



## **Impact of ASA Microcredit on Livelihood Status of Rural Women in Sylhet, Bangladesh**

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### **Authors' contributions**

*This work was carried out in collaboration among all authors. Author MHR designed the study, performed the statistical analysis, wrote the protocol and wrote the first draft of the manuscript. Authors TS, JY, SR and MLRS managed the analyses of the study and managed the literature searches. All authors read and approved the final manuscript.*

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### **ABSTRACT**

The present study was conducted to assess the impact of microcredit of women borrowers of ASA credit at Sadar Upazila in the Sylhet district. With these views in mind, data were collected randomly from sixty respondents who were involved in different IGAs. The survey method was followed to collect the required data with a well-developed questionnaire. Descriptive statistics were applied for the analysis of data and sustainable livelihood framework was used for assessing the impact of credit. Results showed that there was a remarkable increase in assets of the respondents towards improved livelihood after joining with the ASA credit program. The findings exposed that ASA loan brought about a positive impact on the livelihood improvement of the borrowers. It was also found to have a significant positive effect on women's social empowerment indicators namely attitude towards their children education, mobility to outside home, participation and decision-making ability etc. Finally, the present study suggests conducting further study of similar types in other parts of the country to make the findings representative one.

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## 1. INTRODUCTION

Bangladesh is one of the most densely populated countries in the world with a population of 150.6 million. Its density of population is 1015 persons per sq. km. About 80 percent of its total population lives in rural areas and are directly or indirectly engaged in a wide range of agricultural activities [1]. Still, more than 24.3 percent of people in the country live under the poverty line in 2016 [2]. In rural areas, the poverty extent is probably more alarming because of low per capita income, minimum balanced caloric intake, devoid of subsidiary occupation, widespread landlessness sub-standard livelihood, and quite various diseases thereby to die at early age people particularly the children [3]. Under the circumstances, the 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 to increase income and improve living conditions. Nowadays, there are lots of national, international as well as local NGOs dealing with microcredit programs 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 rural areas.

In Bangladesh, 81.3 million of the people are female and the role of women is strongly affected by various social and religious barriers such as the veiling of women in public and the segregation of male and female [4]. Those are the restrictions or constraints of women's participation in work outside the home. However, productive involvement is high, especially in rural areas, which is not reflected in official statistics. The main constraints related to the development of women members are lack of education, lack of skills development programs and training, lack of access to property, assets and financial services, lack of social protection, labor market characteristics and so on [5]. But, microfinance has a vital impact on minimizing these constraints along with poverty reduction [6,7,8,9].

Bangladesh has made notable progress in income and poverty reduction since independence. The faster progress of poverty reduction was made possible by the implementation of different programs at the

government and non-government levels. Out of numerous national, international and local NGOs, ASA is one of the national NGOs working all over Bangladesh. ASA provides microcredit to rural people for initiating and continuing their different Income Generating Activities (IGAs).

A good number of research works might have been done related to various IGAs [10,11,12,13,14] but literature shows that studies on microcredit provided by ASA have not yet gained much importance among the researchers particularly to the aspect of rural poverty alleviation. The study was, therefore, expected to provide factual insights into the microcredit program of ASA to the end of poverty alleviation in the rural areas of Bangladesh in general and Sylhet district in particular.

The main purpose of the assessment is to ascertain the major impacts of ASA microfinance services on the life and mode of livelihood of the borrowers and to see whether the program could have a positive impact on the beneficiaries particularly in reducing poverty and women empowerment. The specific objectives are as follows:

- I. To assess the socio economic-characteristics of the sample households.
- II. To investigate into the impact of ASA credit on livelihoods and empowerment of women beneficiaries.

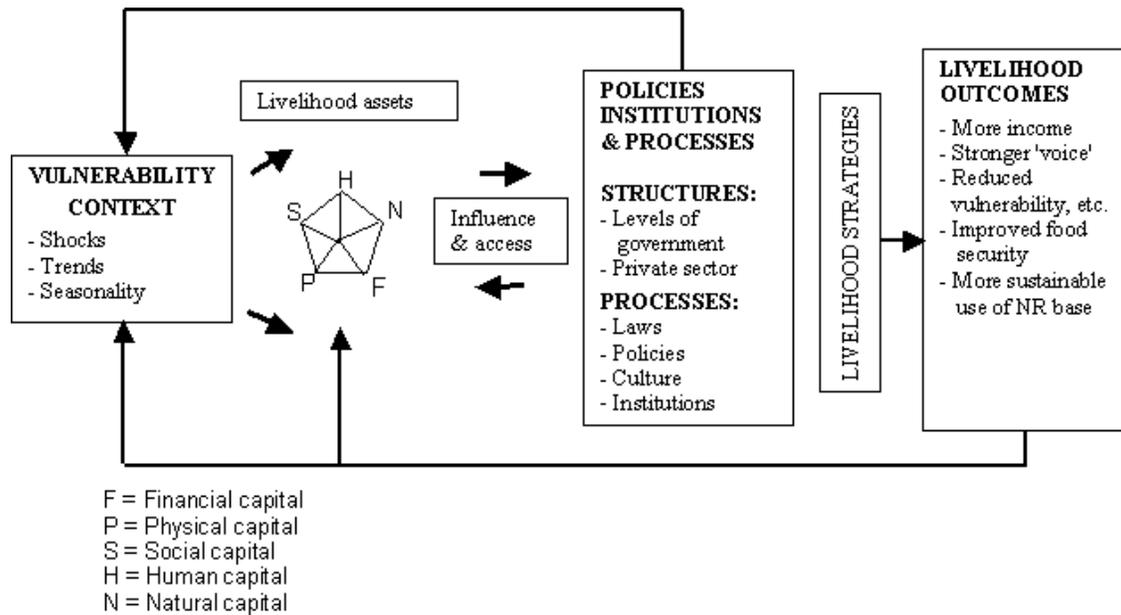
## 2. METHODOLOGY

### 2.1 Selection of the Study Area

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

### 2.2 Sampling Procedure

A complete enumeration required information were collected from each and every element of the population which makes the survey very costly and time consuming. The present study was based on a sample survey of households which could represent reasonably a true picture



**Fig. 1. DFID sustainable livelihoods framework**

of the entire population. After selection of the study area, a list of current beneficiaries was collected from the ASA upazila branch office at Sylhet sadar upazila. From the list, 60 beneficiaries were randomly selected out of 280 beneficiaries, which constituted 21.43 percent of ASA members in those villages.

### 2.3 Analysis of Data

After collection primary data was scrutinized, checked and carefully edited and then classified, tabulated and analyzed keeping consistency with objectives set for the study to derive the relevant findings. Descriptive statistics was mostly used to analyzed data because it is simple in calculation, widely used and easy to understand.

To examine the impact of credit on livelihood of the selected households, DFID approaches of livelihood was followed by livelihood approach can be easily modified to provide a framework for the analysis of chronically poor households through a series of features using identifying household assets or capitals before and after within the wider social and economic transforming processes of community institutions and obligations, legal framework and market structures. Before and after data had been taken to examine and identify how much relative impacts of credit on the respondents living were occurred. Livelihood strategies are influenced by

the prevailing transforming structures and institutions and the vulnerability. The livelihood approach groups individuals into different livelihoods according to their access to assets (including both material and social resources) and their capabilities to combine them to livelihood strategies for the means of living. The model breaks access into the 5 capitals:

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

## 3. RESULTS

### 3.1 Sociodemographic Status of the Respondent

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

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

<b>Parameter</b>	<b>No. of respondents</b>	<b>Percentage (%)</b>
<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
Large family (>6)	4	6.67
<b>Occupation</b>		
Primary occupation		
Farmer	56	93.33
Service	4	6.67
<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
<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

Source: Field Survey 2018

Education plays a vital role on any sort of citizens of a country. To examine the education level of the respondents, it was classified into five categories. Table 1 revealed that 50.00 percent of the respondents had secondary level education. Respondents of different categories vis-à-vis can sign only, primary and above secondary levels constituted 8.33, 38.33 and 3.34 percent respectively. So, the educational level of respondents was satisfactory compared to current literacy system of the country.

A family or a household was defined as a group of persons living together, taking meals from a single kitchen and living under the control of one head. Table 1 shows that 76.66 percent of the respondents had small family (up to 4 members). Respondents of other groups viz. medium and large family constituted 16.67 and 6.67 percent respectively. So, small size dominated the family status of the respondents.

Occupation is one of the important attributes of socio economic characteristics. In the study area, most of the respondents were mainly housewives and besides they were engaged in various IGAs by taking loan from ASA. Table 1 shows the status of primary and subsidiary occupations of the respondents. In the case of primary occupation, 93.33 percent of the respondents' were housewife and only 6.67 percent were engaged with service. The respondents involved with subsidiary occupations namely agriculture, dairy, poultry, handicraft, fishery and goat rearing was constituted 11.67, 35.00, 30.00, 11.67, 5.00 and 6.67 percent respectively. So, housewife and dairy were the major occupation for the respondent in the study area. Most of the results in this study were in line with Islam et al. [15] which is conducted on the socioeconomic status of goat farmers in Sylhet region. Although they conducted their study on goat farming but this is similar because in this study majority of the respondents are involved in farming.

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

### 3.2 Impact of ASA Credit

#### 3.2.1 Impact on human assets

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

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

#### 3.2.2 Impact on natural assets

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

In the fact of water and aquatic resources, 8.33 percent of the respondents replied that asset was increased and 90 percent reported to be unchanged. The number of trees were increased for 23.33 percent of the respondents' and 76.67 percent of the respondents reported that their asset was unchanged. The change of land, water and aquatic resources were quite negligible because it was not so easy to lease for the poor women at a time. Social asset refers to formal

and informal social relationships, including the degree of trust, reliability, mutual support and adaptability. Social asset also includes formal and informal rules collective representational quality, leadership quality etc. The way in which people work together, both within the households and in wider community, is the key of importance for household livelihoods. Table 2 revealed that almost 66.67 percent of the respondents reported that their social network and connections were increased after involving with ASA credit where 28.33 percent said that no change and only 5 percent said that their network and connections has decreased. It was observed that almost 81.67, 88.33, 80.00 and 78.33 percent of the total respondents replied that their status on joining with formal and informal groups, common rules and sanction, collective representational quality and leadership quality were improved respectively. The unchanged answers given by the respondents in these directions were 15.00, 11.67, 20 and 21.67 percent respectively. Therefore, positive improvement had been occurred on social assets after joining with ASA credit program which was satisfactory.

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

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

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

Table 2 reveals that almost 78.33 percent of the total respondents opined that the amount of their poultry bird asset was unchanged where 20

**Table 2. Changes in different livelihood assets**

Assets	Items	Degree of change					
		Increased		Unchanged		Decreased	
		N	%	N	%	N	%
<b>Human asset</b>	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 financial asset</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	20.00	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	-	-

Source: Field Survey 2018

**Table 3. Change in decision making role and empowerment of women**

Categories	Degree of changes					
	Increased		Unchanged		Decreased	
	No.	Percentage	No.	Percentage	No.	Percentage
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 2018

percent said that in increased and only 1.67 percent gave decrease answer. The table also shows that 1.67, 28.33, 6.67, 11.67 percent of the respondents reported that amount of ox or bullock, cow or heifer, goat or sheep and duck was increased where almost 98.33, 71.67, 93.33 and 88.33 percent of the respondents responded to be unchanged respectively and no one respondent said that their assets were decreased.

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

Physical infrastructure under physical capital includes sanitation condition, solar energy, number of mobile, etc. Table 2 shows that about 53.33 percent of the respondents reported that their sanitation condition increased while 46.67 percent reported to be unchanged. The table also revealed that almost 20.00 percent of the respondents reported increase in solar energy and mobile while 80 .00 and 78.33 percent opined unchanged position respectively. So, a little improvement had been happened on physical infrastructure. Most of these assets remained to be unchanged.

Agricultural equipments under physical asset include weeder, harvester, plough etc. Table 2 showed the changes of agricultural equipments due to the involvement with ASA credit. It is clear from that about 3.33, 1.67, 13.33, 5.00, 10 .00

and 18.33 percent of the total respondents reported increased change in weeder, harvester, plough, yoke, ladder, axe or *da or nirani* respectively. The respective percentages indicate unchanged position were 95.00, 98.33, 83.33, 93.33, 85.00 and 78.33. Also a minimum of the respondents indicated decrease change in these assets. So, most of these assets remained to be unchanged because it was not so easy for them to purchase that asset at a time.

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

It is clear from the same Table 2 that almost 23.33 and 28.22 percent of the respondents reported increased position of HYV seed and manures while 76.67 and 63.33 percent said unchanged and only 8.33 percent manure only said decreased position respectively. So, overall impact was not quite satisfactory for agricultural inputs.

In Bangladesh, women are still lagging behind in the case of decision making and empowerment in the households. This situation is improving gradually through the involvement of women in different activities within and outside the home. Though involvement in different IGAs under different credit programs, women can take

participation to make family decision with male persons, though most of the women are dominated by the male person of the household. Table 3 showed the changes in decision making role of the women after joining the ASA credit program.

Result depicts that almost 30.00, 85.00, 78.33, 86.67, 90.00, 86.67, 53.33, 45.00 and 15.00 percent of the respondents decision making ability in the case of crop production, maintenance of family expenditure, family planning, education of children, social development activities, marketing, homestead gardening, livestock raising and poultry and goat rearing were increased after involving with ASA credit program while there percentages indicating unchanged position were 70.00, 15.00, 21.67, 13.33, 10.00, 13.33, 46.67, 55.00 and 85.00 percent respectively. No respondent decrease in this direction. So, overall decision-making ability was dramatically increased and women become empowered.

#### 4. CONCLUSION

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

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

#### CONSENT

As per international standard written and informed participant has been collected and preserved by the authors.

#### COMPETING INTERESTS

Authors have declared that no competing interests exist.

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