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ROLE OF MICRO-FINANCIAL INSTITUTIONS AND WOMAN WORK PARTICIPATION IN RURAL AREA: A CASE STUDY DOMKAL BLOCK, MURSIDABAD, W.B

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Abstract:

Since 1900 or earlier urbanization encroaching on rural land along with agro-mechanization has reduced the number of workers needed to work in land when alternative employment is easier in cities than rural sectors, lacking educational specialization. The rural areas are sub-divided by their proximity to urbanized area into fringes, distant or remote. Our study area, DUMKAL BLOCK (lat.24.16'N long.88.27'E) situated in the south-eastern part of MURSHIDABAD, WB, is a remote area consisting of 311679 population within which 88.58% is Muslim, 40% belonging to BPL and only 56% is literate where women participation is only 43.5%.

The poor and ultra poor people have some basic needs like lifecycle needs, personal emergencies, disaster recovery and investment opportunities. Poor people and UP find creative and often collaborative ways to meet these needs, through creating and extending different forms of non-cash values. Here microfinance plays an important role providing financial services to those who lack access to commercial banking and related services. Though MF is equally important to both men and women, women's' experience of poverty is more acute governed by complex social constraints and responsibilities being concentrated in the non-monetized sections due to the existence of the gender complexities. Until the women do not have access to economic opportunities, poverty cannot be reduced.

Here the authors seek to analyze the role of MF institutions to balance the evils facing from poverty reducing dissatisfaction and hunger and the role of women in work participation taking Dumkal block in Murshidabad as study area.

INTRODUCTION

In developing economies particularly in the rural areas many activities are not monetised i.e. money is not earned to carry them. Almost by definition poor people have very little money and the ultra poor have nothing, but circumstances often arise in their lives in which they need money or the things money can buy. In Stuart Rutherford's recent book *The Poor and Their Money*, he sites several types of needs:

Lifecycle needs - such as weddings, funerals childbirth, education, homebuilding, widowhood, old age.
Personal emergencies - such as sickness, injury, unemployment, theft, harassment or death.
Disasters - e.g. fires, flood, cyclones and man made events like war or bulldozing of dwellings.
Investment opportunities - expanding a business, buying land or equipment, improving housing, Securing job which often requires paying a large amount etc.

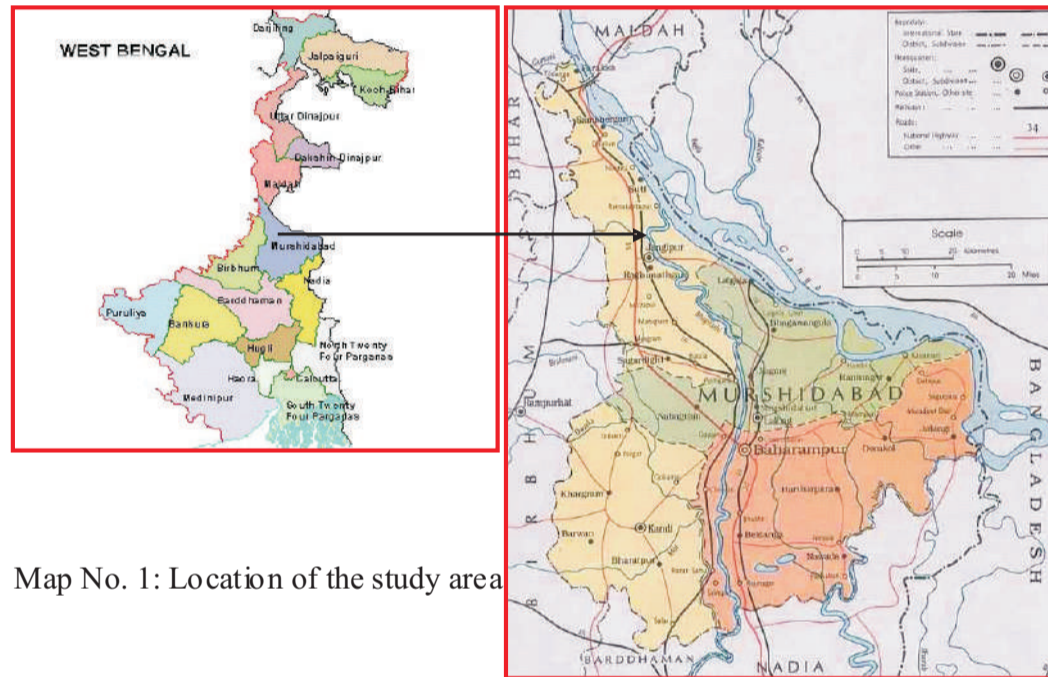
It has been observed that the poor people might borrow either from relatives or from a money-lender when they face a need either to buy rice or to buy land. At present day, the rural entrepreneurs in West Bengal particularly in disadvantaged sectors for marginal areas where the population belong to more open

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economies make their access by providing loans where the commercial formal financial system lag behind. The National Bank of Agricultural and Rural Development (NABARD) has promoted the establishment of about 1.6 millions self help group (SHGs) of the rural people and their linkage with some 36 thousand banks branches. Numerous NGOs and Govt. Organization are involved in social mobility and non financial services. The BAIF development research foundation a NGO (industrial foundation) has helped some 13,000 tribal families through sustainable Agri-Horti- Silvi cultural production though commodity processing, through individuals from household for making waste land productive and so on. Over 30% of the West Bengal's millions of population are believed to be below poverty line (BPL) and Dist. Murshidabad, one the poorest dist. of W.B., ranks 15 out of 17 in terms of HDI where over 80% of the population lives in rural areas.

STUDY AREA

Murshidabad is a District of West Bengal in eastern India. Situated on the left bank of the river Ganges, the district is very fertile. Covering an areas of 5431 sq. km. (2062 sq miles) and having a population of 7.102 million (according to 2011 census) it is a densely populated district and the 9th most populous in India (out of 640)



Map No. 1: Location of the study area

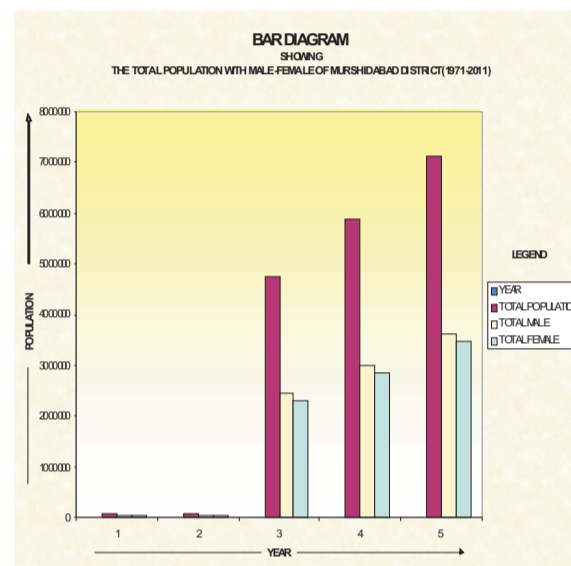
Table No.1: Total Population with male –female of Murshidabad District (1971-2011)

Year	Total Population	Total Male	Total Female
1971	75308	37447	37861
1981	76679	38545	38134
1991	4740149	2439342	2300807
2001	5863717	3004385	2859332
2011	7102430	3629595	3472835

Source: Census of India, 2001

Berhampore town is the headquarter of the district. The Murshidabad city, which lends its name to the district, was the seat of power of the Nawabs of Bangla. All of the Bengal once governed from this town. Few years after Nawab Siraj-ud-Daulla lost to the British at the Battle of Palassey, and the capital of Bengal was moved to the newly founded city of Calcutta, at present kolkata.

This historical background in very important to it Borders Malda district to the north, Birbhum to the west, Burdwan to the south West and Nadia district in the south, the international border with Bangladesh and The Rajshahi division is in the east. This has a great import in the district economy investigate the socio-economic state of the district population



The district comprises two distinct regions separated by the Bhagirathi River. To the West lies the Rarh, a high, undulating continuation of the Chota Nagpur plateau. The Eastern portion, the Bagri is a fertile, low-lying alluvial tract, part of the Ganges Delta. The district is drained by the Bhagirathi, Jalangi, Bhairab and rivers and their tributaries like Sialmari which has its dying course in Dumkal. Bhagirathi is a branch of Ganges, and flow southwards from Farakka barrage where it originates from the Ganges. It flows southward through the district and divides the district into more or less equal halves. Most of the land is arable, and used as agricultural land. Commonly seen trees are neem, Mango, Jackfruit. Jowbona is a popular village near Nowda thana and also called green village in West Bengal. Murshidabad has a Tropical wet and dry climate (Am). The annual mean temperature is approximately 27°C; monthly mean temperature ranges from 17°C to 35°C.

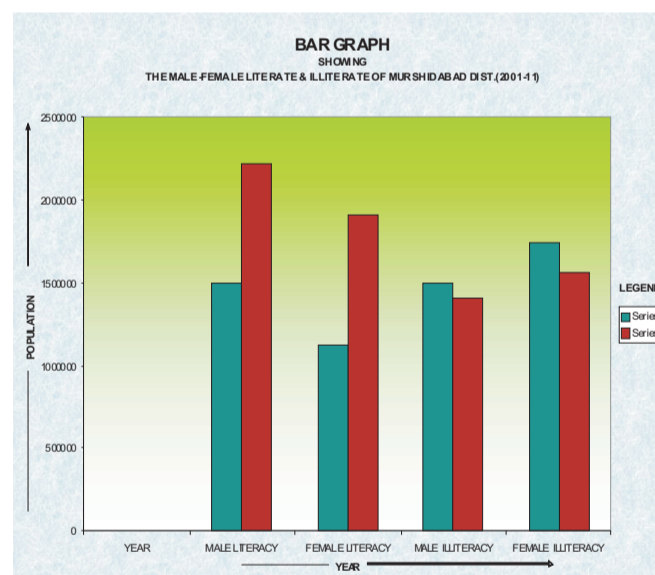
May is the hottest month with daily average temperature ranging from a low of 27°C to a maximum of 40°C, while January the coldest month having a temperature varying from a low of 12°C to maximum of 23°C. Often during early summer dusty squalls followed by spells of thunderstorm or hailstorms and heavy rains comes with ice sleet in the district bringing relief from the humid heat. These thunderstorms is locally known as kal baisakhi (Nor' Wasters). Rain brought by the Bay of Bengal branch of South West monsoon lash the city between June and September and supplies the district with most of its annual rainfall of approximately 1,600mm. The highest rainfall occurs during the monsoon in August approximately 300 mm. Floods are common during Monsoon, causing loss of life, destruction of property, and loss of crops. Though this scenario in very common in more or lens all the district of south Bengal but the flood, bank erosion, the illiteracy and the concentration of Muslim population who still believes superstitions are responsible for their backwardness of the district aspect the headquarter Berhampore.

Table No. 2: Total Literate and Illiterate population of Murshidabad District (2001-2011)

Year	Total Literate		Total Illiterate		
	total population	Male	Female	Male	Female
2001	2620538	1502724 (57.34%)	1117814 (42.66%)	1502276	1743755
2011	4134584	2223237 (53.77%)	1911347 (46.23%)	1406358	1561488
TP-2001=5866569, TP=2011-7102430					

Source: Census of India, 2001

The above table reveals the facts that within 10 years the growth rate has increased more than 123% showing surprising evidence that the male literacy rate has decreased about 3.57% where the literacy rate among the female has substantially increased and this phenomena is very important for the present study.



The district has areas of 5324 sq km. and a population density 1101 per sq. km (2001). Its population growth- rate over decade 2001-11 was 21'07%. Murshidabad has a sex ratio of 957femals for 1000 every male, and a literary rate of 67.53%. As of 2001 India census, Murshidabad dist. had a population of 5863717 with a sex ratio of 952. The following table summarizes very uneven the population distribution in rural and urban sectors.

Within the total area the urban area comprises only 2.42% where the ruralities cover 97.58% and

from this, the economic structure can easily be assumed.

Table No. 3: Demographic Characteristics of Murshidabad

Rural/urban	Area	persons	Males	females	Population density	Sex ratio
Total	5324 km ²	3015422	1546633	1468789	1101 sq km	952
Rural	5195.11 (97.58%)	2757002	1414097	132905	988,	949
Urban	128'89;(2.42%)	258420	132536	125884	5682	

Economy

Most of the people depend on agriculture. There are some silk farms and some traditional weaving machines but they are loosing out fast against the agro-based activities modern industrial. Trade and businesses are primarily linked with Asansol, Barddhaman and Kolkata. There are some discussions made between India and Bangladesh regarding transport link between Dhulian and Rajsahi but it has not materialized yet. The recent trend in the youngest generation in to 80 Kerala or Delhi or to Arab in search of jobs.

Table 4a: Percentage Distribution of Worker and Non Worker

Sub Division	Marginal Workers (nos)	Percentage	Non Workers	Percentage	Total Population
Domkal sub division	40820	4.9	580499	69.3	838033
Domkal	15256	4.9	21564	69.2	311679
Jalangi	10574	4.9	149336	69.3	215586
Raninagar-I	6224	4.0	106986	69.2	154609
Raninagar II	8766	5.6	108537	69.5	156159
District Total	332863	5.7	3861395	69.8	5866569

Table 4b: Category Workers

Sub-Division	Total Worker	percentage	cultivators	percentage	Agricultural labors	percentage
Domkal Sub division	257534	30.7	74427	28.9	103761	40.3
Domkal	96039	30.8	25970	27.0	39924	41.6
Jalangi	66250	30.7	17541	26.5	26461	39.9
Raninagar-I	47623	30.8	13556	28.5	18314	38.5
Raninagar-II	47622	30.5	17360	36.5	19062	40.0
District	2005174	34.2	375172	18.7	561874	28.0

Table 4C: Category Workers

Sub-Division	HHI	Percentage	Others	Percentage	Main worker	Percentage
Domkal Sub	21815	8.5	57531	22.3	216714	25.8
Domkal	9228	9.6	20917	21.8	80783	25.9
Jalangi	4581	6.9	17667	26.7	55676	25.8
Raninagar I	4607	9.7	11146	23.4	41399	26.8
Raninagar II	3399	7.1	7801	16.4	38856	24.9
District	408974	20.4	659154	32.9	1672311	28.5

Source: Census of India, 2001

Transport

Surface transport is the most important way. Even though a major river runs to the district, water transport is not very common. Only small board ferries transport people across the river when no bridge is available. Railway connection with Kolkata and towards North is only seen within the city area.

Present Situation

The Dumkal block our study area situated (lat. 24°7'4" N& Long 88°32'55" E-) in the North Eastern corner within a pocket- route between Baharampur and Jalangi, is a rural and backward in every respect. Regarding its location, its economy and culture, there are some parts in Dumkal where after the sunset people do not move. Our study pockets in Dumkal block, the village Ramna and Bhatsala (post office Basantapur) and Nuton Para (post office-Dumkal) are the places where before 20 years people of the Dumkal scared to go. In Ramna village where there is an educational hub, comprising of general degree college, engineering, basic training, B. E , higher secondary and primary there most of the people is dependant on agriculture along with robbery. Though there are five nos, of H,S. school including on High Madrasah, most of the students in higher education are fast generation learner. When the border becomes open the smuggling of cattle shares about 75% of the block economy.

OBJECTIVES

The paper has the following objectives:

1. To assess the role of micro-finance in the rural economy of the study area.
2. To analyse the relationship between the woman work participation and micro-finance in the study area.
3. To evaluate the present scenario of micro-finance among the self-help groups of the study area.

FINDINGS

Role of microfinance to improve rural economy

Microfinance is the provision of financial services to low – income clients or solidarity lending group including consumers and the self – employed who traditionally lack access to banking and related services.

More broadly, it is a movement whose object is “a words in which as many poor and near- poor household as possible have permanent access to an approximate range of high quality financial services, including not just credit but also savings, insurance and fund transfers”.(Some Internet about Microfinance)

Those who promote microfinance generally believe that such access will help for people out of poverty. Actually it is a category service includes micro credit. Traditionally, banks have not provided financial services such as loans to clients with little or no cash income.

There is considerable debate about the extent to which microfinance can and should target the ultra poor. The Ultra-poor households often do not have regular income, making it difficult for them to access financial services as they lack the collateral necessary to secure a formal loan. In addition the ultra-poor face two particularly difficult barriers to use microfinance successfully: first, they may use a loan to meet immediate needs rather than to invest in a reproductive asset, secondly, they may also be more vulnerable such as health events which many make them more likely to default. Here providing income generating assets, microfinance services enabled poor and ultra-poor people to be rejuvenated.

Over 30% of west Bengal's 82 million residents are believed to live below the poverty line, and an estimated 18% of the wealthiest rural citizens, actually hold below poverty line cards. Murshidabad is one of the poorest districts of West Bengal and ranked 15 out of 17 in terms of Human Development index where over 70% of the population of West Bengal lives in rural areas. Within 6% of the households sampled in Murshidabad have obtained loans where only 8% obtains credit from a formal source. In proper Domkal Block, it is about 7% but in the remote extension it is less than 3%. In Domkal block, the microfinance institutions who provide financial support to the poor and UP are SKS Bandhan, Asha, Ujjiban and the West Bengal Minority Development Authority. SKS has its origin in Hyderabad which has 1718 Branches providing credit to about 11,208 crore to 57,49,639 members. Bandhan has its origin in West Bengal and in Domkal it is most popular. Asha has its origin in Bangladeshi.

Woman work participation and role of microfinance

Bandhan's new venture is an outreach into ultra-poor households based on the provision of assets rather than cash, preparing the poorest of the poor to eventually become microfinance clients. The first step is the process of extending microfinance to the ultra-poor to determine who actually belongs to this category. This is done through social mapping and wealth marking using Participatory Rural Appraisals (PRAs) in each of the target villages. In Domkal along with other rural section MF development strategy is acting as a powerful tool to promote economic growth reducing poverty supporting human development and improving the status of women. For the past 20 years, the government international agencies and social organizations have been focusing on woman's development programs. The main priority of the 10th periodic plan was poverty alleviation, women's empowerment and gender prevalence properly among rural population and among the poor. Women are considered the most disadvantaged due to their limited access to economic opportunities and basic social services and the excessive burden of household imposed on them.

Economic and social issues are closely interlinked. One reinforcing the other peoples' access to credit is limited because both formal and informal credit institutions are geared to fund property owners. All formal credit institutions seek tangible collateral source to refund the loan and they are sidelined from institutional credit since they have no access to the inherited property. The village money lenders are also interested in earning by high interest on acquiring the debtor's property rather than financing people in need. In case of women, their access to institutional credit is further restricted by their confinement to household activities and lower level of awareness and educational attainment. The major problem in the current economic practice is the fact that a large proportion of women's contributions to GDP and household maintenance activities are still not recognized in economic calculations (Acharya-2001). This makes women labor contribution to social reproductions process but they are invisible in economy except as consumers. Women's experience of poverty may be different and more acute than that of men because of gender based forms of exclusions.

Table No. 5: Male and Female percentage in work participation in different work categories of 50respondant

Work Category	In Percentage	Male %	Female %
Cultivators	23.40	89%	11%
Agricultural labor	38.20	64%	36%
Household Industries	8.60	8.20%	91.80%
Service	12.25	75.80%	24.20%
Business	9.75	90.00%	10%
Others	7.8	70.00%	30.00%
Total	100		

Based on primary data

From the above table it has been found that other than agriculture and business seekers the percentage of women work participation is high and in house hold industries (HHI) it is maximum irrespective of male and that is due to SHG flourishing in Dumkal. Here microfinance institutions mainly Bhandhan and SKS have provided their regular micro credit along with government Minority Development fund. From the following table the percentage of credit sources from CBS and MDFI only for the woman can be specified.

Table No 6: Work Participation among male and female in different work Categories within 3 sample village where MFI are active.

Sl.	Category	Total Worker	Male	Percentage	Female	Percentage	Taken from Loan
1.	Cultivator	30	26	2.93	4	.45	CBS
2.	Agricultural Labor	141	109	12.26	32	3.60	CBS,MDA,MFI
3	Daily Labor	439	346	38.92	93	10.46	MFI
4	Service	22	15	1.69	7	.79	CBS
5	Business	73	63	7.09	10	1.12	CBS,MFI,MDA
6	Household Industries	152	10	1-12	142	15.97	MFI,MDA
7	Others	32	8	0.80	24	2.90	MFI,MDA
TOTAL		889	577	64.81	312	35.19	

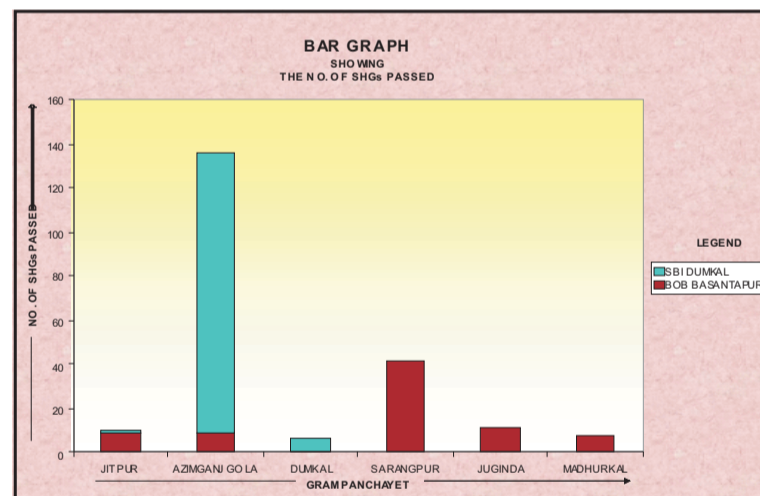
Here CBS=Commercial Banking system. MFI=Micro Finance Institution MDA=Minority Development Authority (Govt. of W.B)

Here it has been found that without service and agricultural land holder CBS are not in function, where MFI and MDA are more pronounced. In comparison with male female work participation place of interest being supported by different MFI, maintaining self-help groups. In Natun-para about 20 women have engaged themselves as made-servers who are in great demand. Poultry farming, cattle and goat rearing are very common among the female members of all of the villages. The self help groups are more or less regular in their work and regular repayment attached with the CBS. There are about 214 no. of SHG comprising 3900 women (approx) which about 79% in Muslim ,within 21% Hindu where 82% in married and 18% unmarried having the age group 18 to 50 around.

Table No 7: Characteristics of financial help

Sl. No.	Name of the gram panchayet	Taken loan from(name of the bank)		No. of SHG groups
		Basantapur(BOB)	Dumkal(SBI)	
1	Jitpur	9	1	10
2	Ajimganj Gola	9	121	136
3	Dumkal	1	6	7
4	Sarangpur	42	0	42
5	Juginda	11	0	11
6	Madhukul	8	0	8

Source: BDO office



From the above table it has been revealed that there are 214 numbers are SHG who have their lone account in the Bank of Baroda in Basantapur and in SBI Dumkal where in Dumkal the number is less. In all these sectors the women mostly invest in poultry farming, list-stock rearing in some small scale industries like conch polishing and conch wristlet making and wearing bath towel (Gamchha). In some cases to get huge amount of lone in reference to the HSG account keeping land or house in mortgage the women take lone from the bank and here MFI provides essential support by giving micro-credit comparatively in low percentage of interest.

Table No 8a: Work category and women work participation (Notunpara)

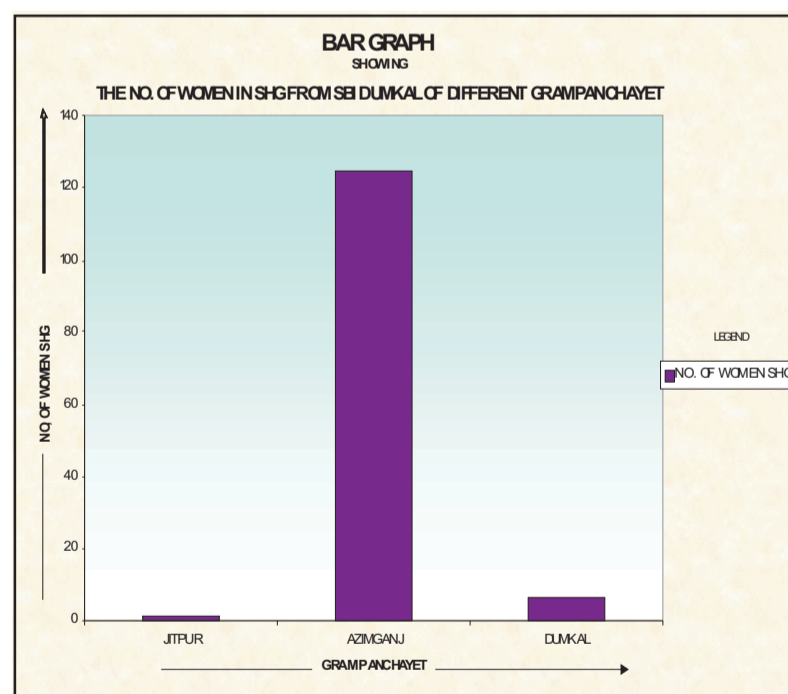
Sl no.	Work category	Male	Female	Total population nos	Total workers in percen	Total monthly income
1	Daily labor	109	42	151	50.16	2000
2	Agriculture labor	16	3	19	6.31	2000
3	Service	0	0	0	0	0
4	Business man	19	0	19	6.31	3500
5	Household	8	70	78	25.91	1000
6	Own land	6	2	8	2.66	<3000
7	Others	4	22	26	8.65	<2000
TOTAL		162	139	301	100	

Table No. 8b: Work category in village Bhatsala (beside the Sealmari nadi connecting River Padma and Bhagirathi which is in a dying stage in Dumkal proper)

Sl no.	Work category	Male	Female	Total engaged population		Monthly income	Male %	Female %
				In numbers	In percentage			
1	Daily labor	115	21	136	54	<2000	45.0	8.26
2	Agriculture labor	49	9	58	23	<2000	18.89	3.34
3	Service	2	4	6	2	<8000	.78	1.47
4	Business	12	2	10	4	>8000	4.72	.78
5	Household	2	30	32	13	>2000	.78	11.17
6	Own land	6	0	6	2	>2000	2.26	0
7	Others	4	2	6	2	<2000	1.57	.78
TOTAL		190	68	254	100		74.00	26.00

Table No 8c: Ramna Basantapur (Religion – Muslim 100%)

SL	Work category	Male	Female	Total population	Percentage	Monthly income (Rs)
1	Daily labor	122	30	152	45.78	2000
2	Agriculture labor	44	20	64	19.28	2000
3	Service and Anganwari and Health Workers	13	3	16	4.81	8000
4	Business	34	8	42	12.66	5000
5	Household industries	0	42	42	12.66	15000
6	Own land	14	2	16	4.81	2000
	Total	227	105	332	100	



From the above tables and charts it has been found that the Ramna village of Dumkal block where the Muslim minority comprises 100% of the total population, the work culture is quite different and the proximity of Bank of Baroda has enabled the local people giving loan against the homestead land and the land under cultivation. The village Ramna is under Madhurkul gram panchayat where 8 nos. of self help group comprising of about 80 women, working steadily along with Bandhan, Asha & MDA Financial Assistance. In Bhatsala (under Juginda gram Panchayat) there are 11 SHG comprising more than 120 women which about 30% women has started their own business like weaving, puppet rice, Bidi bindings and cattle rearing. In Natun para under Ajimjangola gram panchayat about 136 SHG group actively comprise more than 1500 women who also take part in Mid-Day Meal preparation. But within our surveyed households the women are more interested in individual loan access than SHG and most of them take loan from SKS and Bandhan who are very regular in their visit.

The case study of Natunpara, Ramna-Basantapur and Bhatsala has been done to show that how vastly the people of these three villages have attributed to Microfinance, for examples some profiles have given below—

From Natunpara	From Ramna
NAME- Kalpana Bibi (age 35), Anarul Islam (age 40) Bibi.(32)	NAME- Hazrat Ali(age45), Fatema
Loan provider- SKS	Loan provider- Asha
Time period- Rs.10,000 for 6 months.	Time period- Rs.6000 for six months
Purpose- to buy sewing machines for tailoring shop	Purpose- poultry farming
From Bhatsala	
NAME: Debashis Ghosh, Sutopa Mallik	NAME: Mallika Khatun (age 23)
Loan provider- SKS	Loan provider- Bandhan
Time period- Rs.12,000 for 6 months	Time period- Rs 6000 for six months
Purpose- to buy seeds for vegetable garden which has a good return.	Purpose: for starting a line hotel

Now it is to be mentioned that at present the role of SKS as a MFI SKS Microfinance Limited (SKS) is a non-banking finance company (NBFC), regulated by the Reserve Bank of India extended its hand in WB specially in Murshidabad. SKS claims its mission is to eradicate poverty by providing financial services to the poor. The company operates across these 19 states of India: Andhra Pradesh, Karnataka, Maharashtra, Orissa, Madhya Pradesh, Bihar, Rajasthan, Uttaranchal, Himachal Pradesh, Haryana, West Bengal, Jharkhand, Chhattisgarh, Gujarat, Kerala, Tamil Nadu, Punjab and Delhi.

According to a CRISIL Report on Top 50 Indian Microfinance Institutions (MFIs), SKS Microfinance is the largest MFI in India in terms of number of borrowers, number of branches and total loans as of September 30, 2008 SKS was founded in 1997 by Vikram Akula, who also served as its executive chairperson until November 2011. As of December 31, 2010, SKS had 7.7 million clients in 2,403 branches in the 19 states across India. SKS charges an annual effective interest rate between 26.7% and 31.4% for core loan products. At the end of 2010's financial year on 31 March 2011, the company listed a gross loan portfolio of US\$925,844,433 with 6,242,266 female active borrowers. SKS hopes "to serve 50 million households across India and other parts of the world and also to create a commercial microfinance model that delivers high value to our customers". The hope is that much poverty can be alleviated by providing financial services to low-income households. SKS practices a standardised processes of delivering and recovering loans, which enables them to reach out to the most customers cost effectively.

CONCLUSION

It can be said that a new paradigm that emerges, is very critical to link poor to formal financial system, whatever the mechanism may be the poverty alleviation is to be achieved. Many NGOs and MFIs specially SKS and BANDHAN have been involved in community development for long and the experience shows that they have somehow been able to improve the quality of life of the poor as they are able to reach the goal overcoming the physiographic barrier. Betterment in quality of life through better housing or better economic opportunities is a tangible indicator of success. A flexible rate of interest scheme as proposed by the MFIs in selected non-financial services has achieved a successful program to generate cooperative effectiveness and responsibility to both men and women and holding back the position of women mobilizing the society itself.

In our study area, most of the people who have under these MFI have taken the benefit of loan

since last 2 to 3 years without any break to them it has become a way of relief to get rid from poverty. Here in percentage verification the participation of women is greater than the male population in respect to loan repayment, with sincere effort and in educational spheres. If the dropout rate of the girls can be reduced it will be like a feather in the total economic system.

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