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Impact assessment of ASA credit program on livelihoods and empowerment of poor women in a selected area of Bangladesh

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ABSTRACT

The premise of Association for Social Advancement (ASA) philosophy equating microfinance as a tool to poverty alleviation. Small and medium size loans to the poor enables them to use in various income generating activities and raise family income which, in turn, helps reduce their poverty. The present study examined the adequacy, purposes and utilization patterns of credit, assessed the impact of credit on livelihoods and empowerment of the beneficiaries and, identified the problems and constraints of the beneficiaries to obtain credit. With these views in mind, data were collected randomly from 60 respondents who were involved in different income generating activities (IGAs) from eight villages under Gobindaganj upazila of Gaibandha district. Survey method was followed to collect required data. Tabular technique was applied for the analysis of data and sustainable livelihood framework was used for the analysis of household assets. The major findings of the study were that average amount of credit received by the respondents was Tk 17,550, main purposes of the loan were petty business and purchasing dairy cows; which were 40% and 18.33%, respectively. Only dairy loan was 100% utilized according to the purpose. There was a remarkable change of livelihood assets after joining with the ASA credit program. The ASA credit program also found to have significant positive effects on women's social empowerment indicators namely, attitude towards their daughter's education, mobility outside house, participation and decision making ability. High interest rate, lack of sufficient credit, shortage of grazing land was the main problems of the ASA credit program. Women can contribute significantly to the socioeconomic improvement of the family if proper atmosphere as well as facilities can be ensured. The present study suggests for conducting further study of similar type in other parts of the country to make the findings representative one.

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INTRODUCTION

Bangladesh is one of the lower-middle income countries in the world with a population 150.6 million. Its density of population is 1015 persons per sq. km. About 80 percent of its total population live in rural areas and are directly or indirectly engaged in wide range of agricultural activities (BBS 2012). About 24.7% of people of the country live under poverty line (BBS 2014). The poverty extent is possibly more alarming in rural areas because of low per capita income, devoid of subsidiary occupation, wide spread landlessness, sub-standard livelihood, minimum balanced caloric intake and quite various diseases thereby to die at early age people particularly the children. Under the circumstances, provision of microcredit among the poor both rural and urban areas has been at present

considered to be an economic as well as social relief for self-employment with a view to increasing their income and improving their living conditions. Now a days, there are lot of national, international as well as local NGOs have been dealing with microcredit program in Bangladesh. Rural women are to a greater extent benefited by the microcredit program in Bangladesh. 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 the rural areas.

According to the World Bank, in Bangladesh, Sex ratio: at birth: 1.04 male(s)/female in 2014 (The World Factbook 2015).

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The role of women is strongly affected by social and religious barriers such as the veiling of women in public and the segregation of male and female. Those are the restrictions or constraints of women's participation in work outside home. However, productive involvement is high, especially in rural areas, which is not clearly reflected on official statistics. The main constraints related to the development of women members are (i) illiteracy, (ii) lack of technical skill, (iii) social and cultural behaviors, (iv) inadequate and ineffective training and so on (Tania 2009).

ASA mostly deals with landless women who are the disregarded class of people in the society. The women, the most vulnerable class constitutes the main target group of ASA activities and their participation is very important for the success of any development program in Bangladesh.

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 generation activities (IGAs). A good number of research works might have been done related to various income generation activities 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 present study is 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 Gaibandha district in particular. So, the researchers attempted to undertake the study with the following objectives:

- (i) To determine the adequacy, purposes and utilization patterns of credit;
- (ii) To investigate into the impact of credit on livelihoods and empowerment of the beneficiaries; and
- (iii) To identify the problems and constraints of the beneficiaries faced to obtain credit.

MATERIALS AND METHODS

Gobindaganj upazila of Gaibandha in Bangladesh was selected purposively. The study was conducted eight villages named-, Fulbari, Bamonkuri, Kuthibari, Pargoyra, Ghose Para, Vagdhoria, Rasulpur, and Shilpur. Random sampling technique was applied for sample selection of this study. A total 60 beneficiaries was selected and conducted direct face to face interview by using semi-structure questionnaire. The period covered in this study was 1st January to 31st December/2014. Data were collected during the month of March and April, 2015. Data were presented mostly in tabular form. Tabular analysis is mainly based on some statistical measure like averages, percentages etc.

To examine the impact of credit on livelihoods and empowerment of the beneficiaries, livelihood approaches can be easily modified to provide a framework for the analysis of chronically poor households through a series of features using the household approach of identifying household assets or capitals within the wider social and economic transforming processes of community institutions and obligations, legal framework and market structures. Sustainable livelihoods (SL) thinking gained ground in the Department for International Development (DFID) poverty reduction efforts in the 2000s. The guiding assumption of the DFID approach is that people pursue a range of livelihood outcomes by which they hope to improve or increase their livelihood assets and to reduce their vulnerability. The five types of assets that form the core of

livelihood resources in the DFID SL framework range. The model breaks access into the five 'capitals':

1. Human capital (e.g. education, health);
2. Social capital (e.g. community networks);
3. Natural capital (e.g. land);
4. Physical capital (e.g. infrastructure like markets and roads); and
5. Financial capital (e.g. access to credit).

RESULTS AND DISCUSSION

Purpose-wise Credit Receipt and its Adequacy

The beneficiaries of the study area were observed to have received credit from the ASA mainly for nine different purposes namely, agri-business, petty business poultry, fishery, dairy, goat purchasing, children's education, rickshaw buying and trading of handicraft during the year of investigation. Table 1 reveals that 40% of the respondents took credit for the purpose of petty business, it was the maximum percentage and 1.67% of the respondents received credit for the purpose of poultry and goat purchasing respectively which was minimum percentage.

Table 1. Purpose of Loan for Taken by the Respondents

Purpose of loan	Number of the respondent	Percentage (%)	Amount of Loan		
			Applied (Tk)	Actual received (Tk)	Percentage (%)
Agri-business	7	11.67	15000	15000	100
Petty business	24	40.00	14,225	14,225	100
Poultry	1	1.67	6000	6000	100
Fishery	3	5.00	35000	35000	100
Dairy	11	18.33	30000	30000	100
Goat purchasing	1	1.67	12000	12000	100
Loan for education	3	5.00	5000	5000	100
Rickshaw buying	5	8.33	9000	9000	100
Trading handicraft	5	8.33	7000	7000	100
Total	60	100.00			

Source: Field Survey, 2015.

Utilization of Credit

Proper utilization of credit promotes increased production and benefits the borrowers involved. Proper utilization of credit is a prerequisite to attain aims and targets of both credit disbursement and credit receipt as well as for income growth. If the borrowed funds are employed in unproductive purposes like marriage ceremony, social festival, etc the repayment in the normal course will become uncertain. The utilization of credit is very much important. In this chapter an investigation was made to see the utilization of credit in which the respondents spent their credit money received from ASA during the year under study. Table 2 reveals that the utilization patterns of the loan were categories as farm activities, non-farm activities and consumption. An average 87.92%, 7.33% and 4.75% of the total loan were utilized for farm activities, non-farm activities and consumption purpose, respectively. Only dairy loan was 100% utilized according to the purpose.

Livelihood Assets

Human Assets

Human asset helps to develop humankind by themselves. After acquiring human assets like education, health status, training facilities people can develop myself and also help to improve their living standard. Human assets denote education, health status, nutrition, skills and knowledge, capacity to work, capacity to adapt and training facilities. Education can help to improve people's capacity to use existing assets better and create new assets and opportunities. Table 3 reveals that 71.67% of the total respondents responded that their

educational level got improved after involving with ASA credit program. In case of health, 61.67% of respondents replied that

their health status got improved.

Table 2. Utilization of credit by the respondents

Loan Utilization Patterns	Farm Activities		Non-Farm activities		Consumption	
	Amount (Tk.)	Percentage (%)	Amount (Tk.)	Percentage (%)	Amount (Tk.)	Percentage (%)
Agri-business	14000	93.33	0	0	1000	6.67
Petty business	10500	73.81	3000	21.09	725	5.10
Poultry	5000	83.33	1000	16.67	00	00
Fishery	30000	85.71	3000	8.58	2000	5.71
Dairy	30000	100	0	0	0	0
Goat purchasing	10000	83.33	1500	12.50	500	4.17
Loan for education	4500	90	0	0	500	10
Rickshaw buying	8000	88.89	0	0	1000	11.11
Trading handicraft	6500	92.86	500	7.14	0	0
Average		87.92		7.33		4.75

Source: Field Survey, 2015.

Table 3. Changes of Human Assets

Items	Degree of change					
	Increased		Unchanged		Decreased	
	Number	Percentage	Number	Percentage	Number	Percentage
Education	43	71.67	17	28.33	-	-
Health status	37	61.67	23	38.33	-	-
Nutrition	32	53.33	28	46.67	-	-
Skills and knowledge	51	85.00	9	15.00	-	-
Capacity to work	39	65.00	18	30.00	3	5.00
Capacity to adapt	44	73.33	16	26.67	-	-

Note: Percentage may not sum to 100 percent because of multiple responses.

Source: Field Survey, 2015.

Social Assets

Social asset refers to formal and informal social relationship, 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 household and in wider community, is of key importance for household livelihoods. Table 4 reveals that almost 66.67% of the respondents reported that their social network and connections were increased after involving with ASA credit where 33.33% said that no change in their social network and connections had taken place.

Table 4. Changes of Social Assets

Items	Degree of change					
	Increased		Unchanged		Decreased	
	No.	Percentage	No.	Percentage	No.	Percentage
Network and connections	40	66.67	20	33.33	-	-
1. Patronage	51	85.00	9	15.00	-	-
2. Neighborhoods	41	68.33	19	31.67	-	-
3. Kinship	28	46.67	32	53.33	-	-
Relation of trust and mutual support	44	73.33	16	26.67	-	-
Formal and informal groups	52	86.67	6	10.00	2	3.33
Common rules and sanction	54	90.00	6	10.00	-	-
Collective representation	54	90.00	5	8.33	1	1.67
Leadership	44	73.33	16	26.67	-	-

Source: Field Survey, 2015.

Natural Assets

Natural capital consists of natural resources including their flows and services. Here information about land (purchased), land (lease/mortgage), water and aquatic resources, trees and

forest as the natural capital of respondents were collected. Table 5 shows the changes in natural capital of the respondents. It is clear from Table 5 that only 5% of the respondents opined that their land was increased where 95% of the respondent reported that no change in land. In case of land (lease/mortgage) only 8.33% reported that quantity of land (lease/mortgage) was increased where 91.67% reported that their land amount (lease/mortgage) was unchanged.

Table 5. Change of Natural Assets

Items	Degree of Change					
	Increased		Unchanged		Decreased	
	No.	Percentage (value)	No.	Percentage (value)	No.	Percentage (value)
Land (purchased)	3	5.00	57	95.00	-	-
Land (lease/mortgage)	5	8.33	55	91.67	-	-
Water and aquatic resources	4	6.67	56	93.33	-	-
Trees and forest	17	28.33	43	71.67	-	-

Source: Field Survey, 2015

Physical Assets

Physical asset refers to the physical infrastructure, household goods, tools, equipment, agricultural inputs, etc. Table 6 shows that 100% of the respondents opined that the number of shallow tube well, fishing nets and motorcycle were unchanged without any increase or decrease respectively. Table 6 also depicts that almost 8.33, 15, 11.67, 15, 5, 11.67, 15 and 20% of the respondents said that the number of chair, table, almirah, alna or self, showcase, television, bicycle and jhuri or rake were increased, respectively. So, overall change was not quite satisfactory. Most of these assets remained to be unchanged because it was not easy for them to purchase that asset at a time.

Table 6. Change of Physical Assets

Items	Degree of change					
	Increased		Unchanged		Decreased	
	No.	Percentage (value)	No.	Percentage (value)	No.	Percentage (value)
Shallow tube well	-	-	60	100.00	-	-
Weeder	1	1.67	58	96.67	1	1.67
Harvester	2	3.33	58	96.67	-	-
Plough	9	15.00	50	83.33	1	1.67
Yoke	3	5.00	55	91.67	2	3.33
Ladder	8	13.33	50	83.33	2	3.33
Axe/Da/Nirani	9	15.00	49	81.67	2	3.33
Fishing net	-	-	60	100.00	-	-
Chauki/ Khat	5	8.33	55	91.67	-	-
Chair	5	8.33	55	91.67	-	-
Table	9	15.00	51	85.00	-	-
Almirah	7	11.67	53	88.33	-	-
Alna/Self	9	15.00	51	85.00	-	-
Showcase	3	5.00	57	95.00	-	-
Television	7	11.67	53	88.33	-	-
Bicycle	9	15.00	51	85.00	-	-
Motorcycle	-	-	60	100.00	-	-
Jhuri/Rake	12	20.00	47	78.33	1	1.67

Source: Field Survey, 2015.

Financial Assets

Financial capital includes financial resources such as cash, savings, income, bond, debenture, etc.

Table 7 reveals the changes of these cash items. It is clear that 68.33% of the respondents reported that their cash liquidity was increased, 16.67% of the respondents said that their cash liquidity on hand was unchanged and 15% of the total respondents responded that their position was decreased. In case of deposit in bank and savings almost 58.33% and 78.33% of the respondents reported that assets were increased respectively. Only 40% and 13.33% of the respondents opined that their deposit in bank and savings amount were unchanged. So a remarkable positive change had been occurred on cash in hand, deposit in bank and savings after joining with ASA credit program.

Table 7. Changes of Financial Assets

Items	Degree of change					
	Increased		Unchanged		Decreased	
	No.	Percentage (Value)	No.	Percentage	No.	Percentage (Value)
Cash in hand	41	68.33	10	16.67	9	15.00
Deposit in bank	35	58.33	24	40.00	1	1.67
Savings	47	78.33	8	13.33	5	8.33

Note: Percentage may not sum to 100 percent because of multiple responses.

Source: Field Survey, 2015.

Changes of Decision Making Role and Women Empowerment

In Bangladesh, women are still lagging behind in case of decision making and empowerment of the households. This situation is improving gradually through the involvement of women in different activities within and outside the home. Involvement with different IGAs under different credit program 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. Women's participation are increasing in crop production, maintenance of family expenditure, family planning, education of children, social development activities, marketing, making homestead garden, livestock raising, poultry and goat rearing, etc. Table 8 depicts that the decision making ability in 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. But 5% respondents said education of children decreased and 1.67% respondents reported social development activities were decreased. So, overall decision making ability was dramatically increased and women become empowered.

Table 8. Changes of Decision Making Role and Women Empowerment

Categories	Degree of Changes					
	Increased		Unchanged		Decreased	
	No.	Percentage	No.	Percentage	No.	Percentage
Crop production	15	25.00	45	75.00	-	-
Maintenance of family expenditure	49	81.67	11	18.33	-	-
Family planning	43	71.67	17	28.33	-	-
Education of children	50	83.33	7	11.67	3	5.00
Social development activities	52	86.67	7	11.67	1	1.67
Marketing	53	88.33	7	11.67	-	-
Homestead gardening	29	48.33	31	51.67	-	-
Livestock raising	25	41.67	35	58.33	-	-
Poultry and goat rearing	7	11.67	53	88.33	-	-

Note: Percentage may not sum to 100 percent because of multiple responses.

Source: Field Survey, 2015.

Problems and constraints faced by the respondents

In obtaining credit from ASA, respondents might have to face a number of problems in the study villages which sometimes discouraged them to borrow from ASA. The focus of this section is to explore and identify the extent of problems encountered by the sample respondents in the study area. Some questions were asked about the problems faced in receiving microcredit from the ASA. The major problems have been presented in Table 9. It is found that there are eight major problems, which were opined by the respondents in the study area during the time of study. Here, the respondents expressed their problems in four degrees like first, second, third and fourth as problem. The answers given by the respondents against problems were carefully handled and presented in percentage to be meaningful.

Table 9. Problems and constraints faced by the respondents

Problem and Constraint	Number of times problem was ranked					
	First	Second	Third	Fourth	Total (n=60)	Percent age (%)
Lack of sufficient credit supply	13	14	10	11	48	80.00
High interest rate	7	12	30	9	58	96.67
Complexity	1	3	3	22	29	48.33
Burden of old debt	-	3	6	11	20	33.33
Lack of suitable marketing facilities	-	-	2	3	5	8.33
Low price of different products	-	2	4	2	8	13.33
Shortage of grazing land	38	7	1	1	47	78.33
Theft	1	19	4	2	26	43.33

Source: Field Survey, 2015.

CONCLUSION

The ASA as a non-government organization for the poor and small landholding groups may be considered genuine to take care of them though it might have some constraints. The beneficiaries received credit mostly in accordance with their requirement. Loan money received from ASA has been utilized,

mostly for productive purposes. 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. Women attitude towards female education have favorably changed. Provision of credit is an important element for involving the rural women in income generating and development activities. The present study suggests for further study of similar type in other areas of the country to reveal the whole picture of the country, which would encourage the policy makers to formulate pragmatic programs for rural development in the country in future.

CONFLICT OF INTEREST

The authors declare that there is no conflict of interests regarding the publication of this paper.

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