A STUDY OF UTILIZATION OF MICROCREDIT IN URBAN SLUMS OF AGRA CITY

INTRODUCTION

Microcredit is an extremely small amount of loan given to impoverished people to help them. Microcredit is the extension of very small loans to poor borrowers who lack collateral, steady employment or a verifiable credit history. These are essentially small loans granted to the basic sectors, on the basis of the borrower's cash flow and other loans granted to the poor and low-income households for their financial assistance requirement which may be for microenterprises and small businesses to enable them to raise their income levels and improve their living standards. However microcredit is often used for a variety of purposes beyond business investment. Loans also aid people cope with unpredictable incomes by building funds available to meet their basic

Research Questions:-

Compare the prevalence of microcredits taken for health reasons versus non-health reasons?

Analyze demographic characteristics of beneficiaries taking loan for healthcare?

Research Objectives:-

To study distribution of microcredits in various federations.

To study demographic characteristics of individuals taking microloan.

METHODOLOGY

Study Design - Descriptive cross sectional study.

Study Locations- This study is done in slum areas of Agra district, Uttar Pradesh where the UHRC women federation are present. Federations of women's group area are Garhi Chandani, Narayich, Ram Nagar and Shyam Nagar.

Study Subjects - Subjects comprises of women population who have taken a microloan for health from Mahila Vikas Samiti from 1st Jan 2016 to 31st March 2016.

Sampling - Purposive expert (non-probability) sampling. Women are taken who have already taken micro loan for health issue.

Sample size – 200 women who had taken microcredit from the Mahila Vikas Samiti from 1st January 2016 to 31st March 2016.

Method of Data collection- The data was collected through structured questionnaire designed by intern. The questionnaire was filled in the field, face to face from women who had came to pay their monthly installment for the microcredit they had taken.

MAJOR FINDINGS

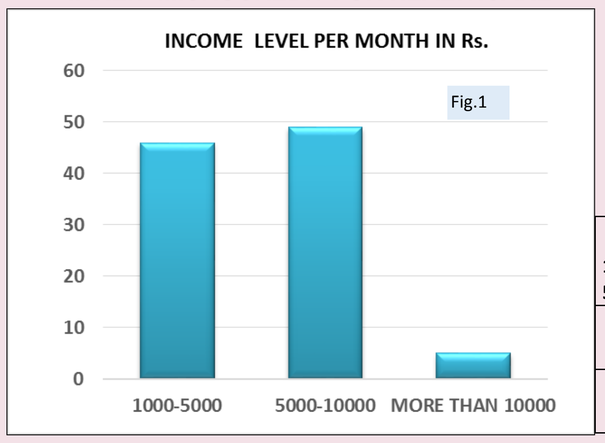
Table 1. CURRENT LOANS HELD FROM January to March 2016 (N = 200)

FEDERATION	NO. OF LOANS HELD IN PERCENTAGE							
	HEALTH	NON- HEALTH						
		EDUCATION	EMPLOYMENT	HOUSE	DEBT	MARRIAGE	PURCHASES	OTHERS
VISHAL	17.96	13.11	18.93	5.34	12.62	10.19	14.56	7.28
PARIVARTAN	33.15	8.43	24.72	0.56	7.87	6.74	10.67	7.87
BHARTIYA	45.93	9.76	24.39	0.00	0.00	6.91	12.20	0.81
CHETANA	14.29	9.52	14.29	9.52	12.70	7.94	19.05	12.70

Table 2. QUANTUM OF LOANS DISBURSED January to March 2016 (N = 200)

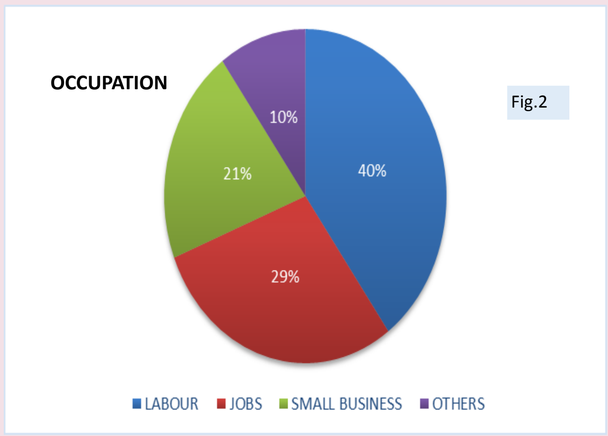
FEDERATION	QUANTUM OF LOANS DISBURSED IN PERCENTAGE							
	HEALTH	NON-HEALTH						
		EDUCATION	EMPLOYMENT	HOUSE	DEBT	MARRIAGE	PURCHASES	OTHERS
VISHAL	18.77	11.51	17.86	6.89	11.06	16.14	10.56	7.21
PARIVARTAN	4.09	7.45	36.31	1.59	11.26	15.54	14.75	9.01
BHARTIYA	47.14	10.91	25.94	0.00	0.00	7.72	7.98	0.31
CHETANA	14.84	9.57	12.50	17.97	13.28	8.59	14.06	9.18

LEVEL OF INCOME OF THE BENEFICIARIES WHO HAD TAKEN MICROCREDIT FOR HEALTHCARE

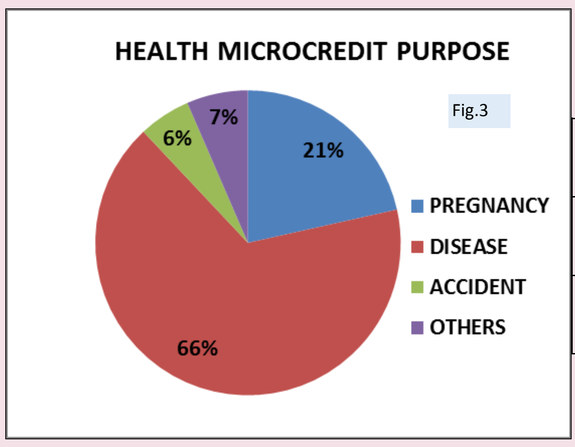


1000-5000	5000-10000	MORE THAN 10000
92	98	10
46%	49%	5%

SOURCE OF INCOME OF THE BENEFICIARIES WHO HAD TAKE N MICROCREDIT FOR HEALTHCARE

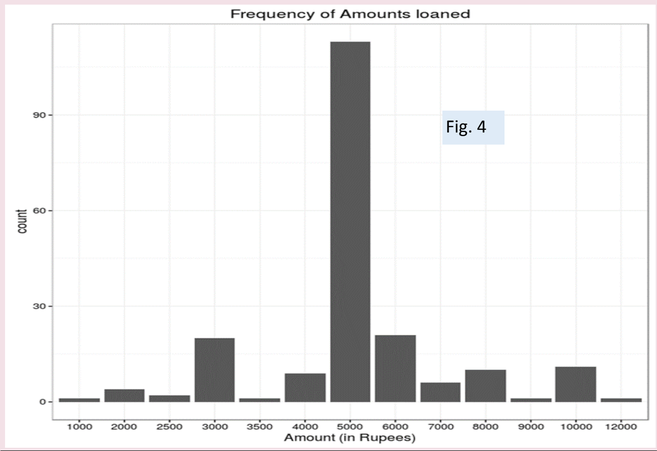


USAGE OF MICROCREDIT TAKEN BY BENEFICIARIES FOR HEALTH-CARE



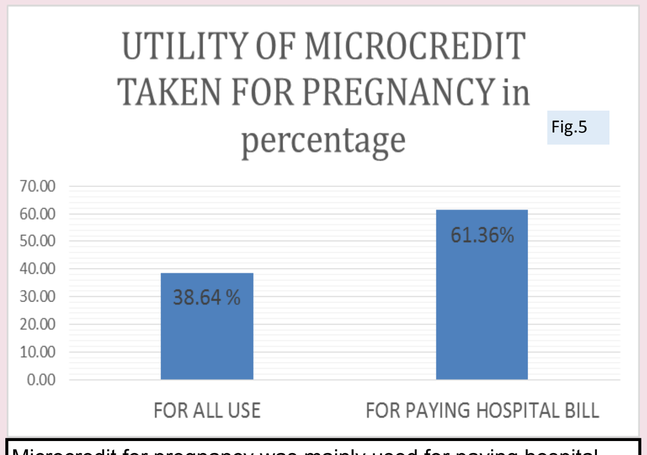
PREGNANCY	DISEASE	ACCIDENT	OTHERS
43	133	11	13
21.%	66%	6%	7%

FREQUENCY OF QUANTUM OF MICROCREDITS DISBURSED



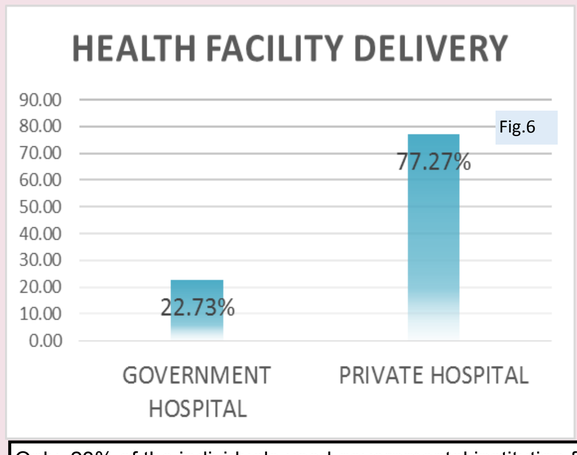
Microcredit vary from Rs.1000 to Rs.12000 for healthcare purpose. The frequency of the amount Rs.5000 was maximum, more than 90 individuals had taken an microcredit of this amount.

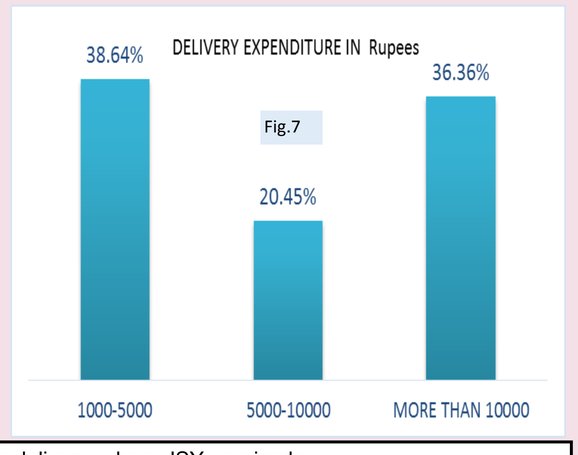
UTILITY OF MICROCREDIT TAKEN BY BENEFICIARIES FOR PREGNANCY PURPOSE



Microcredit for pregnancy was mainly used for paying hospital bills in 61% individuals while only in 39% was used for all purposes that included the expenses for antenatal checkups, medication, transport, postnatal checkups, immunization and more.

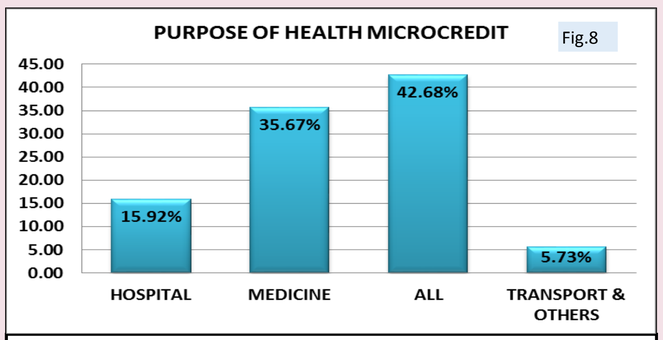
EXPENDITURE OF DELIVERY BY THE BENEFICIARIES WHO HAD TAKEN MICROCREDIT





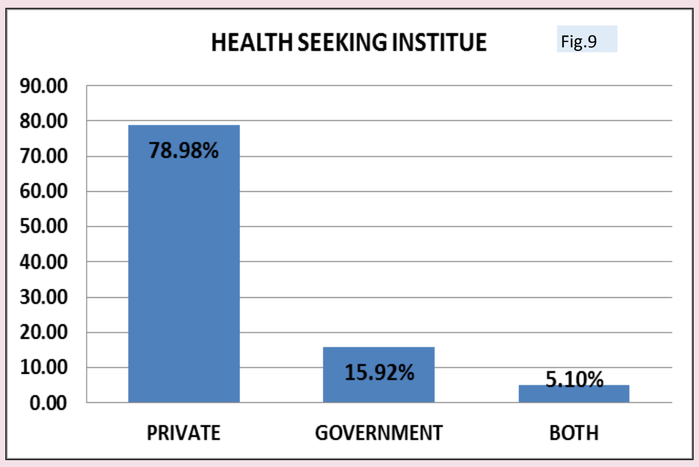
Only 23% of the individuals used governmental institution for delivery where JSY was implemented ,even in that the individuals had to pay for blood, medicines or any other necessity which was required during delivery. Other 77% used private institution which was costlier for people. The expenses of the delivery lie from minimum of 1000 to more than 10000 for which the financial assistance was provided from the microcredit .

UTILITY OF MICROCREDIT TAKEN BY BENEFICIARIES FOR DISEASE/ACCIDENT/OTHER HEALTH PURPOSE

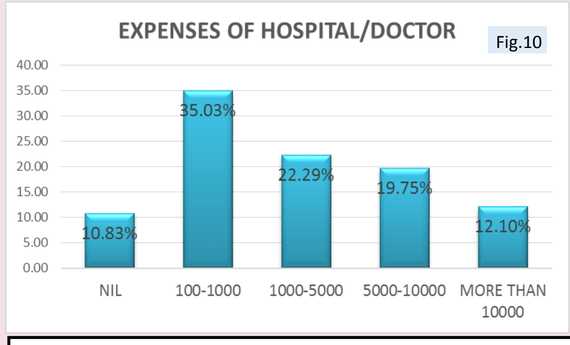


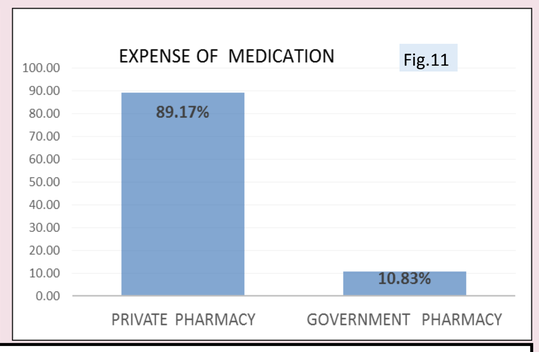
The microcredit taken by individuals for different purposes included paying bills of hospital, medicine, medical examinations or test and transport. Microcredit was also taken for all purposes by

HEALTH SEEKING INSTITUTE BY THE BENEFICIARIES WHO HAD



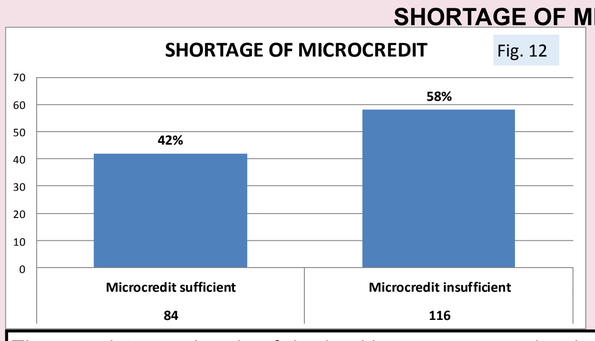
EXPENDITURE BY THE INDIVIDUALS WHO HAD TAKEN MICROCREDIT FOR DISEASE/ACCIDENT/OTHER HEALTH PURPOSE

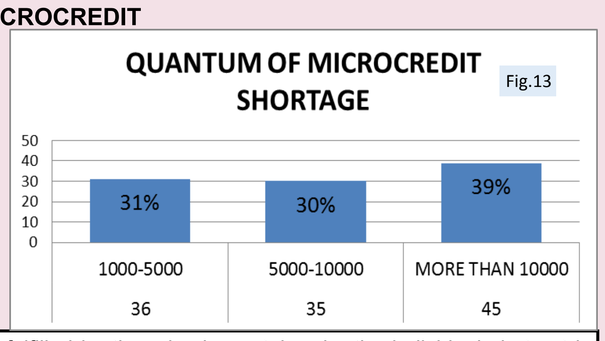




Around 35% individuals had to pay below Rs.1000 for hospital/ doctor bill yet they required microcredit. And to add to this there was expenditure of medicines in which 89% of the beneficiaries purchased them from private pharmacy which were more expensive than government due to doctor's advice or the distance and time factors.

SHORTAGE OF MICROCREDIT





The complete overheads of the health were supposed to be fulfilled by the microloans taken by the individuals but yet in many cases it was unable to do so. With reference to this 84 individuals were satisfied as the complete expense of all were covered by this microcredit only and saving then from further harassment from the lack of funds. While 116 individuals had to face with the issue of financial aid even after taking this microcredit. 45 individuals from 116 people lacked more than 10000Rs. for the healthcare.

CONCLUSION

Healthcare is amongst the highest purpose for which the microcredit are taken for, by the individuals who have low unpredictable income. Microcredit is used for various purposes during pregnancy, disease, accident and other health issues. Predominantly the beneficiaries tend to use the microcredits for paying the expenses at the private institution more than the government. This sometimes result in the shortage of microcredit to financially assist the beneficiaries.

Presented by:-

Dr. Sampan Rattan (0342)

MBA HM-20