

Impact Of Bandhan Bank Microfinance On Economic Empowerment Of Rural Women, Assam

Mukhyajit Sonowal¹, Renuprava Sonowal², Tulika Senapati³, Shishupal Gorain⁴

¹Assistant Professor (Contractual), Department of Economics, North Lakhimpur College (Autonomous), Lakhimpur, Assam.

²Research Scholar, Rajiv Gandhi University, Doimukh, Arunachal Pradesh.

³Research Scholar, North Lakhimpur College (Autonomous), Lakhimpur, Assam.

⁴Research Scholar, Rajiv Gandhi University, Doimukh, Arunachal Pradesh.

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Abstract

Empowerment of women is very much important for the development of an economy. Bandhan bank microfinance plays an important role in women empowerment and provides micro-loan to the marginal business owners, who have not benefited from the traditional money lenders such as banks with minimum interest. The study was undertaken to examine the impact of Bandhan bank microfinance on economic empowerment of the rural women in Assam. The study was based on both primary and secondary data. The primary data were collected from Dhemaji district of Assam through interview of liability group members. A total of 90 members from 3 liability groups of three villages of one development block formed the sample size of the study. The study reveals that income, savings and employment days of the respondents have gone up after benefiting from the Bandhan bank microfinance. The calculated value of paired t-test for the economic indicators were significant. Thus, the study concluded that Bandhan bank microfinance has been playing a major role in empowerment of rural women in the study area.

Key Words: Employment days, Income, liability Groups, Savings.

INTRODUCTION:

Microfinance is a modern tool to fight against poverty for the development of rural areas. Microfinance is also known as micro- credit and it offers loan, savings and insurance to entrepreneurs, small business owners who unlikely to get loan from the traditional source like banks. The microfinance institutions offer small loan and help to maintain savings account. The concept of microfinance was introduced in 1980s in India. The main aim of microfinance was to meet the goal of empowerment of women and reduce poverty of low-income or weaker section of the society. It plays an important role to provide an entrepreneurial opportunity for women to uplift the socio- economic conditions.

Mr. Chandra Shekhar Ghosh founded the Bandhan Bank Microfinance in the 1990s in order to provide loans to the marginal business owners, who have not got loan from traditional money lenders such as banks with low-interest. Within a decade and a half, it is transformed into universal bank.

The concept of women empowerment was introduced in 1985 at the UNs third World Women's Conference. Economic empowerment of women helps women to take their own decisions towards investment on health and education and take risks to increase income level, savings, and employment days.

METHODOLOGY:

Data and Data Sources: The data is mainly based on both primary and secondary data. Primary data were collected through personal interview of the borrowers using interview schedule. The required secondary data were collected from journals, research paper, internet etc.

Sampling Method: We use a multi-stage random sampling method to select the sample respondents. Dhemaji district of Assam was selected purposively for the study. One development block named Bordoloni Development Block has been selected for the study. Then, 3 liability groups from three villages were selected and total number of respondents from the 3 liability groups were 90 constitutes the final sample size of the present study.

Analytical Techniques: The study is descriptive in nature. Data were analysed and interpreted using tabular method of statistical technique where frequencies and percentages were used. To find out the impact of Bandhan Bank microfinance on the economic empowerment of the rural women, before benefiting micro loan and after benefiting micro loan was considered and paired t- test was applied.

Variable used: To know the impact of Bandhan bank microfinance on economic empowerment of women, the main variables income, savings and employment days are taken.

LIMITATION OF THE STUDY:

The study is limited in the following manners-

1. The study is conducted at Bordoloni Block of Dhemaji District, Assam.
2. The study is based on 'Random Sampling Technique' in selecting the liability groups.
3. The study is based on respondents' response and only 90 respondents are taken for the study.

OBJECTIVES:

The paper aims to discuss the following objectives-

1. To know the socio-economic profile of sample people of the study area.
2. To study the impact of Bandhan Bank Microfinance on Economic empowerment of rural women in the study area.

HYPOTHESIS:

The Null Hypothesis formulated for the study is:

H₀: There is no economic empowerment of women through Bandhan bank microfinance.

RESULTS AND DISCUSSIONS:

Socio-economic profile of the respondents-

Table 1- Socio-economic Profile of the Respondents (N= 90)

Variables	Category	Frequency	Percentage
Age	20-30 years	25	27.78
	30-40 years	35	38.89
	40-50 years	16	17.77
	Above 50 years	14	15.56
Marital Status	Married	85	94.45
	Unmarried	5	5.55
Educational Status	Primary	35	38.89
	High School	24	26.66
	H.S. Pass	22	24.45
	Graduate	9	10
	Housewife	33	36.67

Occupation of the Respondents	Labourer	3	3.33
	Business	19	21.12
	Cultivation	23	25.55
	Services	12	13.33
Types of House	Kutchra	26	28.88
	Pucca	19	21.12
	Semi Pucca	45	50
Land holding	Less than 1 Acre	10	11.12
	1-5 Acre	25	27.77
	Above 5 acres	55	61.11
Source of drinking water	Well	25	27.77
	Tube well	65	72.23

Source: Field survey

In the above table 1, age, marital status, educational status, occupation, types of houses, land holding, source of drinking water of the respondents have been shown. The above table reveals that most of the respondents' age is in between 30-40 years i.e., 38.89% and only 15.56% respondents are above 50 years. 94.45% of the respondents are unmarried. The respondents are not highly educated. Maximum number of respondents i.e., 38.89% are read up to primary level whereas 10% of the respondents are graduate. Most of the respondents are housewife i.e., 36.67% whereas a lowest number i.e., 3.33% respondents are labourer and 19% and 23% are engaged in business activities and cultivation respectively. The house quality of the respondents is average where they live in semi-pucca houses. The percentage of respondents which live in average type houses is 50%. Maximum 61.11% of the respondents have more than 5 acres land. The source of drinking water is Tube well for most of the families i.e., 72.23%.

Table 2- Purpose of Micro Loan from Bandhan bank microfinance (N=90)

Variables	Category	Frequency	Percentage
Purpose of taking micro loan	Business	28	31.11
	Piggery firm	23	25.55
	Fishery	19	21.12
	Other	20	22.22

Source: Field survey

The above table 2, illustrates the purpose of taking micro loan from Bandhan bank microfinance by the respondents. It is seen from the table that highest 28% respondents have taken micro loan for the purpose of business activities, whereas 23%, 19% respondents have taken micro loan for piggery firm and fishery respectively. The other 20% respondents have taken micro loan for multipurpose.

Impact of Bandhan Bank Microfinance on Economic empowerment of women-

We have discussed the impact of Bandhan Bank Microfinance on Economic empowerment of women in the following heads-

Impact on Income:

Table 3- Paired t-test statistics for Income before and after benefiting from Bandhan bank microfinance services.

Stages	N	Mean value	Std. Deviation	t- Value	df	Sig (2-tailed)

Before	90	1505.22	875.276	-5.207	89	<0.001
After	90	1599.89	866.986			

Source: Field Survey

To determine whether differences occur in Income before and after benefiting from Bandhan bank microfinance services, paired t-test was run. The results are shown in the above table 3. The result is statistically significant ($t = -5.207$, $p < 0.05$). Therefore, we reject the Null Hypothesis and this suggests that income level of the respondents after benefiting from Bandhan bank microfinance has gone up above what they had before. Therefore, we conclude that there is economic empowerment of women through Bandhan Bank microfinance.

Impact on Savings:

Table 4- Paired t-test statistics for Savings before and after benefiting from Bandhan bank microfinance services

Stages	N	Mean Value	Std. Deviation	t- Value	df	Sig (2-tailed)
Before	90	565.99	428.258	-4.450	89	<0.001
After	90	833.34	502.720			

Source: Field Survey

Additionally, to determine whether differences occur in savings before and after benefiting from Bandhan bank microfinance services, paired t-test was run. The results are shown in the above table 4. The result is statistically significant ($t = -4.450$, $p < 0.05$). Therefore, we reject the Null Hypothesis and this suggests that savings of the respondents after benefiting from Bandhan bank microfinance has gone up above what they had before. Therefore, we conclude that there is economic empowerment of women through Bandhan Bank microfinance.

Impact on Employment Days:

Table 5- Paired t-test statistics for employment days before and after benefiting from Bandhan bank microfinance services

Stages	N	Mean Value	Std. Deviation	t- Value	df	Sig (2-tailed)
Before	90	71.46	58.414	-4.947	89	<0.001
After	90	107.12	61.563			

Source: Field Survey

From the above table it is seen that the result is statistically significant ($t = -4.947$, $p < 0.05$). Therefore, we reject the Null Hypothesis and this suggests that employment days of the respondents after benefiting from Bandhan bank microfinance has gone up above what they had before. Therefore, we conclude that there is economic empowerment of women through Bandhan Bank microfinance.

CONCLUSION:

Women empowerment has emerged as an important issue in India. Women has an important role in the development process of the nation and to promote the status of them, they should be empowered economically for overall empowerment which includes political, social empowerment. The current study reveals that there is economic empowerment of women after benefiting from the Bandhan bank microfinance. The income level,

savings and employment days of the respondents have gone up after benefiting from the Bandhan bank microfinance.

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