



An Impact Study of Microfinance Borrowers with special reference of West Bengal

A Joint Publication of AMFI-WB, SIDBI and Sa-Dhan

To be published during 8th Eastern India Microfinance Summit 2024





Message from AMFI-WB

The 8th Eastern India Microfinance Summit 2024 is only Microfinance summit in Eastern India with its title "Contributions to Financial Inclusion: Opportunity and Challenges Ahead".

As on 22 February 2024, 13 Banks hold the largest share of portfolio in micro-credit with total loan outstanding of Rs 1,03,569 Cr, which is 40.4% of total micro-credit universe. NBFC- MFIs are second largest provider of micro-credit with a loan amount outstanding of Rs 87,444 Cr, accounting for 34.2% of total industry portfolio. SFBs have a total loan amount outstanding of Rs 42,847 Cr with total share of 16.7%. NBFCs account for another 7.6% and Others have a share of around 1.1%. The overall YoY (31 December 2020 to 31 December 2021) growth of GLP based on loans originated after February 2017 is 10.1%.

The Industry has now weathered over four years of COVID 19 crisis, which has severely impacted the lives and livelihood of everyone. Lockdown and resultant loss of income resulted in disruption of economic activity. The impact was particularly severe for the microfinance clients who had to face significant loss of income, being dependent on the informal economy to a large extent.

The new regulatory framework announced by the RBI arguably brings the most significant changes in the regulations for the MFIs after 2011. It is already being acknowledged that the new framework recognizes the growing maturity and importance of the MFIs in financial inclusion.

This also recognizes the growth, innovation and resilience displayed by the MFIs and their clients in the existing regulatory framework.

In West Bengal, AMFI WB currently caters to around 78.56 lakh poor women by providing them with financial services, especially micro credit. With a membership of 48 Micro Finance Institutions, bank especially micro credit through approximately 33209 employees who hail from lower economic background. The total loan outstanding portfolio of MFIs/bank (who is doing micro lending) is over 28.65 Crores as of 31 March 2023.

Given the recent disruptions in the environment and regulatory actions, it is necessary that the micro-lenders, the bankers, the policy-makers, allied financial service providers and researchers join hands on common platform. To this end, the Association of Micro Finance Institutions - West Bengal, along with its member MFIs and Banks the 8th Eastern India Microfinance Summit 2024. This is being held on Venue: Biswa Bangla Convention Center, Activity Area: Mini Audi 7, Hall No. 2/ Pre-function area of Hall 2 & others. The purpose of the summit is to actively engage key stakeholders in discussions relevant to current and future aspects of financial inclusion.

We are certain this Thought Leadership Paper will excite further thought and discussion, encouraging ironic exchanges of ideas.

We hope this report is helpful and we welcome any thoughts you may have.



Mr. Ajit Kumar Maity
Chairperson AMFI-WB



Mr. Chandra Shekhar Ghosh
Former Secretary AMFI-WB



Dr. Kuldip Maity
Secretary AMFI-WB

AMFI-WB Members



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Table of Content

1. Journey of Association of Microfinance Institutions West Bengal (AMFI-WB)
2. Brief note on "Women Entrepreneurship Livelihood Enhancement and Development program (WE-LEAD) Project"
3. Article from Leaders and Microfinance Industry
 - i. "Socio-economic study among the microfinance borrowers of West Bengal". Association of microfinance Institutions West Bengal (AMFI-WB)
 - ii. Dr. Saibal Paul, Associate Director, Sa-Dhan
 - iii. Training Unit of AMFI-WB "Employing the Unemployed Youth Program"

Journey of Association of Microfinance Institutions West Bengal (AMFI-WB)

The Association of Micro-Finance Institutions - West Bengal (AMFI - WB) is an institution that endeavors to promote and develop microfinance in the state of West Bengal, India. Founded as a self-regulatory organization, and registered as a Public Charitable Trust in 2010, AMFI-WB encompasses a community of microfinance organizations that operate in West Bengal. It was formed to deliver better services to the poor, thereby helping these populations improve their standards of living. AMFI-WB envisions a community of microfinance institutions that are committed to initiating a significant change in the lives of the poor, especially women. AMFI -WB currently caters to around 90 lakh poor women by providing them with financial services, especially micro-credit. With a membership of 49 microfinance institutions, IT and Fintech Companies, and banks especially micro-credit through approximately 37000 employees who hail from lower economic backgrounds.

The primary goal includes - MFIs' quality engagement with banks, ensuring that MFIs self-track and follow the prescribed guidelines, and having healthy relationships with various government officials and other stakeholders.

The sole objective of AMFI-WB is to empower the bottom pyramid and initiate a significant change by empowering the impoverished, especially women who are socially excluded and economically exploited.

The organization is journeying from Good to Great, and AMFI-WB is thrilled to announce that it has marked an exciting milestone. The organization now owns its new office, a training and research center building at Jatragachi, Ghuni Jatragachi Road, Near Capital Guest House and Opposite Pagla Babar Mazar, Deshbandhu Nagar, New Town, Kolkata - 700157, West Bengal. The dream of many and finally has come true. The AMFI-WB needs your continued support to grow.

BRIEF NOTE ON

A SIDBI launched project namely: - "Women Entrepreneurship - Livelihood Enhancement and Development (WE-LEAD)" program in the state of West Bengal with Association of Micro Financial Institutions – West Bengal (AMFI-WB) as the implementing partner

Small Industries Development Bank of India (SIDBI) set up on April 02, 1990, under an Act of Parliament, presently acts as the Principal Financial Institution for the Promotion, Financing, and Development of the Micro, Small, and Medium Enterprise (MSME) sector and also coordinates the functions of the institutions engaged in similar activities.

SIDBI has launched its "Women Entrepreneurship-Livelihood Enhancement and Development (WE-LEAD)" program in the state of West Bengal with Association of Micro Financial Institutions – West Bengal (AMFI-WB) as the implementing partner. The primary objective is to promote and strengthen entrepreneurship among women Self Help Group/Joint Liability Group members in six districts

(South 24 Parganas, Howrah, Bankura, Birbhum, Nadia, and South Dinajpur) of West Bengal. As outlined, AMFI-WB collaborates with its Member MFIs to implement the program in these six districts, three of which are Aspirational Districts in West Bengal. The program aimed at providing 10,000 women

Entrepreneurs from among the group/JLGs Members through Capacity Building-EDP/Skill Training & Business Development Services in West Bengal. The project drives sustainable livelihood and thus social change. The project, supplement for Change, is an opportunity for passionate women entrepreneurs to succeed.

WE-LEAD program aims to promote and strengthen entrepreneurship among women SHG/JLG members in the six districts (3 Aspirational districts Birbhum, Nadia, and South Dinajpur and 3 non-aspirational districts Bankura, Howrah, and South 24 Parganas) of West Bengal, India.

Key Objectives:

1. To strengthen the livelihood opportunities for women and their households by creating new business opportunities and enhancing the

productivity of their existing enterprise through need-based business development and financial services.

2. Develop/customize suitable EDP modules by reviewing the existing materials in the market, and design suitable training manuals, posters, toolkits, etc.
3. To facilitate financial linkages, especially micro-credit, for the potential women entrepreneurs with Banks, MFIs, and other financial institutions so that they can start, expand, and sustain their business opportunities.

Target Group and Duration:

Women Members from various Groups/JLGs served by MFIs are the primary target group who will be provided with thematic-EDP and skill Training and necessary Business Development and Financial Services.

The project duration has been proposed for Two Years (24 months). Having gained the field experiences, findings of the mid-term

study, impact assessment, and availability of resources, it may be extended to other areas-districts in the forthcoming years.

Key Deliverables:

The project aims to sensitize, orient, and impart skill training to the Women group/JLG members on livelihoods and enterprise promotion and help them start, expand, and sustain their business activities in the operational areas.

Given that AMFI-WB is making sincere efforts to collaborate with MFIs and achieve the following coverage and deliverables:

- No. of Districts proposed to be covered in 2 Years (24 months): 6
- No. of Women group/JLG Members to be covered: 12,000



- No. of Potential Women Entrepreneurs to be promoted: 10,000 (@ 50:50 Ratio new and existing)
- **Research Activities** : Present status of the Microfinance industry in West Bengal. Impact assessment during the project end and mid-level study. Post-impact assessment of the project. Study on Project Entrepreneurs for their present Entrepreneurship activities;
 - Scope for credit linkages for Women Entrepreneurs
 - Market linkages for potential entrepreneurs are explored & established
 - Improved lifestyle among MFI clients with their enhanced Income (40-50%)
 - Better coordination among stakeholders and convergence of resources
 - Web-based monitoring system developed

There are 45 trades are identified so far and training started :

1 Artificial flowers	16 Fast food business	31 Mat making
2 Artificial hair	17 Feather cork	32 Meat business
3 Artificial Jewellery	18 Fishing Hook	33 Milk business
4 Bamboo craft	19 Fishing net	34 Paper cup plate making
5 Batasa Making	20 Food processing	35 Paper plate making
6 Beautician	21 Garments business,	36 Pola making
7 Belmala,	22 Grass jewellery	37 Puffed rice making
8 Bori making,	23 Grocery business	38 Raki making
9 Candle making	24 Hand loom & power loom	39 Sanitary Napkin
10 Chanachu packaging	25 Incense stick	40 Soft toys making
11 Chanachur making,	26 Jori work	41 Solta making
12 Chilling point (cow Milk)	27 Jute rope making	42 Sweet/moya business
13 Cloth Bag	28 Kantha stich	43 Tailoring
14 Dokra business	29 Leather Bag making	44 Vegetable business
15 Dokra making	30 Masala packaging	45 Wooden craft



Photographs on WE-LEAD Project



Photographs on WE-LEAD Project



Primary data based : Socio-economic Study among the Microfinance Borrowers of West Bengal

Supported By :
SIDBI under WE-LEAD Project

Implemented by :
Association of Micro-finance Institutions (AMFI-WB)

February 2024

Introduction :

Impact is about understanding how financial services affect the lives of poor people. To date, most impact assessments have focused on microcredit programs rather than looking at a range of financial services. Impact considers income growth, asset building, and reduction of vulnerability. Impact indicators extend beyond enterprise measures (assets, employment, revenues) to include multiple dimensions of poverty, including overall household income, social improvements in health and education, and empowerment (in terms of increased self-esteem and control of household resources among women).

MICRO-FINANCE : AN OVERVIEW

The concept of micro-finance is not new. Savings and credit groups that have been operated for centuries include- "chit funds" in India, "tandas" in Mexico, "cheetu" in Sri Lanka as well as numerous savings clubs and burial societies found all over the world. The concept of micro finance was started in late 70's and early 80's. In 1972 the Self Employed Women's Association (SEWA) was registered as a trade union in Gujarat with objective of providing banking services to poor women employed in Gujarat. Then later it was changed to Mahila SEWA Cooperative Bank. It was promoted with the main aim of providing banking services to poor women employed in the unorganized sector in Ahmedabad City, Gujarat. Then was Grameen Bank which was started by Muhammad Yunus in Bangladesh in 1976. At the time, traditional banks were not interested in loaning money to poor people, who were considered poor repayment risks. Then Grameen Bank was founded by him. In 1800s, various types of larger and formal savings and credit institutions began in Europe like People's Banks, Credit Unions. Micro-finance went on to evolve in 1980s around the concept of SHGs , informal bodies that would help their clients with much needed savings and credit services. In 1990s saw growing enthusiasm for promoting microfinance as a strategy for poverty alleviation. In mid 1990s term "microcredit" began to replace by "micro-finance". In 1992 first commercial bank in the world dedicated to microfinance. NABARD has defined micro finance as follows:

"Micro finance is all about provisions of thrift, credit and other financial services and products of very small mount to the poor in rural, semi urban and urban areas for enabling them to raise their standard of living".

Features of Micro finance :

- Loan given without security
- Loans are of small amount
- Short duration loans
- Loans to those who live below poverty line
- Loans are offered without collateral

Nowadays agencies like: Government, Non-Government Organization, MFIs and SHGs are involved in Microfinance Development Initiatives. The aim of Micro finance is to empower women. It helps them in starting business and actively participates in the economy. It give them confidence, improve their status, help in decision-making. Naila Kabeer titled, "Is Micro Finance a Magic Bullet for women's empowerment? It studied various opinions on the impact of Micro Finance to see it as a "Magic Bullet" for women's empowerment. The study examined the empirical evidence on the impact of Micro Finance on poverty reduction and empowerment of poor women. Micro finance programmers not only help the women and men in saving and credit, it helps them in bringing together in a group. In India because of gender inequality there is a considerable reason to target women for their economic empowerment. Majority of Micro finance programmers focuses on women in empowering them. Women are the poorest among the people, helping them should be a priority because they are underprivileged. There are many organizations, which perceive micro finance as a tool for women to fight for their rights and independence. Most of the organization and micro finance institutions prefer women members, as they believe that they are better and more reliable borrowers. They have higher repayment rates in comparison to male. Various helping hands are available for women to provide finance are as follows:

- **Formal sector** : it cover all leading banking industry such as public, private, RRB, NABARD and RBI.
- **Semi-formal sector** : it cover all Micro financing institutions (MFIs), NGOs, and various SHGs.
- **Informal sector** : it cover family, relatives, friends, moneylenders, landlords, traders, etc.

MICROFINANCE IN INDIA

In India, history of microfinance dates back to establishment of Syndicate Bank in 1921 in private sector. India is said to be the home of one third of the world's poor- estimates range from 26 to 50 percent of the more than one billion population. Micro finance has been present in India in one form or another since the 1970s and is now widely accepted as an effective poverty alleviation strategy. The Indian government puts emphasis on providing financial services to the poor and underprivileged since independence. The commercial banks were nationalized in 1969 and directed to lend 40% of their loan at concessional rate to priority sector (agriculture, other rural activities and weaker section of society). The government of India has launched various programs like National Rural Development Programme (NRDP) 1980, Jawhar Rozgar Yojna (JRY) 1989, Swarna Jayanti Gram Swarozgar Yojna (SGSY) 1999 and many more. But none of these achieved their desired goals due to poor execution and malpractices on the part of government officials. On 1st April 1999 a new programme called Swarnajayanti Gram Swarozgar Yojna (SGSY) was launched by amalgamating programmes like IRDP (Integrated Rural Development programme), DWCRA (Development of Women and Children in Rural Areas), etc. the programme aims at establishing a large number of micro enterprises in rural areas. After intervention of National Bank for Agriculture and Rural Development (NABARD) in 1992 in the field of micro credit, the movement of micro finance got a boost in India. The Reserve Bank of India has advocated for financial inclusion of majority of population for economic development of our country. Access to affordable financial services specially credit and insurance enlarges livelihood opportunities of poor. Now the micro finance services providers include- NABARD, SIDBI. At lower level, we have commercial banks, Regional Rural Banks and cooperatives to provide micro finance services. There are also some NGOs, which lend credit to SHGs. Although women's access to financial services has increased substantially in the past 10 years, their ability to benefit from this access is often still limited by disadvantage they experience because of their gender.

IMPACT OF MICRO FINANCE ON WOMEN EMPOWERMENT

Impact on Poverty and Vulnerability :

Many studies have been done by research scholars, institution, etc to evaluate the impact of micro finance on programmes on poverty reduction. A large study suggest that microfinance has significant impact on poverty reduction as well as household well being at different levels such as household nutrition, health, food security, children education and social cohesion. Micro finance is seen as a tool for poverty reduction due to its appropriateness of its service delivery mechanisms for targeting the productive poor people. Various banks, institutions, NGOs are there which help them.

Gender Equity and Well-being :

Women's status, both in their homes and in their communities, is elevated when they are responsible for managing loans and savings. The ability to generate and control their own income can further empower poor women. Several researches are done which shows that credit extended to women has a significant impact on their families' quality of life, especially credit extended to women has a much greater impact on household consumption and gender inequality and child well-being. Giving women the chance to become economically independent and self-sufficient, able to support their families, it is seen as key to the achievement.

Economic Empowerment :

It includes control over income and family resources, opportunity for employment, access to markets, ownership of assets and represent in decision-making roles. With help of this, women can have equal opportunity, independence and enter the workforce. Sheela Purohit in her article "Micro Credit and Women Empowerment", describes the success of two NGOs in Andhra Pradesh. There are certain misconceptions about the poor people that need loan at subsidized rates of interest on soft terms, they lack skills, education, and capacity to save and therefore they are not bankable. According to Eyben, R, Kbeer, N, Cornwall, A, 2008, it covers four broad areas : a) the promotion of the assets of poor people; b) trans formative forms of social protection; c) microfinance; and d) skills training.

Social and Political Empowerment :

It includes having knowledge, right to vote, to get involve in political system and being represented in local and national government. Social empowerment includes freedom from domestic violence, absence of discrimination, access to public and common property resources and decrease in child and maternal mortality. It help them in providing equal education opportunity for their better lives. Political empowerment helps women in creating their position in the society by voting, lobbying and mobilizing. Sushma in her study "A Study on Importance and Efficacy of SHGs in Women Empowerment". A case study of SHGs in Lucknow and Ambedkar nagar region reveals that SHGs have been identified as a way to remove poverty and enhance women empowerment in all spheres of lives.

Challenges Faced in Empowering women :

Micro finance has the ability to empower women but it is not that simple or easy in making. It is not that easy for women to do any kind of work that can face many problems, hurdles. There are many elements, which make difficult for women through micro finance businesses.

These elements are as:

- Women do not own land and other assets
- Women are not literate
- Lack of capital
- Lack of knowledge
- Women lack access to banks/financial services
- Women focus on low return based activities
- Increase in women's workload and stress
- High interest rates
- There is gender restrictions within market
- There is a burden within household
- Drought and local market failures
- Expenses are high (operating and financing)
- Women's are not aware of benefits and workings of Microfinance organisations
- Limited outreach particularly for women
- Lack of adequate whole sale funding possibilities (guarantee facility)
- Limited financial products unable to address the various needs of clients

Present study mainly focused on how microfinance/Bankare increasing women's empowerment, we deduced the following sub-objectives:

- To explore how women become socially empowered after getting micro-financed.
- To figure out how women become financially empowered after getting micro-financed.
- To determine how microfinance increases women's entrepreneurship.

Materials and methods :

Study Area: In the present study data was collected from four blocks and three municipalities area. Four blocks are Gangarampur, Bansihari from Dakshin Dinajpur district and Jaynagar I & II from south 24 Parg, West Bengal. Three municipalities are

Gangarampur, Buniadpur from Dakshin Dinajpur and Majuro Municipality of south 24 Parg. District west Bengal.

The following Gram panchayat were covered for the present study; Sreepur, Harinarayanpur, Uttar Durganagar, Dakshin Barasat under Jaynagar -I block, Ellahabad, Brojoballavpur under Bansihari block, Belbari I & II, Gangarampur, Sukdebpur under Gangarampur block and Mayahowri, Gordoani, Gordoani, Durganagar, Mayda under Jaynagar - II block.

Methods of Study : In the present study data were collected through group discussion, interview, observation, questionnaire- schedule methods. Primary data /first hand data were collected by the WE-LEAD project staffs.



Inclusion criteria of study: The borrowers/beneficiaries were selected for the present study, which are received loan from MFI/Bank minimum three times, (minimum two cycle of loan was completed).

Sample size and some basic information about the subjects : A total 504 female borrowers, aged between 20-60 years were included for the present study. Most of the participants were belonged to Hindu (77.4%). Rest of them were Muslim (20.8%) and Christian (1.8%)religious group. Group was created basis on the cycle of loan completed. 1st group loan cycle completed up to 2, 2nd group loan cycle completed 3-4 times and 3rd group loan cycle completed more than 4 times.

Social category of the participants :

Social category	Frequency	Percentage (%)
General	131	26.0%
Scheduled caste	257	51.0%
Scheduled tribe	12	2.4%
Others Backed-ward classes - A	86	17.1%
Others Backed-ward classes B	18	3.6%

RESULTS:

Table (1) : Association between religious group and family size among the studied population

Religious Group	Number of family members		
	1 to 3	4 to 5	More than 5
Hindu	113 (29.0%)	226 (57.9%)	51 (13.1%)
Muslim	23 (21.9%)	62 (59.0%)	20 (19.0%)
Christian	4 (44.4%)	4 (44.4%)	1 (11.1)
Combined Group	140 (27.8%)	292 (57.9%)	72 (14.3%)

Table-1 showing the association between religious group and family size among the studied population. Overall 77.4% was belonged to Hindu religious group and rest of them (20.8% & 1.8%) belonged to Muslim & christian religious groups. The numbers of family members in the present study population is 4 to 5 which is the highest (57.9%) than the other two groups.

Table (2) : Educational status of the studied borrowers age group wise

Age Group (in Years)	Educational Status						
	Illiterate	I to IV	V to VIII	IX to X	M.P	H.S	Graduate
18 to 30	1.2%	7.5%	44.4%	28.1%	8.8%	8.1%	1.9%
31 to 40	3.5%	22.3%	58.1%	6.6%	6.1%	1.3%	2.2%
41 to 50	6.9%	33.7%	44.6%	7.9%	4.0%	3.0%	0.0%
More than 50	21.4%	42.9%	28.6%	0.0%	7.1%	0.0%	0.0%
Combined group	4.0%	20.4%	50.2%	13.5%	6.5%	3.8%	1.6%

Table-2 demonstrated the educational status of the borrowers according to age group wise. More than half of the borrowers belonged to class (V to VIII) group which is the highest (50.2%) than the other groups. Overall 4% of the borrowers were illiterate and the illiteracy rate is highest (21.4%) among those over fifty. The overall graduation completion rate is 1.6%. The rates of secondary (M.P) and higher secondary (H.S) were 6.5% and 3.85 respectively.

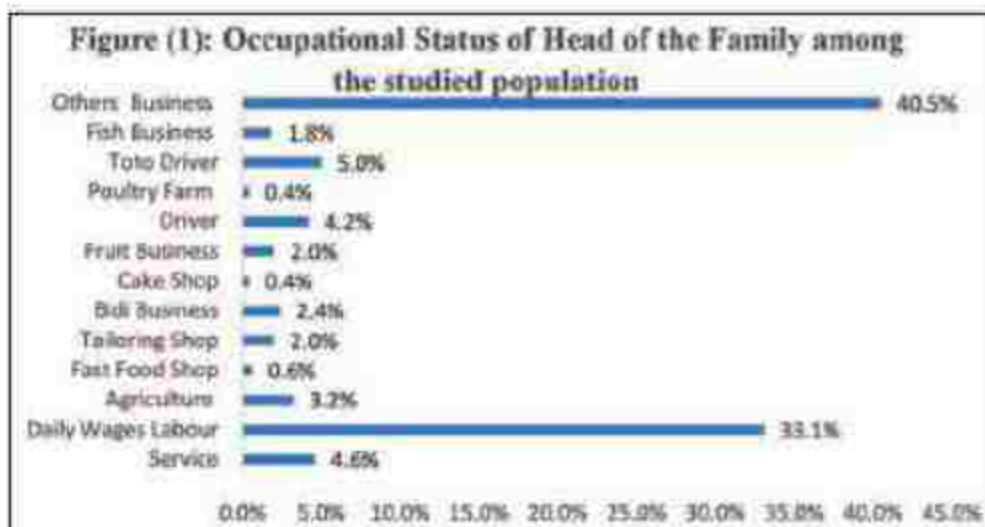


Figure (1) present the occupational status of head of the household among the studied population. Most of the household heads were engaged in temporary business (here consider as others business) which is the highest (40.5%) than the other groups. Secondly 33.1% household heads were engaged in daily wages work. Other occupations of head of the family were fish business, toto driver, poultry farm, driver, fruit business, cake shop, bidi business (making & marketing), tailoring shop, fast food shop, agriculture and service (Govt. and non-govt.) were 1.8%, 5.0%, 0.4%, 4.2%, 2.0%, 0.4%, 2.4%, 2.0%, 0.6%, 3.2% and 4.6% respectively.



Figure-2 showing the graphical presentation of mean monthly family income, expenditure and saving status as per their loan cycle completed. In each case we can find that mean monthly income, expenditure and saving status has increased according to their number of loan cycle completed.

Table (3): Relationship between number of loan cycle completed and per-day per capita expences for food consumption

Loan Cycle completed	Per day expences for food consumption		
	Up to Rs: 30	Rs: 31 to 50	Greater than Rs: 50
Up to 2	7.5%	71.2%	21.2%
3 - 4	4.8%	70.4%	24.9%
More than 4	4.1%	57.4%	38.5%
Combined group	5.4%	66.3%	28.4

Table-3 present the relationship between loan cycle completed and daily food consumption per person. Overall food cost is Rs: 31 to 50 per person day per which was higher (66.3%) than the others category. From the present study we found that the daily food expenditure per person increased in proportion to the increase in their number of loan circle completed.



Figure-3 showing the average loan size: First to sixth and percent loan among the studied population. In the present study we found that the loan size increase positively with the complete of loan cycle. The mean loan size of first, second, third, fourth, fifth, sixth and present were RS: 22914.68, 35675.58, 46903.93, 51814.11, 58284.09, 62846.23 and 73222.23 respectively.

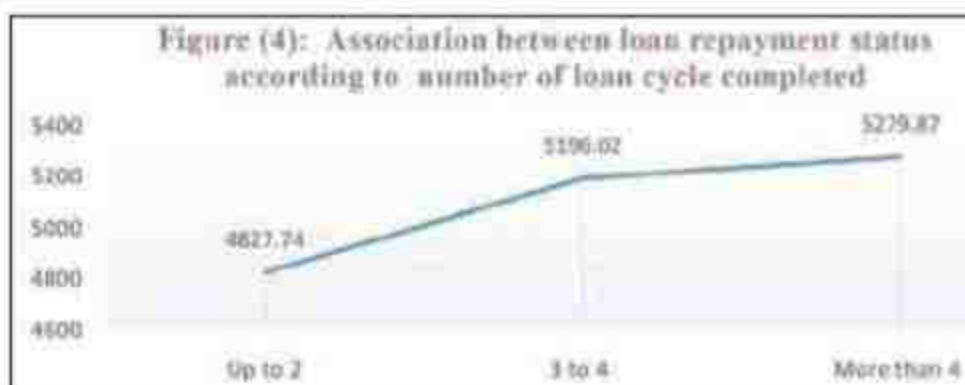


Figure-4 showing the loan repayment status and number of loan cycle completed. From the present study we found that the amount of loan repayment increase positively with the number of loan circle completed. The mean loan repayment amount for loan up to 2, 3 to 4 and more than 4 were Rs: 4827.74, 5496.02 and 5279.87 respectively.

Table (4): Relationship between monthly income from the particular scheme and number of loan cycle completed

Loan Cycle completed	Per day expences for food consumption			
	Up to 5000	5001 to 10000	10001 to 15000	More than 15000
Up to 2	24.4%	14.1%	1.9%	29.6%
3 - 4	20.7%	16.2%	31.8%	31.3%
More than 4	14.6%	25.9%	37.3%	22.2%
Combined group	19.7	18.9%	33.7%	27.8%

Table-4 demonstrated the income from the particular scheme fro which the loan was taken and how many loan cycle have been completed. The present study we found that as their number of loan cycle increase, so does their income also increased. In the table we found that the income of Rs: 10001 ti 15000 was the higher (33.7%) than the other groups.

Table (5): Mean monthly family income, expenditure and saving status according to residential area

Residential Area	Mean monthly income	Mean monthly expenditure	Mean monthly savings
Panchayat	18678.59	14776.34	3902.25
Municipality	17899.73	14909.86	2989.86
Combined	18394.24	14825.08	3569.16

Table-5 present the mean monthly family income, expenditure and residential area. From the present study we found that the average monthly income and savings of the borrowers livings in panchayat area was higher than that of Municipality area. But, the borrowers who reside in municipality area have a higher average monthly expenditure thane the panchayat area. Figure-5 also showing the monthly family income, expenditure and savings according to their residential area.

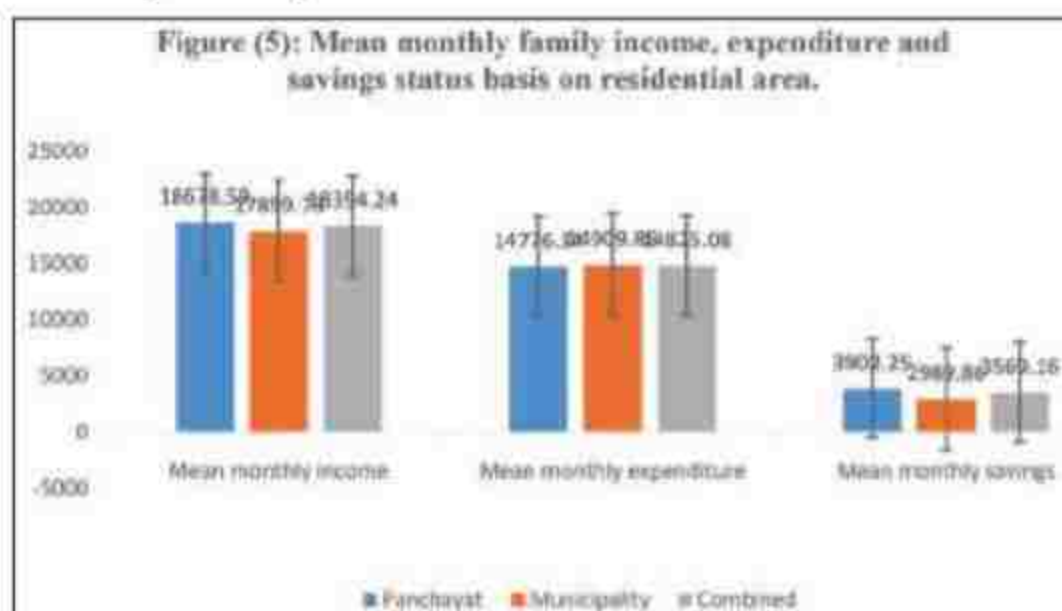
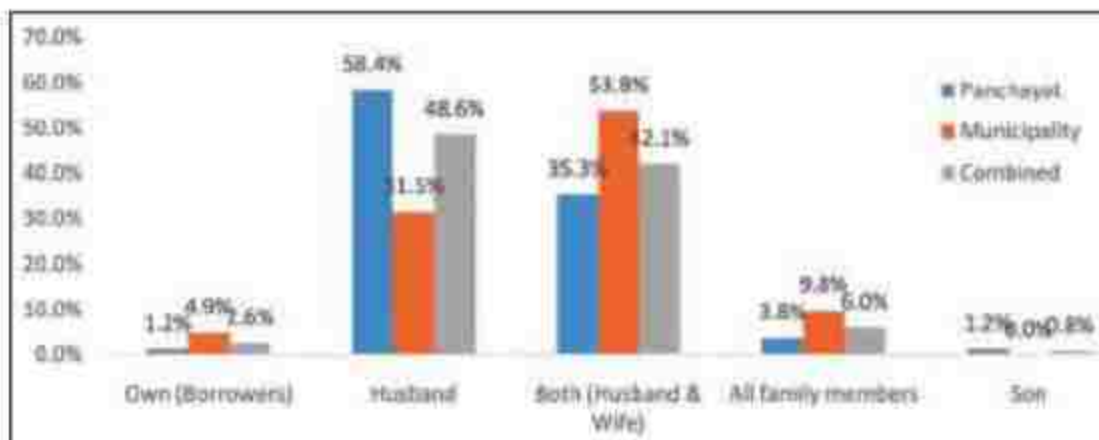


Table (6): Association between residential area and family financial decision

Residential Area	Family Financial Decision				
	Own (Borrowers)	Husband	Both (Husband & Wife)	All family members	Son
Panchayat	4 (1.2%)	187 (58.4%)	113 (35.3%)	12 (3.8%)	4 (1.2%)
Municipality	9 (4.9%)	58 (31.5%)	99 (53.8%)	18 (9.8%)	0 (0.0%)
Combined	13 (2.6%)	245 (48.6%)	212 (42.1%)	30 (6.0%)	4 (0.8%)

Table-6 demonstrated the association between residential area and family financial decision making power. Overall, 2.6% women (borrower) make all the financial decision for their own families. From the table we also found that most of the family financial decision of the panchayat area were taken by their husband. But in the municipality area, their family financial decision were taken by both (husband & wife). Figure-6 also showing the family financial decision making basis on residential area.

Figure (6): Association between residential area and family financial decision making power



Major findings:

1. In the present study overall 77.4% was belonged to Hindu religious group and rest of them (20.8% & 1.8%) were belonged to Muslim & christian religious groups.
2. Social category of the studied populations, General, Scheduled caste, Others back ward classes-A, Other back ward classes-B and scheduled were 26.0%, 51.0%, 17.0%, 3.6% and 2.4% respectively.
3. More than half of the borrowers belonged to class (V to VIII) group which is the highest (50.2%) than the other groups.
4. Occupations of head of the family were others business, daily wages labour, fish business, toto driver, poultry farm, driver, fruit business, cake shop, bidi business (making & marketing), tailoring shop, fast food shop, agriculture and service (Govt. and non-govt.) were 40.5%, 33.1%, 1.8%, 5.0%, 0.4%, 4.2%, 2.0%, 0.4%, 2.4%, 2.0%, 0.6%, 3.2% and 4.6% respectively.
5. In each case we can find that mean monthly income, expenditure and saving status has increased according to their number of loan cycle completed.
6. From the present study we found that the daily food expenditure per person increased in proportion to the increase in their number of loan circle completed.
7. In the present study we found 97.4% families have their own toilet.
8. More than 93.7% beneficiaries have LPG Connection.
9. Overall 24.2% households have bike (two wheeler) and 0.8% house holds have four wheeler for their family use.
10. All beneficiaries families are using mobile either android or non- android phone. The number of android phone one, two three and four were 60.5%, 27.0%, 3.8%, and 0.8% respectively. Only 7.9% beneficiaries family do not used any android phone.
11. Only 1.2% households have computers and 1.0% households have air conditioners.
12. In the present study we found that the loan size increase positively with the complete of loan cycle.
13. Form the study we found that most of the family financial decision of the panchayat area were taken by their husband. But in the municipality area, their family financial decision were taken by both (husband & wife).

Conclusion

Thus, it can be concluded from the present study that microfinance is playing a crucial role in the social, psychological as well as economic empowerment of women in India. Microfinance is emerging as a powerful instrument for poverty alleviation in the new economy. In India, Microfinance scene is dominated by Self Help Group (SHGs)-Bank Linkage Programme as a cost effective mechanism for providing financial services to the "Un-reached Poor" which has been successful not only in meeting financial needs of the rural poor women but also strengthen collective self help capacities of the poor leading to their empowerment.

Economic empowerment results in women's ability to influence or make decision, increased self confidence, better status and role in household etc.

Micro finance is necessary to overcome exploitation, create confidence for economic self reliance of the rural poor, particularly among rural women who are mostly invisible in the social structure. Micro finance is accepted as a key mantra for attaining and maintaining the sustained and long-term economic growth in all over the world. Through different studies conducted at various levels show different conclusions, it can be acknowledged from the present study that despite of bottlenecks, micro finance is capable of helping poor to upscale themselves to a better living and playing a significantly positive role in upgrading socio-economic development.

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Impact of Microfinance Sector on the borrowers

Dr. Saibal Paul

Microfinance and its current outreach:

With only observations, microfinance can be identified as major facilitator of financial inclusion of the poor people including India. Though microfinance was always there in different forms, for e.g. "hui" in China, "susus" of Ghana, "chit fund" in India however it has been given proper shape by Dr. Muhammad Yunus, by initiation of Joint Liability Groups and Dr. Al Fernandez by initiation of Self Help Groups. As per Bharat Microfinance Report 2023, on March 2023, microfinance sector was reaching to 532 Lakhs clients. As of Sept 30, 2023, the combined microcredit portfolio of all lenders is at ₹3,95, 889 Cr, a growth of 10.37% over June' 23 and a growth of 30.03% over Sept'22 of FY 22-23. Additional 134.03 Lakhs Self Help Groups are catering unreached population of India. Though the number is significant however the major factor is the types clients which the sector is reaching. This is the segment which formal banking system has kept out as they are poor and supposed to be non worthy.

The major contribution of microfinance is boosting the morale of the poor, build up their confidence, provide financial assistance to their business, to start or to make it big.

Observations from other countries:

Kasali's 2020 study analyzed the impact of microfinance loans on poverty alleviation in Southwest Nigeria through primary research. The results revealed that while microfinance loans positively contributed to poverty alleviation in the region, government aid is still needed. The author recommended that governments support microfinance institutions with low-interest funds to disburse¹.

A comprehensive study by Donou-Adonsou and Sylwester² of 85 developing countries found that microfinance lending significantly increases total factor productivity (TFP) and promotes economic growth. Furthermore, evidence suggests microfinance positively impacts economic growth in Nigeria and Bangladesh. Notably, the relationship seems two-way in Bangladesh. Analyzing data graphically, Ekpenyong and Nnamocha³ determined microfinance loans positively influence Nigeria's GDP and various economic sectors.

Tarozzi, Desai, and Johnson⁴ conducted a study examining the effects of microfinance access in rural Ethiopia, focusing on areas like agriculture, animal husbandry, self-employment, labor supply, education, and women's empowerment. Despite increased borrowing,

¹<https://www.mdpi.com/1911-8074/15/9/393#~:text=The%20study%20revealed%20that%20microfinance,disbursed%20at%20concessionary%20interest%20rates.>

²<https://www.sciencedirect.com/science/article/abs/pii/S1062976916301280>

³<http://doi.orpska.nub.rs/index.php/actaeconomica/article/view/7484>

they found limited socio-economic improvements overall.

Observations from the impact studies of Indian MFIs:

“The Impact assessment studies conducted by the Institute of Development Studies (IDS) in the United Kingdom in association with three Universities in the UK - Bath, Sheffield and Sussex has indicated that three out of four (76.8 per cent) of SHARE’s (Share Microfin) clients have experienced significant reduction in poverty, and half of them are no longer meagre. Women are able to solve their social problems and with increased opportunities coming their way, they are eager to look for better prospects in life.”⁶

A study conducted by the United Nations Development Program (UNDP) on ‘Microcredit and Women Empowerment through SHARE’ has come out with the following observations: There is a sign of significant poverty reduction and it has been found that women have better control over income, assets and expenditure; Women have started to break social barriers by interacting with other people in society, using their collective strength to address village issues more openly and boldly even before bureaucrats; Significant decrease in child labour has been noticed and the importance of education among both boys and girls is felt.⁸ In case of Cashpor microcredit “Significant reduction in PPI score at loan cycle 3-4”.⁷

Banerjee, Breza, Duflo, and Kinnan⁸ found in randomized evaluation of a group-lending microcredit program in Hyderabad, India, that microcredit access increased investment and profits for small businesses.

Observations from national level Independent study commissioned by Sa-Dhan:

In 2023, Sa-Dhan has commissioned an impact study on microfinance sector on the borrowers. The sample size was 1000 borrowers. The impact is stated beneath⁹.

A majority (54%) of respondents were dependent on a single income source before joining an MFI; this proportion decreased to 25% at the time of the survey. 61% of respondents said the main income earners in their household experienced over 30 days without work before joining an MFI, compared to 50% currently. Around 79% now report having at least some monthly household savings, up from 54% before obtaining their first MFI loans. Nearly all (99%) respondents said their economic and financial condition improved at least somewhat after joining an MFI, with over half reporting a significant improvement.

Nearly 44% of respondents reported a high improvement in confidence when talking to outsiders after associating with an MFI. Another 55% stated their confidence had somewhat improved. Regarding independent mobility, 46% said their confidence moving around on their own had highly improved. Around 45% felt their social status had greatly increased after partnering with an MFI. Overall, 43% reported literacy and education awareness had significantly increased. Another 43% noted abilities in reading, writing, and counting were now much better. Awareness of government welfare programs ranged from 81% knowing about PMAY and 79% knowing about the mid-day meal scheme, down to 40% for NPS and 52% for old age pensions. Only 1% of respondents currently rely on moneylenders, compared to 14% before joining an MFI.

As per observations from different studies, it can be told that microfinance interventions have significant impact on the clients. Well in many cases, the women are the channel of the finance however the money is invested in the husband’s/male counterpart’s entitled entities; even in these cases too as women has the access to the finance gives her better stands in society. Apart from finance as impact of being borrowers of MFIs, the women are more confident, they have more information base and also the family could pull out themselves from the clutch of money lenders.

(Dr. Saibal Paul is at present associated with Sa-Dhan as head of Policy, membership development and sector building)

⁶ <https://www.aaweb.org/articles?id=10.1257/app.20130475>

⁷ <https://www.sharemicrofin.com/Impact/ImpactAssessment>

⁸ <https://www.sharemicrofin.com/Impact/ImpactAssessment>

⁷ <https://pdf.info/images/outcomes-wg-brief-cashpor-20151124-english.pdf>

⁸ <https://www.aaweb.org/articles?id=10.1257/app.20130533>

⁹ https://www.sa-dhan.net/wp-content/uploads/2023/06/Report-IMPACT-OF-MICROFINANCE_compressed.pdf

Training Unit of AMFI-WB " Employing the Unemployed Youth Program"

AMFI-WB is conducting a 6 to 10 days Training program for unemployed youth as campus selection process to work in Microfinance and Banking Services among our member Organizations as well non-Member MFIs/Banks. The very objective of this program is to create the "job opportunity", in the rural and semi urban areas particularly in remote areas. The following are the major topic for six-ten days training program; History of bank and what is the function of bank, What is KYC, Difference between Bank and NBFC/NBFC-MFI, What is microfinance and why it is important, its mission and vision and core value etc. MFI Branch structure, SHG and JLG model, Steps of area selection, Registration of potential customer, CGT and GRT, Loan application, Customer verification and loan recommendation and sanction process, Loan documentation, Loan disbursement, Loan collection/recovery methods, Delinquency management, RBI Compliance, Industry Code of Conduct, Over due and OD collection and understanding PAR, Maintenance of office file and registers, Communication skill session, Final Examination and providing Pass Certification.

District wise Training Program details

Sl. No.	District	Number of Batches	Number of participants			Number of Candidates Engaged in MFI Activities
			Male	Female	Total	
1	Malda	4	62	12	74	5
2	Dakshin Dinajpur	4	33	15	48	7
3	Uttar Dinajpur	6	28	14	42	12
4	Birbhum	4	22	9	31	8
5	Bankura	4	39	12	51	7
6	Purulia	7	115	25	140	12
7	Howrah	2	5	0	5	0
8	Paschim Medinipur	1	1	2	3	0
9	South 24parga	1	12	14	26	0
10	North 24parga	1	11	2	13	1
Total		34	328	105	433	52



Acknowledgement

Mr. Ajit Kumar Maity

Dr. Saibal Paul

Dr. Kuldip Maity

Mr. Chandra Shekhar Ghosh

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Specially acknowledge to all the members of AMFI-WB



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