

CREDIT UTILIZATION AND ENTREPRENEURSHIP DEVELOPMENT OF MUSLIM WOMEN THROUGH SELF HELP GROUPS: A STUDY ON BERHAMPORE BLOCK OF MURSHIDABAD DISTRICT, WEST BENGAL

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Abstract: Even in 21st century, the socio-economic condition of women living in rural areas is disgraceful. The situation is even worse for Muslim women as they are subjected to double deprivation. They are socially marginalized and economically more vulnerable. Perpetual economic backwardness is the major cause of their disempowerment. Empowering rural women through self-help group has gained importance as a concept during the last few decades. The primary objective of SHG is to provide small doses of loans to rural women for their self-employment and sustainable income generation. This paper attempts to examine how far the SHG loans are being utilized by the Muslim women SHG members in the study area. The analysis of credit utilization in the study area suggests that a very small proportion of Muslim women in the study area invest in income generating activities for own enterprise development.

Keywords: Economic empowerment, credit utilization, enterprise development, Self-help Group, Muslim Women.

Introduction: Even in twenty first century, women in our society suffer from multidimensional discriminations. They are discriminated in terms of economic resources, entitlements, social opportunities and legal rights, political power etc. The extent of discrimination further varies across culture, caste ethnicity and class. The long term deprivation of women severely impedes the development process. Since women play a major role in the development process, their empowerment has received major attention of the policy planners in the last few decades. Empowerment is the process of capacity building which increases self-esteem and self-confidence in women thereby making her enable to take part in economic activity and decision making process. It refers to the expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them (Kabeer, 2001). According to Sen (1999), empowerment is an expansion in individual's agency i.e. expansion in one's ability to act and bring about change, whose achievement can be judged in terms of her own values and objectives. On the other hand, Swain & Wallentin (2009) contend that women's empowerment takes place when women challenge the existing social norms and culture, to effectively improve their well-being.

Absence of economic freedom is perceived as one the main reason for the low empowerment of women in the society (Mikkola & Miles, 2007; Kabeer, 2003). It is believed that a major reason behind gender discrimination and low empowerment of women is lack of control over economic resources. In fact, lack of access to credit constrains the women to become self-reliant and to take part in decision making. Thus, access to credit has received even greater attention in the context of poverty reduction and women's empowerment objectives. In the last few decades, microfinance through self-help group mode has been mainstreaming as a means of providing access to rural women. Self- help group is a small economically homogeneous and affinity group of rural poor(mostly women) which is voluntarily ready to contribute to a common fund to be lent to its members as per group decision, which works for groups solidarity, self-group, awareness, social and economic empowerment in the way of democratic function.

In this participatory approach, small loans are often extended to group members for income generation through self employment and taking care of themselves and their families.

Background: Muslim women are lagged behind the mainstream in terms of all human development indicators due to various external and internal factors and recognized as one of the most vulnerable sections of the society. They are subjected to double deprivation as they are disproportionately poorer and more deprived in terms of health, education, legal rights, social status etc. (Sen, 2016). Kazi (1999) mentioned that their poor socio-economic status reflects a lack of social opportunity which, though not a feature exclusive to Muslim women, is exacerbated by their marginal status within an overall context of social disadvantage for most Indian women. In respect of educational attainment, participation in gainful jobs, economic and political empowerment, the women in Muslim society are most marginalized, underprivileged, secluded and are in a state of hardship and lagged behind the mainstream which retarded them in normal progress in the field of education, economy, politics, knowledge and culture (Sachar Committee, 2006; Ranganath Misra Commission, 2007). The economic backwardness of the Muslim women is a recurring and enduring process as it is leading to social and educational backwardness and in turn is resulting in their economic backwardness further. Thus, a broad range of empowerment initiatives are needed to address the vulnerability and economic backwardness of Muslim women (Kundu, 2014).

Impact of SHGs on Women Empowerment: Studies on impact of self-help groups on women empowerment shows mixed result. Few studies found that participation of poor women in SHGs has significantly changed their lives as it resulted in higher average net income, monthly saving, employment level, and improvement in decision making, self confidence, self reliance and independence of rural women, improvement in child education, increased leadership quality etc. It also helps to develop a sense of leadership, organizational skill, management of various activities of a business- right from acquiring finance, identifying raw material, market and suitable diversification and modernization. It helps the rural women to start microenterprises including farm and non-farm activities, trading and service units (Manimekalai & Rajeshwari, 2001). Participation in SHGs also reduces dependence on moneylenders and incidence of poverty among SHG members through increase in the percentage of loans used for productive purposes and employment per household (Ghosh, 2012). However, the social impact of SHG is more pronounced than economic impact (Puhanzhendi and Satyasai, 2000; Puhanzhendi and Badatya, 2002; Garai et al., 2012; Ghosh 2012; Das, 2013; Das, 2015; Pal, 2016). Few studies have also shown that impact of SHG on different empowerment indicators is not similar across the country. For example, though on average, SHGs have a significant positive empowerment impact on the women group members, the degree of empowerment may vary among the group members (Swain and Wallentin, 2009). Moreover, while lending to women benefits their households, its beneficial impact on women themselves is somewhat uncertain (Garikipati, 2008). Impact on women's empowerment also vary across class, creed, regional location and delivery mechanism (Planning Commission's 2003; Swain and Wallentin, 2014).

Objective: As mentioned earlier, a major objective of microfinance through self help group is taking the poorest of the poor women out of poverty. However, in many cases SHGs are unable to fulfill this objective. Rather significant positive impact of SHGs on economic and overall empowerment of women is observed when the groups are formed by 'not so poor' women. Moreover, existing studies also reveal that the level of economic empowerment also depends on several other factors like region, caste, religion etc. Therefore, intensive investigation is required to understand the potential role of SHGs on the empowerment process of rural women across class, creed, regional location, delivery mechanism, degree of vulnerability etc. In view of this, this paper examines the impact of SHG participation in economic well being of Muslim women in minority dominated Murshidabad district of West Bengal.

Study Area and Data Collection: Murshidabad district bears an important position in the development paradigm of Socio-religious minority. Sachar Committee Report (2006) declared Murshidabad as one of the backward district out of 604 districts in India in terms of literacy, opportunities and awareness levels of specifically Muslim Women. Muslims are the majority in

Murshidabad district (66.27%, Census 2011). According to Census report 2011, out of 26 CD blocks, concentration of Muslim population is more than 80% in 9 blocks, below 80% and above 60% in 8 blocks, and less than 60% in 9 blocks.

The present study is confined in the Berhampore block (with 53.63% Muslim concentration, Census 2011) of Murshidabad district. It is the biggest block within the district with seventeen Gram Panchayats (GPs). The data for the study have been collected through direct interview and structured questionnaire. For selection of beneficiaries, multi-stage random sampling method has been used. Initially, two GPs have been selected randomly from Berhampore block. Then the Self-help groups formed under SGSY/NRLM programme and at least five years old in the selected area are listed. In the second stage, 100 Muslim group members from each GP have been randomly chosen for the survey. Responses of 200 Muslim women beneficiaries have been scrutinized. In total, 23 questionnaires have been discarded due to either incomplete or inconsistent answer. Finally, responses of 177 (83 in Bhakuri-I and 94 in Haridasmati) members have been tabulated for analysis.

Data Analysis and Interpretation: The present study analyse the details of availability of credit and how the loans are used by the Muslim women in the study area. A short description of the target group is provided to Objective of this study has been to capture the impact of SHG participation on the economic The focus of the study has been to understand the effect of Self-help groups on economic well being of Muslim women. The responses were grouped under five heads: personal details of the respondents, information regarding Household amenities, Asset holding, group related information and economic activity of the member.

Target Group: The respondents are classified as per their age group. It is found that, most of the SHG members 9 139 in numbers) belong to age group 20 to 40. Out of 177 respondents, only 05 women are found whose age is below 20. On the other hand, 29 members fall in the age group of 40 to 50. Age of marriage of the group members in the study area varies between 13 and 29. More than 79% (140) of the group members got married at the age of below 18 years.

Age Group		≤ 20 years	≤ 30 years	≤ 40 years	≤ 50 years	≤ 60 years	Total
Number of Respondents		5	71	68	29	4	177
Marital Status of SHG Members	Unmarried						1
	Married						171
	Widow						5
Age of Marriage	Minimum						13
	Maximum						29
	≤ 18 years						140
	≥ 18 years						36
Education	Illiterate	0	2	1	1	3	7
	Literate	0	14	31	13	2	55
	Primary	2	28	26	14	0	67
	Upper primary	2	12	4	2	0	18
	Secondary	0	13	7	0	0	17
	Higher secondary	0	6	4	0	0	9
	Graduation & above	0	4	0	0	0	4

Source: Compiled from Primary Survey

In the study area only 7 women are found to be illiterate. Among the rest, 67 members have taken education up to primary level and only 9 and 4 members have completed higher secondary and graduation level respectively. Around 31% SHG members are found to be able to sign only.

Credit Availability: Table 2 represents the details of loan taken by the targeted group members in the study area. It shows that out of 177 members, 154 members have availed bank loan i.e., more than 87% women have taken bank loan at least once. Gram Panchayat wise and age-group wise details also shows that most of the members across the age –group and location have availed loan.

Table 2: Details of Loan Taken by the Members (Age-Wise)

Age Group	Bhakuri-I		Haridasmati		Total	
	No. of respondents	No. of Members Taken Loan	No. of respondents	No. of Members Taken Loan	No. of respondents	No. of Members Taken Loan
≤ 20 years	2	2	3	1	5	3
≤ 30 years	35	30	36	31	71	61
≤ 40 years	32	27	36	35	68	62
≤ 50 years	13	9	16	16	29	25
≤ 60 years	1	1	3	2	4	3
Total	83	69	94	85	177	154

Source: Compiled from Primary Survey

Frequency of Loan: Table 3 represents the number of loans taken by the group members across the age group. It is found that against 87% member taken first loan, the percentage of member taking loan for the second time is around 75%. It is also observed that a very few of the members (5.65%) have taken loan for the third time. It appears that only two members in the Bhakuri-I GP have taken third loan against eight members in Haridasmati GP. Moreover, only two members from Haridasmati GP have availed fourth loan.

Table 3: Number of Loans Taken by the Members (Age-Group Wise)

Age Group	Bhakuri-I				Haridasmati				Total			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th
≤ 20 years	2	2	0	0	1	0	0	0	3	2	0	0
≤ 30 years	30	29	0	0	31	28	1	0	61	57	1	0
≤ 40 years	27	25	1	0	35	32	4	0	62	57	5	0
≤ 50 years	9	9	1	0	16	6	3	1	25	15	4	1
≤ 60 years	1	1	0	0	2	2	0	1	3	3	0	1
Total	69	66	2	0	85	68	8	2	154	134	10	2

Source: Compiled from Primary Survey

Loan Size: Table 4 depicts the data related to loan size and its variability. It is observed that a total of Rs. 17, 82,366/- have been sanctioned to 154 members of the target group in 300 installments. The Average loan size is below Rs. 6000/-. Moreover, a significant dispersion in the loan size is observed in the study area.. It is also found that 43.59% members (out of 154 members) have received loans amounting to rupees less than five thousand. The loan size ranges between Rs. 5000.00-10000.00 for 56% member. However, almost 13% member received loans amounting to more than Rs. 10,000/-. Actually, the loan size varied from a minimum of Rs. 1000/- to a maximum of Rs. 30,000/-.

Table 4: Data Related to Loan Size Availed by the Members

Total amount of Loans disbursed	Rs. 17,82,366.00
Total Number of Members availed Loan	154
Total Number of Loans taken by the members	300
Average Loan size	Rs. 5941.22
Minimum Loan amount	Rs. 1000.00
Maximum Loan amount	Rs. 30000.00
Percentage of member received loan amounting to \leq Rs. 5000.00	43.59%
Percentage of member received loan amounting between Rs. 5000.00-10000.00	56.41%
Percentage of member received loan amounting to \geq Rs.10,000.00	12.82%
Repayment installment	Monthly

Source: Compiled from Primary Survey

Purpose of Loan: The responses of the members relating to the purpose of loans taken are grouped under following heads: construction/repairing purpose, social occasion, child education, household/medical expenditure, investment in income generating activities for own, asset creation, investment in husband / family business, investment in livestock and others (shown in table 5).

Table 5: Data on The Purpose of Loans Availed by the Group Members

Age Group	≤ 20 years	≤ 30 years	≤ 40 years	≤ 50 years	≤ 60 years	Category Total
1. Construction/ repairing purpose	2	7	14	12	2	37
2. Social occasion			11	3		14
3. Education of Children		10	18	4		32
4. Household/Medical expenditure		3	9	4		16
5. Investment in income generating activities for self-employment		17	13	3		33
6. Asset creation		11	9	4		24
7. Investment in husband / family business		53	30	12	3	98
8. Investment in Live Stock	3	18	9	3	2	35
9. Others			11			11
Total number of loans (age group-wise)	5	119	124	45	7	300

Source: Compiled from Primary Survey

The above categories are broadly divided into two groups: household purpose and production purpose. Categories 1,2, 3, 4, 6 and 9 comes under household purpose while categories 5, 7, and 8 comes under production purpose. Within the household purpose, loans have been taken mainly for the construction of toilets, meeting educational of children, for purchasing assets like motor cycle for the son, van for husband, mobile phone etc., for funding medical expenditure (5.33%), and for the purpose of daughter's marriage and other social occasions. Few members also reported that they have taken loans from the group for repayment of the loans taken from moneylenders or other agencies. In total, in 44.67% cases loans are used for household purpose.

Under the production purpose head, group members availed the loans mostly (32.67%) for investing in husbands or family business which obviously helps to increase family income. They also invested in livestock which may add to family income if the eggs or milks are sold in the market. While investing in husband's business or family business or in livestock have a positive impact on family income thus indirectly leading the group members in a better position, it does not make the Muslim women self-

reliant. Only in 11% cases loans have been utilized for self-employment and for own income generation. Most of the loans under this head have been utilized for tailoring business and readymade garment business. In some cases, they have invested in grocery business.

It appears from the analysis that a very proportion of Muslim group members invest loans for own enterprise development. Interactions with the Muslim SHG members bring out that those who are willing to take up economic activity are unable to do so due to various internal and external problems. Several factors are factors responsible behind low enterprise development in the study area. Lack of proper training and effective guidance by the promoting agencies and insufficient loan amount are the major reasons as reported by the members. Other reasons include husband's apathy and objection, dearth of time due to household pressure, members own apathy and reliance on government programmes like mid- day meal cooking, health workers etc. They also expressed their concern regarding the risk of repayment associated with loans. They scare to invest lump sum amount of loan for own business due to the possibility of failure in business.

Conclusion: Economic empowerment of women is the most important criteria for sustainable development of women. Without economic independence women can never have voice and choice in the family and in the society. A major cause of disempowerment of Muslim women especially living in rural belt is the absence of economic resource. It is argued that they suffer from male dominance due to the fact that they are entirely dependent on their husbands for their livelihood. Even they do not possess assets which may give them some command over the family. Apart from social and religious norms, lack of access to credit is a major cause of their disgraceful condition. Self-help Group approach has gained improbable weightage during the last few decades as it offers credit to poor women unable to access credit from formal banking system. It is a credit subsidy mechanism through which poor women are offered loans (to be repaid within a stipulated time) to start their own business and become able to be economically independent. In this system, small loans are given to group members to invest in income generating activities and become economically independent through enterprise development.

A major objective of microfinance through self help group is taking the poorest of the poor women out of poverty. The underlying objective is that access to credit to SHG members would enable them to develop own enterprise for sustained income generation. But past experiences reveal that self-help group approach is more effective in social aspect compared to economic aspect in the context of empowerment of women. The present study also corroborates this view. Here it is observed that 87% Muslim SHG members in the study area have availed loans. Loans are generally utilized to meet different household expenditures and to help the husband and other family members. In more than 32% cases loans are invested in husbands' or family business. Investment in family and husband's business improves the family income which gives some relief to Muslim women but this does not guarantee increase in women's income. Only a small proportion of the loans are utilized for self employment. The study shows that only 11% of the loans have been utilized for women enterprise development in the study area. There are various reasons behind this low entrepreneurship development as reported by the group members. These includes lack of proper training, insufficient loan size for starting a new business, However, they all acknowledged the need of being economically self-reliant and young group members have shown keen interest in developing own enterprise.

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