



Impact of Microfinancing on Socio Economic Status and Employment Condition among the Rural Farmers in Murshidabad District of West Bengal, India

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Authors' contributions

This work was carried out in collaboration between both authors. Both authors read and approved the final manuscript.

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ABSTRACT

Micro-financial institutions are embodiment of hope in the poverty-driven sector of our country. More importantly, the role that this play can be validated by a thorough study undertaken within the rural community who are the beneficiaries of micro-financial institutions. The present research entitled "The Impact of Microfinancing on Agriculture in District Murshidabad of West Bengal" was carried out during the year 2022-23. The object of this research enterprise is to make a specialised study on the workability of the microfinance and SHG in the present socio-economic scenario in the economies of the purposively selected district of West Bengal. 80 farmers were selected randomly from the study area. The paper examines two basic research questions. First, the paper tries to

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conducts an in-depth profile evaluation based on the demographic parameters of the respondents of the selected study area. Secondly in addition to that the paper tries to attempt a study on how Microfinancing and the credits obtained from them have shaped the life of the respondents in terms of income generation and employment condition and ground reality of the situation. The empirical findings are also followed by a statistical analysis. The study reveals that that microfinance is playing an important role in improving living standard, minimising financial crisis, increasing income and increasing savings and employment opportunities. The economic development of India and the socio-economic upliftment of the rural poor will largely depend on the entrepreneurship, employment and mobilization, utilization and generation of capital by this section of the society.

Keywords: Microfinance; socio-economic; rural beneficiaries; employment; agriculture.

ABBREVIATION

MFIs: Micro Financing Institutions

1. INTRODUCTION

In India, receiving credit poses a challenge for the rural underprivileged people. Commercial banking sector has not been able to stand up to the expectations as well as social responsibility of meeting financial assistance to the poor. Here is the time when micro-financing plays a prominent role to establish itself successfully as a financial intermediary. MFIs (Microfinancing institutions) cater to those who are not economically strong. In this sector client repay the principal and interest on time because the loans and savings of the poor clients are small. Microfinance as a discipline has created financial products and services that together have enabled low-income people to become clients of a banking intermediary. The present use of Microfinance is related with Economist Muhammad Yunus who is considered as the pioneer of Microfinance. He helped in shaping the modern aspects of microfinance with the set-up of the Grameen Bank in Bangladesh thus, having its grassroots in the 1980s. He spread the concept of Microfinance in the midst of a famine across the nation. The experiment was an incredible success.

Vatta and Singh [1] have concluded that the better mechanism to reduce poverty is to provide the small credits to poorer for their various requirement as per the financial discipline, the frequent provision of loans and fulfilling needs of people in shorter period of time. Bandhyopadhyay et al. [2] concluded that the coordination between the self-help group and Gram Sabha would increase the effectiveness of self-help groups.

Hashemi et al. [3] analysed "the various rural credit programmes incorporated in Bangladesh

through the extensive study of Grameen Bank and Bangladesh Rural Advancement Committee. Based on the survey of 1300 married women in 120 households residing in 6 villages of Bangladesh who had availed the loans, the authors opined that the success of the credit programmes in reaching out to the vast number of women can be attributed to the promotion of economic opportunities".

The role of Microfinance institutions in the rural development has been discussed by Vetrivel & Kumarmangalam [4]. According to the authors, "microfinance can help to solve the problem of inadequate housing and urban services as an integral part of the poverty alleviation programme. The authors also suggest that multi-purpose loans and composite credit should be provided to the rural poor for help in generation of income, improvement in housing and consumption support" Vetrivel & Kumarmangalam [4].

For the World Bank, Deininger & Liu [5] have investigated "the economic and social impacts of Self-Help Groups in the India state of Andhra Pradesh. The authors observe that the Self-Help Groups have had positive impacts on women empowerment and nutritional intake. The authors conclude that women's social and economic empowerment has increased and there has been consumption smoothing and diversification of income sources rather than exploitation of new income sources".

The challenges and opportunities of the women participating in the Women Self-Help Groups (WSHGs) in Orissa have been discussed by Patel (2011). Based on the survey conducted in the districts of Khurda and Kandhamal in Orissa, the author suggests that "a partnership with CSO/NGO is essential for strengthening the WSHGs. Further the author also suggests that several marginalised women groups including

the disabled, single, widow and old age women need to participate in the WSHGs" Patel (2011).

The role of SHGs in socio-economic change of the vulnerable poor in Jammu region was examined by Mehta et al. [6]. "Based on the survey data of 10 SHGs consisting of 162 members in Kathua District of Jammu region, the authors conclude that through access to financial services as part of the SHG-Bank linkage program, the socio-economic conditions of the rural poor have improved drastically and helped to alleviate poverty. The SHGs have also played a critical role in women's empowerment and enhancement of their self-confidence in the study area".

Sundaram [7] has analysed "the impact of SHG in socio-economic development of the rural poor in India. Based on the study of SHGs from secondary data available through various Government reports, the author concludes that through SHG programmes, the standard of living and the food security of the rural poor has increased. Microfinance has also led to empowerment of women through economic independence and alleviation of poverty to some extent".

Adhikary [8], while investigating "the impact of SHGs on economic condition of the rural poor, had observed that the Self-Help Group movement has spearheaded the rural development in Burdwan district of West Bengal. The author however cautions that the continued success of the SHGs will depend on the resolution of few persistence issues like seasonal migration, family conservation and deficient communication".

Sangwan et al. [9] carried out survey to assess the repayment behavior among a group of MFI beneficiaries of two Eastern states of India. It stated that there should be greater emphasis is on providing financial education among the borrowers. The low-income group has greater loan defaults. However, that is not the only factor coinciding with their poverty status. Low income group should not be eliminated on the pretext of risk of high repayment should abstain from multiple borrowings from the MFIs. In return, the MFIs are advised carry out proper supervision via their concerned authorities. revise the interest rates and make the beneficiaries aware of a moral hazard.

Batra [10] has analysed the experiences, trends, pattern and schemes of the Self-Help Group movement in rural Haryana. Based on the study of micro-finance models like Swaranjayanti Gram Swarozgar Yojana and NABARD-SHG Linkage, the author observes that over burdening of responsibilities, inadequate manpower, less diversify income generation and provision of subsidy are few of the problems being faced in the state. According to the author, the subsidy to the SHGs should be withdrawn and a lot of focus should be given to the qualitative rather than quantitative aspects of the group.

Kumar [11] describes the determinants of participation of Self-Help Group and its impact on household welfare. Based on the empirical survey data of 75 SHGs spread across 27 micro watersheds comprising of 375 households in seven blocks in Coimbatore district of Tamil Nadu, the author concludes that increased women participation in SHGs has enhanced the household's income and improved their living standard. There has also been remarkable improvement in the quality and quantity of food consumed, health of the household members and education of the children, thus helping in poverty alleviation.

Batra [12] has analysed the experiences, trends, pattern and schemes of the Self-Help Group movement in rural Haryana. Based on the study of micro-finance models like Swaranjayanti Gram Swarozgar Yojana and NABARD-SHG Linkage, the author observes that over burdening of responsibilities, inadequate manpower, less diversify income generation and provision of subsidy are few of the problems being faced in the state. According to the author, the subsidy to the SHGs should be withdrawn and a lot of focus should be given to the qualitative rather than quantitative aspects of the group.

An analysis on the functioning and sustainability of Women Self-Help Groups in Assam based on the credit system and income generation was done by Bora & Talukdar [13]. Based on the survey data of 25 women SHGs of Sivasagar district of Assam, the authors observe that these SHGs mobilized their resources through various income generating and entrepreneurial activities like weaving and embroidery, tailoring, preparation of sweets and snacks, pickles and juice, handicraft, poultry and piggery. This has helped the women to gain economic and social empowerment. The authors conclude that the Government and several other NGOs need to

guide the SHGs to manage their activities and also to select different income generating activities that would be viable and profitable.

Factors affecting the participation and employment of women in SHGs were discussed by Ghosh & Banerjee [14]. The authors interviewed 290 women members of Swarnjaynti Gram Swarojgar Yojana (SGSY), Self-Help Groups from 24 Parganas of West Bengal, twice within a gap of four years. The authors observed that during the second round of interview, a large number of women members were unemployed. The authors conclude that local politics at the village level plays a very crucial role in determining the employment status as well as loan use of the women members.

Madheswaran and Dharmadhikary [15] examined SHG mechanism of micro credit being an effective and financial tool in channelizing credit to rural poor. However, the success of group lending is attributable not only to peer monitoring but to other factors such as lending for consumption purposes as required by the poor, saving, rotation of saving by group members and not the least because of an active NGO. A major challenge for microcredit scheme is the viability of non-farm economic activities.

Analysing the socio-economic profile of the rural beneficiaries and the employment condition among the beneficiaries of the Microfinancing institutions have been the prime focus towards conducting the research study. The Research paper has been distributed into under mentioned heads: Materials and Methods, results and discussions and ending with conclusions comprising the scope of the future studies.

Objectives of the study:

MFIs have played a major role in changing the living conditions of the rural poor, both on the economic and social side. MFIs also have a positive impact on the standard of living of the rural poor with the economic development of women. Under this backdrop, this paper attempts to explore the impact of MFIs on the rural livelihood. In specific terms the objective of the study are as follows:

1. To assess the impact MFIs on the standard of living of the rural poor in the study area through analysis of food consumption and non-food consumption

i.e. expenditure on fuel and energy, health care and education

2. To investigate the effect of MFIs in improving the income and employment condition and income scenario.

2. MATERIALS AND METHODS

The research work was undertaken in a four-stage sampling procedure. The state West Bengal was considered as the area of study followed by choosing the district and block. The state, district and block were chosen purposively considering the presence of poverty-stricken farming areas in the region which benefitted from the MFIs. The villages and respondents were chosen on basis of random sampling. The respondents were mainly rural people whose main occupation was farming i.e., they were farmers and also were also dependent on MFIs for availing credit. While getting demographical, geographical and agricultural insight of the study area, all kind of secondary data was obtained from the official websites of State Government and the district followed by Census Report of 2011 and an annual report prepared by Krishi Vigyan Kendra in 2020. "A list of questions was prepared in the form of a research schedule and beneficiaries were asked to respond accordingly. This was how the primary survey was carried out. The beneficiaries were categorised on basis of land holding: marginal, small, semi – medium and medium. There was absence of large farmers. Various parameters that were considered to analyse the socio-economic characteristics of the farmers could be stated as: family size, age, gender, education, type of main occupation, tenure status and number of earning members in the family. Apart from these, there was basis analysis of possession of the following: house-hold assets, livestock and farming implements. This basic analysis was necessary to get an overview of the scenario and how micro-credit was associated with the rural farming sector. All kinds of data of primary probe were collected during the year 2022-23 which would enable better comparison" [9].

Selection of the District: The District of Murshidabad was selected purposively considering the availability of farmers and MFIs in the particular district. Also, the District has high dignity along with many other districts in the State in terms of Agriculture.

Selection of the Block: Out of the 26 Community Development Blocks, Burwan was

selected purposively for undertaking research based on the rural poverty level. This block has the rural poverty level of around 27.36 percentage which resulted in better availability of resources for my study.

Selection of the Villages: A complete list of all village was obtained from the selected respective block development officer (BDO) and this villages were arranged on ascending order on the basis of farm size holding of cultivation. There were 155 Villages in the desired block and out of them 5 percent of the total villages had to be chosen and of them 2 villages were selected randomly for undertaking the study namely – Barwan and Belgram.

Selection of Respondents: A list of farmers was prepared with the help of head of the village or head of each select villages in block thereafter, farmers were categorized in 5 size group on the basic of their land holding Out of them 10 percent of the population had to be chosen. About 80 Respondents were selected from the aforementioned villages reportedly – Barwan and Belgram. They were chosen subject to their availability and proportionate allocation to the population.

- Marginal Farmers: < 1 Hectare
- Small Farmers: 1 -2 Hectares
- Semi – Medium Farmers: 2 – 4 Hectares
- Medium Farmers: 4 – 10 Hectares
- Large Farmers: 10 Hectares and above

Selection of Institutions: Out of all the microfinancing institutions functional in the study area, 10 Percent of non-govt and govt institutions was selected purposively.

For carrying out the above-mentioned research work, analytical tools i.e., mathematical and statistical tools were used. Frequency and the Arithmetic Mean was the mathematical tool used to find out the number of beneficiary farmers syncing with the socio-economic parameters. The statistical tool applied was chi-square test of independence. Chi-square value was used to determine whether there was significant relationship between the socio-economic factors and access to micro-credit. The level of significance was set at 0.05.

3. RESULTS AND DISCUSSION

After the primary survey conducted among the 80 rural beneficiary farmers of the study area, the findings of the survey are demonstrated in the Tables 1 and 2.

3.1 Demographic and Socio-Economic Factors

“Majority of the respondents had nuclear families with less than 6 members. The beneficiaries were either middle-aged or old-aged. Most of the middle-aged had their spouses and children dependent on them and the old age ones were experienced in agricultural and farming sector. There was more participation of males than females in obtaining credit from micro-financing institutions. The beneficiaries were majorly primary educated or matriculation pass. This shows that if they had pursued more of their education, they would have had a broader scope of obtaining other jobs. Less educated refers to relying on their inherited job which is farming. Farming requires various other expenses for which they relied on MFIs to obtain credit. Most of the respondents are purely tenants and are working as labourers in agricultural lands. For majority cases, there is only 1 or 2 earning member in the family which shows their dependency on micro-finance for meeting the demands for other family members and making both ends meet. The chi-square value showed that there is no significant relationship between access to microcredit and family size, age, gender, tenure status. However, there is a strong statistically significant relationship between access to micro-credit and educational qualification, occupation and number of earning members in the family” [9].

Table 1. Socioeconomic factors [12]

| Serial Numbers | Parameters | Chi-Square Value |
|----------------|-----------------|------------------|
| 1 | Family Size | 11.92 |
| 2 | Gender | 1.29 |
| 3 | Age | 5.65 |
| 4 | Education | 36.35 |
| 5 | Occupation | 35.55 |
| 6 | Tenure Status | 4.21 |
| 7 | Earning Members | 9.58 |

Table 2. Master table for demographic profile

| SI No | Socio Economic Factors | Category of beneficiary Farmers | | | | Total | Percentage | Chi Squared |
|-------|------------------------|---------------------------------|-------|--------|-------------|-------|------------|-------------|
| | | Marginal | Small | Medium | Semi Medium | | | |
| 1 | Family Size | | | | | | | 11.92 |
| | < 6 | 48 | 16 | 5 | 1 | 70 | 87.5 | |
| | 6-8 | - | 3 | 2 | 1 | 6 | 7.5 | |
| | > 8 | 2 | 1 | 1 | - | 4 | 5 | |
| 2 | Gender | | | | | | | 1.29 |
| | Male | 30 | 10 | 4 | 1 | 45 | 56.25 | |
| | Female | 20 | 10 | 4 | 1 | 35 | 43.75 | |
| 3 | Age | | | | | | | 5.65 |
| | < 30 years | 10 | 8 | 2 | - | 20 | 25 | |
| | 30 - 50 years | 15 | 5 | 4 | 1 | 25 | 31.25 | |
| | > 50 Years | 25 | 7 | 2 | 1 | 35 | 43.75 | |
| 4 | Tenure Status | | | | | | | 4.21 |
| | Owner Cum Tenant | 5 | 2 | 2 | 1 | 10 | 12.5 | |
| | Pure Tenant | 45 | 18 | 6 | 1 | 70 | 87.5 | |
| 5 | Educational Status | | | | | | | 36.35 |
| | Illiterate | 5 | 5 | - | - | 10 | 12.5 | |
| | Primary | 6 | 2 | - | - | 8 | 10 | |
| | Middle School | 10 | 8 | 1 | 1 | 20 | 25 | |
| | Matriculation | 25 | 2 | 2 | 1 | 30 | 37.5 | |
| | Higher | 4 | 3 | 3 | - | 10 | 12.5 | |
| 6 | Occupation | | | | | | | 35.55 |
| | Only farming | 29 | 10 | 1 | - | 40 | 50 | |
| | Both on and off farm | 19 | 9 | 1 | 1 | 30 | 37.5 | |
| | Owner | 2 | 1 | 6 | 1 | 10 | 12.5 | |
| 7 | Earning Members | | | | | | | 9.58 |
| | 1-4 | 50 | 20 | 7 | 1 | 78 | 97.5 | |
| | More than 4 | - | - | 1 | 1 | 2 | 2.5 | |

3.2 Possession of House-hold Assets, Livestock and Farming Implements

The results have been propounded in Tables 3 and 4. The household assets consisted of basic amenities essential for sustenance like television, radio, bicycle, gas stove, and refrigerator. An average of 35 people had access to all the assets followed by an average of 20 people who have purchased all of these items with their own funds while an average of 18 people purchased all the assets with their borrowed funds in the course of time. None of the respondents owned a larger vehicle for personal consumption. The

farmers owed cows, buffaloes, poultry birds and goats as their livestock possession. The products from these animals provide for a subsidiary source of income. The farmers have purchased a number of livestock animals in the year 2021 to help them add to their income apart from farming. The financial crisis led to them borrowing from MFIs. All the farmers had access to farming implements as these are preferred equipment when it comes to conducting timely agricultural operations. These included cattle shed, bullock cart, iron plough, harrow, hoe, leveller, sprayer, thresher, pump-set, harvester and tractor.

Table 3. Possession of household assets

| Parameters | Mean |
|---|-------|
| Access to all the items in the household | 34.75 |
| Purchasing all the item during the obtaining the credit | 19.75 |
| Purchasing all the assets with own funds | 18.57 |
| Purchasing all the items using micro-finance | 17.5 |

Table 4. Possession of livestock

| Serial Numbers | Particulars | No of farmers possessing the livestock (frequency) | Total Livestock possession | Average Livestock Possession | Numbers of farmers purchasing the livestock using MFIs Loan |
|----------------|---------------|--|----------------------------|------------------------------|---|
| 1 | Cow | 79 | 118 | 1.49 | 70 |
| 2 | Buffalo | 77 | 105 | 1.36 | 61 |
| 3 | Poultry Birds | 56 | 188 | 3.35 | 44 |
| 4 | Goats | 72 | 109 | 1.51 | 66 |

Table 5. Types of Credit Obtained by the farmers

| Serial No | Types of Loan | Number of Beneficiaries according to Categories | | | | | Total | Percentage |
|-----------|---------------|---|-------|--------|---------------|-------|-------|------------|
| | | Marginal | Small | Medium | Semi - Medium | Large | | |
| 1 | Short Term | 42 | 6 | - | - | - | 48 | 60 |
| 2 | Mid Term | 8 | 12 | 2 | - | - | 22 | 27.5 |
| 3 | Long Term | - | 2 | 6 | 2 | - | 10 | 12.5 |

Table 6. Basic purpose of demanding credits

| Serial No | Particulars | Number of Beneficiaries according to Categories | | | | | Total | Percentage |
|-----------|-------------------------------------|---|-------|--------|---------------|-------|-------|------------|
| | | Marginal | Small | Medium | Semi - Medium | Large | | |
| 1 | Farming | 34 | 2 | - | - | - | 36 | 45 |
| 2 | Commercialisation of inherited jobs | 2 | 11 | 4 | - | - | 17 | 21.25 |
| 3 | Livestock | 5 | 7 | 2 | 1 | - | 15 | 18.75 |
| 4 | Personal Consumption | 9 | - | 2 | 1 | - | 12 | 15 |

Table 7. Income level of the respondents

| Serial No | Annual Income from main and Subsidiary occupation (in Rupees) | Number of Beneficiaries according to Categories | | | | | Total | Percentage |
|-----------------------------------|---|---|-------|--------|---------------|----------|-------|------------|
| | | Marginal | Small | Medium | Semi - Medium | Large | | |
| 1 | Up to 20000 | - | - | - | - | - | - | - |
| 2 | 20001-50000 | 1 | - | - | - | - | 1 | 1.25 |
| 3 | 50001-80000 | 3 | 2 | - | - | - | 5 | 6.25 |
| 4 | 80001-110000 | 2 | 1 | 1 | - | - | 4 | 5 |
| 5 | More than 110000 | 44 | 17 | 7 | 2 | - | 70 | 87.5 |
| Average annual income (in Rupees) | | | | | | ₹ 325435 | | |

Table 8. Stating details of loan availed by beneficiaries

| Serial No | Amount of Loan | Number of Beneficiaries according to Categories | | | | | Total | Percentage |
|------------------------------|----------------|---|-------|--------|---------------|-----------|-------|------------|
| | | Marginal | Small | Medium | Semi - Medium | Large | | |
| 1 | <30000₹ | 13 | 3 | - | 1 | - | 17 | 21.25 |
| 2 | 30000-50000₹ | 30 | 10 | 1 | - | - | 41 | 51.25 |
| 3 | 500001-100000₹ | 4 | 7 | 4 | - | - | 15 | 18.75 |
| 4 | >100000₹ | 3 | | 3 | 1 | - | 7 | 8.75 |
| Average Amount of Loan Taken | | | | | | ₹47349.34 | | |

Table 9. Time taken by MFIs in sanctioning of loan

| Serial No | Particulars | Number of Beneficiaries according to Categories | | | | | Total | Percentage |
|-----------|-------------------------|---|-------|--------|---------------|-------|-------|------------|
| | | Marginal | Small | Medium | Semi - Medium | Large | | |
| 1 | Less than 1 month | - | - | - | - | - | - | - |
| 2 | Between 1 -2 months | 34 | 18 | 3 | - | - | 55 | 68.75% |
| 3 | >2 months but <3 months | 3 | 2 | 3 | 1 | - | 9 | 11.25% |
| 4 | 3 months and more | 13 | | 2 | 1 | - | 16 | 20% |

Table 10. Employment conditions on Man days Basis

| Serial No | Man-days/Annum | Number of Beneficiaries according to Categories | | | | | Total | Percentage |
|-----------|-----------------|---|-------|--------|---------------|-------|-------|------------|
| | | Marginal | Small | Medium | Semi - Medium | Large | | |
| 1 | 120-145 | 6 | 2 | - | - | - | 8 | 10 |
| 2 | 146-170 | 2 | 5 | 4 | - | - | 11 | 13.75 |
| 3 | 171-200 | 9 | 6 | 2 | 1 | - | 18 | 22.50 |
| 4 | Higher than 200 | 33 | 7 | 2 | 1 | - | 43 | 53.75 |

3.3 Income and Employment Conditions

Studying the income and employment conditions of beneficiary farmers showed that their main source of income was farming and the average annual income was around ₹325435 Rupees and most of the respondents earned more than 100000 rupees annually. The main source of income other than farming was Pension accounting for 47.5% of the population and the average income from other sources were ₹ 28756 rupees. Majority of the respondents took short term loans which accounts almost 60% of the 80 respondents. The credit received was predominantly used in farming only, with 45% of the sample population investing the credit in farming. The main reason behind opting for MFIs were found to be the lack of collateral with 62 participates stating that the lack of collateral was the major beneficial factor of MFIs over money lenders. Majority of the credit demanded were under the category of 30000-50000 rupees having a parentage over 51.25% and the credit were sanctioned in most of the cases within 1-2 months. 68.25% of all the credit applied were sanctioned within two months. Almost 64.53% of all the respondents repaid the credit within due time with the rest could not repay due to increasing cost of cultivation and less demand and sales. The results have been propounded in the following tables.

4. CONCLUSIONS

The socioeconomic analysis provides an overview or background data on the respondents, who are benefit farmers. Beneficiaries primarily included people whose primary occupation was farming. The study was necessary to explore the relationship between rural farmers' socioeconomic profiles and their access to microfinance. The respondents' socioeconomic standing was assessed accordingly. MFIs are a intrinsic source of financial assistance for people. The majority of respondents had been experienced farmers with minimal schooling. Education being an important part in parenting, many people were denied it, either owing to a lack of desire or a lack of means. None of the farmers in the study owned lands except for a few semi-medium farmers. The small and marginal farmers formed the majority population and mostly worked as tenants in the other people's land. For few factors, such as: age, gender, family size there was no significant relationship with the access to microcredit. This can be concluded that the need

and reach to MFI resources is not dependent on these pre-mentioned factors. Conclusion can be drawn that most of the respondents agreed that the rate of interest is lower in MFIs, loan is made easily available to them by MFIs than money lenders. Majority of beneficiaries said that they were able to pay off their inherited debts with financial assistance from MFIs. However, they disagreed on the following: that for additional credit demand they have to approach money lenders since they would prefer Commercial Banks for the same purpose. Self-Help Groups membership has had a significant impact on the socio-economic development of the rural poor. MFI programmes have helped the rural poor to gain access to credit from various financial institutions. MFIs have provided them the opportunity to open a bank account, save and invest money. This has helped to raise their income and thus alleviate poverty to a large extent. MFIs play a vital role in changing saving pattern of the household. Therefore, we may conclude that MFI membership improves food security and non-food expenditure and thereby enhance the standard of living of the members. An interference can also be drawn that MFIs came as a saviour to protect the rural peoples from the exploitation of the money lenders.

The analysis shows a future scope of study for other research undertakers in a way that one can determine how the socio-economic status of the low-income group has changed over the years in a later stage and whether things have changed for a better purpose after greater intervention of MFIs.

5. SUGGESTIONS

- Women participation in implementation of Micro-finance Schemes should be increased in many areas
- More supervision should be done by MFI Representatives to learn about the needs and wants of the beneficiaries as well educating them about working Of MFIs
- Political interference should be done when more exploitation is caused by money lenders.
- Less paper work and hassle-free formalities as beneficiary farmers lack time and resources.
- MFIs should work towards introducing lowering interest rates to a greater extent.
- Repayment schedules should be revised and relaxed keeping in view of the ongoing trend of high prices of materials and low demand and sale.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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