parameter	No. of respondents	Percentage (%)
<b>Age group</b>		
Young (up to 30 years)	5	8.33
Middle aged (31-45 years)	34	56.67
Old aged (>45 years)	21	35.00
<b>Education level</b>		
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
<b>No. of family member</b>		
Small family (up to 4)	46	76.66
Medium family (5-6)	10	16.67

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Large family (>6)	4	6.67
Total	60	100
<b>Occupation</b>		
Primary occupation		
Farmer	56	93.33
Service	4	6.67
Total	60	100
<b>Subsidiary occupation</b>		
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
<b>Land</b>		
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

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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.

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

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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
<b>Natural Capital</b>	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	-	-
<b>Social assets</b>	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	-	-
<b>Changes in cash</b>	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	-	-
<b>Changes in livestock and poultry assets</b>	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	-	-
<b>Changes in physical infrastructure</b>	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
<b>Changes in Agricultural Equipment</b>	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	-	-
<b>Changes in Agricultural inputs</b>	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	-	-

147 Source: Field Survey 2017

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149 **3.2.2 Impact in on natural assets**

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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

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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,  
175 etc. 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

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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 included 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.

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

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226 Result depicts that almost 30.00, 85.00, 78.33, 86.67, 90.00, 86.67, 53.33, 45.00 and 15.00  
227 percent of the respondents decision making ability in the case of crop production, maintenance of  
228 family expenditure, family planning, education of children, social development activities,  
229 marketing, homestead gardening, livestock raising and poultry and goat rearing were increased  
230 after involving with ASA credit program while there percentages indicating unchanged position

231 were 70.00, 15.00, 21.67, 13.33, 10.00, 13.33, 46.67, 55.00 and 85 .00 percent respectively. No  
232 respondent decrease in this direction. So, overall decision-making ability was dramatically  
233 increased and women become empowered.

## 234 **Conclusion**

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

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

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