

Exploring the Impact of Microfinance on Socio-Economic Development: Empirical Evidence from Balunnagar Village



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ABSTRACT: Micro-credit was designed to organize poor people's tiny savings into funds that could be accessed by the poor, particularly rural women. Microfinance is a powerful technique for affecting the socio-economic condition of respondents and their family members to generate more cash for personal purposes. The additional money enables the respondents' families to purchase nutritious food, land, and construction houses, have access to contemporary health care, multiple cultivations, and small business, and send their children abroad as well as to school. The objective of this study is to explore the reasons for the received microcredit and the impact of microfinance on socio-economic enrichment based on primary and secondary data by using previous studies and direct personal interviews, in-depth interviews through open-ended questionnaires conducted with microcredit receivers from BRAC, Grameen Bank, and ASA as well as field staff respectively at Balunnagar in Cumilla, Bangladesh in 2021. Both random and Snowball sampling technique was adopted to select respondents. This study highlighted that microfinance has brought a lot of positive changes in respondents' income, family status, and overall socio-economic condition but somewhere few borrowers were unable to mobilize the credit appropriately; therefore, some bad loans arise. So, some recommendations are given for reducing the misuse of loans and also to be self-reliant.

KEYWORDS: Microfinance; Agriculture; Small-Medium Enterprise; Migration; Socio-economic condition; Bangladesh.

I. INTRODUCTION

Microfinance programs have arrived in many of the world's poorest regions and have succeeded in reaching them. Microcredit is intensively regarded as an effective improvement tool for poverty eradication and women empowerment. Despite the efforts made, poverty is a continually restricting societal challenge that necessitates appropriate innovations that complement social nature and attributes; the United Nations (UN) has identified microcredit as one of the most effective poverty eradication approaches among the poverty reduction models and programs (Al-Shami et al., 2021). Bangladesh is an agrarian, developing, and also a high densely populated country of the third world. Microfinance, or transferring funds to the destitute, has evolved significantly since Muhammad Yunus established the Grameen Bank in Bangladesh in 1976 (Paudel, 2013). Microfinance is a type of economic development that helps low-income people in both rural and urban communities. Grameen Bank, BRAC, and the Association of Social Advancement (ASA) are just a few of the well-known microfinance institutions (MFIs) in Bangladesh. Microfinance is a new type of financing for underdeveloped countries that gives self-employment opportunities for jobless poor people, entrepreneurs, and farmers and has effectively enabled poor individuals to create their businesses, generate income, and, in many cases, begin to accumulate wealth (Yuge, 2010). It is conducted in small groups, with group sizes ranging from five to twenty people to guarantee group cohesiveness and efficacy (Reji, 2009). Microfinance assists the poor and middle class in starting or expanding small firms that provide extra income for their families. This additional revenue enables poor families to buy groceries, acquire assets, obtain treatment, cultivate a variety of crops, and, thanks to labor migration, send their children to school, save money, and lay the groundwork for a better future which helps communities that don't have any capital to put up as security for the loans they take out, but who have ancestral talents and a tremendous desire to engage in financial growth for self-employment and income creation; that allows the impoverished to make adjustments when their income rises, they become company owners, and their vulnerability decreases (Adhikari & Shrestha, 2015). Startups make a significant contribution to the promotion of remote enterprises. Microfinance is a type of small business loan that enables people in poor nations to get loans with fewer requirements and lower interest rates as well as its efficacy may be attributed to a variety of factors, including simple access to loans and a group approach that allows borrowers to share their issues (Adhikari, 2020). The core microcredit philosophy suggested that women with investment may start small companies that supported home costs while also boosting

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identity and competency through household decision-making (Al-Shami et al., 2021). Economic and social development is one of the most significant components of microfinance (Paudel, 2013), and it is covered in depth throughout the research to know effective sources of borrowing, rate of interest pattern, saving goal, and the severity of microfinance difficulties are all explored and assessed; the analysis also looks at the MF clients' main sources of income. Microfinance may be able to assist microentrepreneurs in becoming more financially capable and assisting in their growth and development. Against this backdrop, this study has intended to investigate why village people tend to withdraw small credit and how microfinance plays a significant contribution to bringing positive change in their whole socio-economic conditions.

The overall objective of the study is to know the reasons for the received loan and the impact of microfinance on the socio-economic circumstances of rural poor regarding the village. It is needed to identify why people take more loans from once more microfinance institutions and in which way they utilize their borrowing money; besides, how much effective output is produced after investment in agriculture and small-medium enterprises.

II. SPECIFIC OBJECTIVES

- To find out the main causes of taking a small loan from MFIs by men and women in Balunnagar village.
- To identify the contribution of microcredit on the improvement of agriculture, small business, women entrepreneurs, employment, and income generation.
- To analyze the nature and extent of microfinance services provided by MFIs in Balunnagar village of Cumilla.
- To assess the extent to which MFIs have successfully helped in improving the standard of living and poverty alleviation in the village.

III. DEFINITION OF KEY CONCEPTS

Microfinance: It is a type of financial service provided to those living below the poverty line to increase their socioeconomic worth. For people in developing nations, it might include small business loans, savings accounts, money transfers, insurance, and other financial services (Deepam, 2015). "Microfinance is an economic and social development technique that entails offering financial assistance to low-income consumers through entities," according to the ILO.

Microcredit: It is the providing of very small loans to disadvantaged borrowers who lack collateral, permanent employment, or verifiable credit history. Its mission is to promote entrepreneurship and alleviate poverty in developing nations by assisting individuals in becoming self-employed or starting a small business.

Grameen Bank: Grameen Bank is a Bangladesh-based microfinance institution and community outreach bank. It provides low-interest loans to the poor without demanding documentation. During the Bangladesh famine of 1974, Muhammad Yunus founded the Microfinance Bank of Bangladesh, a bank that gave loans to start-up enterprises. Yunus thought that making such loans more widely available would help to boost entrepreneurship and alleviate poverty in Bangladesh's rural areas.

BRAC: BRAC is a Bangladesh-based multinational umbrella organization. BRAC was later officially registered as Bangladesh's NGO Affairs Bureau to collect international contributions. In many countries, BRAC is generating possibilities in the areas of human rights and social empowerment, education and health, livelihood, environmental protection, and disaster preparedness.

ASA: Microcredit finance is provided by Association for Social Advancement is a nongovernmental organization situated in Bangladesh. Md. Shafique Haque Choudhury and a group of persons who were working for other established NGOs at the time but were advocating for a more radical approach to alleviating rural village exploitation founded the organization in 1978.

IV. LITERATURE REVIEW

Several researches have been undertaken by various scholars and academicians to examine the effect of microfinance in boosting the recipients' income levels and overall socio-economic conditions. The following are some of the most notable studies in this field. Microfinance services have a large and favorable influence on poverty reduction, as well as particular socioeconomic factors including agricultural development and small business enrichment, children's education, household nutrition, and women's empowerment, and better access to microfinance services can help the impoverished smooth out their spending and better manage their risks (Chaudhury, 2016). Financial intermediation through the distribution of a wide variety of financial services by banks and other financial institutions in developing nations across the world to poor and low-income people and their micro-enterprises-enterprises, including savings, credit, payment services, funds transfer, and insurance (ADB, 2000 as cited in Ghose, et al.). Rashidul&Abdusalam (1996, as cited in Reji, 2009) most of the marginal areas poor and financially disadvantaged members who receive microcredit from several MFIs were able to enrich their socio-economic conditions and achieved formal status in families, as well as borrowers, could express a positive attitude towards family planning after investing the amount of credit in the income-generating activities and become self-sufficient, protected women rights as well. According to the UNCDF (2004, as cited in Karim, 2017), research has demonstrated that microfinance plays three important roles in development; such it helps extremely poor families satisfy basic requirements and protects them from hazards; it is linked to improvements in household economic

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wellbeing, and it is connected with advances in household economic welfare. Much of the criticism of MFIs originates from the claim that they fail to reach the lowest, often have a limited effect on earnings females into deeper dependency on their spouses, and fail to offer other services badly required by the poor, Wright (2000, as cited in Reji, 2009). Supports female empowerment engagement and fosters gender parity, therefore empowering them. Either micro-credit or micro-savings have a typically positive influence on impoverished mental livelihoods, as well as their achieve food security, albeit the latter benefit is not universal (van Rooyen et al., 2012). Microfinance had no discernible effect on adolescent labor, and in fact, it diminished children's engagement in home duties (Paudel, 2013). The social assistance method contends that MFIs may be viable even if they are not monetarily self-sufficient and that they should not pursue self-sufficiency at any cost. Financial performance studies would be a barrier to innovation and poverty alleviation by deflecting microfinance from its ideology based (Memon et al., 2020)). In Bangladesh, there are over seven hundred microfinance institutions in functioning (Awal, 2014, as cited in Ahamad et al., 2021). Highlight the role of the microfinance sector in the country's economy, this study may aid in determining the causes and repercussions of microcredit in the research region. The purpose of this study is to examine the reasons for and effects of microfinance programs on their income, employment generation, increased agriculture production, improvement of small-medium business and other investment sectors, and socio-economic enhancement in the study area, as well as the role of microfinance officials and poor people in achieving comprehensive development through proper credit mobilization. Microfinance includes these interventions that boosted impoverished people's capacity for innovation, revenue creation, independence, and self-sufficiency, creating jobs, large estates, and, ultimately, poverty mitigation (Brau, 2004). It was necessary to strengthen microfinance's inner administration to deliver more efficient service. Few creditors involved them with microfinance programs from 20 years ago. They have a positive attitude towards microcredit, their main purpose of take a small loan for increasing agriculture production, development of crops, and multiple cultivations as well as to expand their small or medium scale business activities. Nowadays, maximum people tend to send their children abroad as labor migrants; so, they receive a loan from several institutions for sending their children for immigration as remittances loans and to acquire land and buy cars, tractors, and heavy vehicles as to the means of income as well as invest in trade in large scale.

V. RESEARCH STATEMENT

Microfinance includes these interventions that boosted impoverished people's capacity for innovation, revenue creation, independence, and self-sufficiency, creating jobs, large estates, and, ultimately, poverty mitigation (Brau, 2004). It was necessary to strengthen microfinance's inner administration to deliver more efficient service. Few creditors involved them with microfinance programs from 20 years ago. They have a positive attitude towards microcredit, their main purpose of take a small loan for increasing agriculture production, development of crops, and multiple cultivations as well as to expand their small or medium scale business activities. Nowadays, maximum people tend to send their children abroad as labor migrants; so, they receive a loan from several institutions for sending their children for immigration as remittances loans and to acquire land and buy cars, tractors, and heavy vehicles as to the means of income as well as invest in trade in large scale. There are positive outcomes and impacts of microfinance on agriculture production, business development, quality of living standards, and overall socio-economic development. But the study focuses on the exact reasons of receiving loans regarding village poor and proper utilization of credits for the betterment and adequate monitoring of field workers of MFIs to ensure the appropriate mobilization of small loans for women empowerment, protection rights, development housing construction, and infrastructural advancement. Besides, income generation, employment creation, health, and sanitation are ensured by this program.

VI. METHODOLOGY

To explore the impact between human progress/Poverty reduction and microcredit, the study has launched an attempt to accomplish out at the grassroots level and participate in microfinance clientele. This study is qualitative research. Fieldwork is perhaps the most typical and crucial way for obtaining primary data in empirical studies; secondary data also plays an essential role in assessing and insinuating certain evidence and facts (Adhikari, 2011 as cited in Adhikari & Shrestha, 2015). Both Primary and Secondary sources of data have been used in this study. The data for this analysis was collected from the interviews and in-depth interviews through both structured and unstructured questionnaires with BRAC, GB, ASA, and Asia Bank microfinance borrowers at Balunnagar under Kalirbazar Union in Cumilla district which is the medium-sized city located in the southeastern part of Bangladesh. The data also covers interviews with BRAC, GB, and ASA Kalirbazar branch staff. On one hand, BRAC and GB are profit organizations that provide small loans to rural women and men for utilization in several income generation sectors; on other hand, ASA reveals as a non-profit organization that is one of the leading MFIs in Bangladesh. Family background, income sources, and other related data are collected from the direct interview with the respondents, and secondary data have been collected from the respective microfinance institutions. During the borrower's interview, the data collector asked the interviewees why they take loans and in which areas are used the amount of loan, overlapping borrowers as well as their previous and present socioeconomic conditions after receiving credit. Therewithal, the author conducted in-depth individual interviews with staff of

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BRAC, GB, and ASA with the same questions including nature of loans, monitoring borrowers, and bad loans with its consequence. The term ‘overlapping borrowers’ is prescribed as microfinance borrowers who use loans from at least two financial institutions such as BRAC, and Grameen Bank at the household level. Data will be analyzed through in-text and MS Excel.

A. Description of the Field

Under Cumilla district, there are 17 Upazilas and 180 Unions. It is a Bangladeshi district around 100 kilometers south-east of Dhaka that is surrounded to the north by the districts of Brahmanbaria and Narayanganj, to the south by the districts of Noakhali and Feni, to the east by the Indian state of Tripura, and to the west by the districts of Munshiganj and Chandpur. Comilla district is located in Bangladesh's southern region. The study area is the Balunnagar village is treated as the agrarian village which is located under the kalirbazar Union that is suited under Adarsha SadarUpazila of Cumilla district. The village is divided into four parts, these are namely north, south, east and west para. This is surrounded to the south by Bolluvpur village, to the north by cantonment, to the east by Donuakhula, and to the west by Komolnagar.



Figure 1: Map of Balunnagar, Kalirbazar, Cumilla.

Source: <https://www.google.com/search?q=kalir+bazar+comilla&rlz=1C1GGRV>

These village people are poor and agriculture is the means of living but each family has a minimum of a single person abroad, they go as labor migration; for this reason, they engage with microcredit to manage the most portion of expenditure of immigration. Easy access to data and respondents as well as participation ensured which represents the research issue and low-income people. Finally, before conducting this study, nothing research was conducted in the village on this issue; so, it is another significant reason for selecting this field.

B. Village Profile

Table 1: Profile of Balunnagar Village

Features	Total Number
Area Rural	(1.2 sq.km.)
Total Population	1520
Educational Institutions	01 (Primary school)
Madrasah	03
Literacy rate	47%
Mosque	07
Temple	01
Agriculture land	100 a.
Non-agriculture land	75 a.
Hat-Bazar	01
Graveyard	02

Source: Information collected by authors

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C. Respondent Profile

Table 2: Respondent's profile of Balunnagar

Features	Total Number
Male	12
Female	10
Education status	Under S.S.C/H.S.C/Graduate
Occupation	Housewife/Farmer/Private

Source: Data is gathered by authors

D. Sampling Design and Size

This study was conducted through both snowball and purposeful sampling. The present study is the causes for the taken microfinance and its impact on the overall socio-economic situation of Balunnagar village under Cumilla district. NGOs, rural microfinance institutions, commercial banks, and microfinance banks that provide microfinance services across the country were detected by the researcher. But, the in-depth interview and observation by using mixed questionnaires are taken from fifteen village people who are housewives, businessmen, farmers, teachers, old, women entrepreneurs, people representatives (member) through purposeful sampling. Snowball sampling was used in terms of BRAC staff and field workers of GB, ASA as well. The information was collected within nine days period from December 24, 2021, to January 1, 2022.

VII. RESULT AND DISCUSSION

Data from the literature review was aggregated and synthesized into categories that were either directly relevant to elderly men, women, and youth or relevant to the supporting environment, which comprised companions, family, school, community, service delivery, policy, and legal contexts. For the study of qualitative data from the focus group talks, the discussions were captured, transcribed, and conceptually coded by two coders. At the various levels of the systems theory (person, family/community, service delivery, and policy levels), data were classified according to a priori themes based on the focus group discussion guide. Analysis of discussion Although discourse analysis and conservation analysis are not the same, they have the same theoretical foundation and are analytical methodologies that are essentially comparable. The concentration in this technique is on intonation, and it begins by asking 'how' rather than 'why' it's being accomplished.

A. Financial background of households

Household finance is separate from corporate finance, which is a firm taking out a loan to fund purchases for the company. Household finance refers to any type of financing that takes place between individuals and their families and involves a family never simply individuals. Third-fourth of the total population in the village is involved with agriculture and agriculture-related activities and with few are doing firming of cattle, poultry, fisheries, and seasonal crops; therefore, their family income is not the level of the mark, yet they live under the poverty line. Their main income source is cultivation and some of them have small and medium enterprises and whose children are abroad and send remittances, they can establish large scale businesses such as trade. Few families are administered by women due to the death of their husband and the whole family depends on her or younger. But those who migrate to town have solvency and well-structured income monthly. Finally, they are not financially solvent; their life is like 'hand and mouth.' The villager said, only agriculture and seasonal labor are means of earnings, it is a financial hardship for him to fulfill the fundamental needs of the family; that's why his two-child drive auto-rickshaw for adding money and value.

B. Reasons for taking microcredit

Microcredit assists moderate families in stabilizing their revenue streams and saving for future needs. It helps families and small companies succeed in good times, and it can also cheer them up and restore them in bad times. There are several causes behind withdrawing small loans from NGOs such as labor migration, medical expenses, vehicle expenses, investment in agriculture functioning, construction housing, enterprises, trade, poultry expenses, food processing, and marketing, acquiring assets, and increasing living quality and consumption as well, etc. In the study area, every family receives a single credit from different microfinance institutions. They take credit for several aspects for instance high productivity in agriculture, starting once more business, multiple crops cultivation, owing to low family support and income, for leasing firming land, house construction and infrastructural development, buying land; besides, they do not need any collateral for taking a loan as security and interest more or less low rather than other financial institutions, and finally in event of labor migration as well as overall poverty elimination. Abud Hakim, a businessman of the village said, they took five times loans from BRAC and Grameen Bank respectively for house construction, buying tractors, CNG, taxis as well. These vehicles are given to unemployed youth as rental cars. As a result, he can repay the loan and increase family income and some unemployed youth have access to get earnings opportunities from such sources. Another respondent Md. Shahidul Islam stated that his family was very poor five years ago and was unable to manage and fulfill their basic needs; therefore, he took credit from ASA (microfinance institution) for arum cultivation by leasing a piece

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of land and again withdrew loan from BRAC for immigration. An old man, Abu Liton addressed that, he received different amounts of loans for house construction, child migration and finally he opened a small business.

C. Nature of loan and its duration

After visiting four branches of microfinance institutions and meeting respondents, various types of loans are provided by credit institutions for different purposes. According to BRAC staff, this institution provides mainly two kinds of credit such as poverty reduction loans and progressive loans. A poverty mitigation loan is called Daridro Bimocon loan that is provided for income generation and investment in fisheries, cattle farming, poultry, and small-scale business and seasonal crops farming as low amount which range is between ten thousand to one lack. The staff of the BRAC branch at Kalirbazar union, Samia Akter shared documentation of various sectors of giving small loans from her branch. These fields of providing loans to clients are cottage industry, agriculture business, fisheries, poultry, cattle farming, small-medium enterprise (SME), sanitation, education and medical sectors, food processing and marketing, workshop and vehicle loan, and seasonal loan as well. Mr. Shawkat, manager at the kalirbazar branch of GB asserted that his office provides small loans which amount is between five thousand to eighty thousand, but maximum villagers are willing to receive fifty thousand; GB also provides microcredit for employment generation, women development, and creation of female entrepreneurs, small scale vegetable cultivation and farming, house construction and investment other capital formation activities. Different institutions have different conditions in terms of loan duration. Based on loan size and repayment method, the duration can vary. According to the field data, BRAC gives one year or twelve months for repayment loan which amount between ten thousand to ten lacks, but it may extend when the size of the amount of credit above ten lacks at one and half years. But this process contrasts to GB, which facilitates only six months for repayment of the credit. A loan is when you borrow money from a friend, a bank, or another financial organization in return for repayment of the principal plus interest in the future; the interest is the cost of borrowing the money, while the principle is the quantity you borrowed (Deepam, 2015).

D. Process of loan disbursement

Everything is going through a systematic and rational process; so, when the loan is provided to consumers, microfinance companies follow a lot of prescribed rules and regulations. During the processing of loans few formalities and documentation, actions are done by authorities. According to villagers, when they need a loan and seek credit, have to bring their NID card and personal details information with them to the office. Before providing a loan of BRAC which forms Village Organization (VO) and Grameen bank constitutes a village group within fifteen women members and set a leader to observe all members. Sadikul Islam, manager at kalirbazar BRAC branch told that they do not collect collateral as security but when the amount of loan twenty lacks and above, they take a deed of land as psychological satisfaction and create urgency among clients for repaying the loan. The interest rate of a loan which is between ten thousand and one lac, ten lacs, and above is the rate of 24%, and 22% respectively. In Grameen bank only four percent for small credit at all levels. Clients repay the interest rate of loans through mobilization credit in various income generation sectors.

E. Social impact

Microfinance's impact on poverty and livelihood security, as well as human capital such as nutrition, health, and education, must be recognized. If a true picture of the impact of microfinance is to be acquired, each of these factors must be analyzed.

F. Agricultural development

The Balunnagar is an agrarian village, cultivation variety of crops are core instruments for income generation of households and means of bread and butter. They brought credit from near institutions for buying seeds of crops, rice, cabbages, carrot, potato, beans, and various vegetables. They invest the loan money in collecting fertilizer and other costs for cultivation and harvesting. After interviewing the farmer of the village, the result shows that the productivity and income level is high and it has a positive impact on their socio-economic development. According to villagers, Mamun said that he took loans from BRAC and Grameen Bank for purpose of farming. He cultivates four times in the same land, first, he leases land from the owner and then, cultivates potato, rice, arum, and cabbage. He sells crops in the town market. Therefore, he can earn a lot of money by which he can fulfill the demand of the family, repayment of loan and rest of income can save in the bank.

G. Small business

The occupation of village people can be divided into two parts one part of the farmer and the rest of the businessmen. Small businesses can be defined as the following items such as fashion houses, open toy shops, baby and mother's product businesses, stationery shops for students, fast food shop businesses, and cosmetic shops for girls, coffee shops, and ice-cream shops businesses. Few people withdraw business loans from NGOs for conducting and expanding their business, most of the shopkeepers of the kalirbazar union have a single loan in BRAC and GB. They get benefited and it is being fruitful in their income generation and business development for proper mobilization of the credit. Summon who is the tea shopkeeper said that he was

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nothing without a small house, he thought to do something by taking risks and consulting with the manager of BRAC and taking a poverty reduction loan; then, establish a workshop and tea store in kalirbazar. Some villagers start fruits businesses by taking loans and trying to improve their socio-economic conditions.

H. Women entrepreneurship

The main focus of microfinance programs is the empowerment of women and protecting their rights as well as being introduced as self-sufficient, self-reliant, and entrepreneurs. The most of beneficiaries are female and 95% of respondents' age is above 25 years (Ahmed Chowdhury et al., 2021). Fardoushi said, she constructed his old house as new and brought CNG by taking micro-credit for earnings. Another woman Taslima expressed her success by using credit successfully. She said that her husband died four years ago, therefore, she was unable to manage her family; then, took about one lac loan from GB and lease a piece of land and cultivate it now, she got good production from it. It helped to change her socio-economic conditions and social status as well as got priority in family decision-making. The fieldworker of BRAC at the kalirbazar branch said they provide a loan to Ameena Begum for starting a business that is a beauty parlor. By this business, she can do something to reduce poverty and change present vulnerable conditions.

I. Income and employment generation

The main concentration of microfinance programs and their clients utilize the credit on income generation sectors. Most of the respondents acknowledged that they can fulfill their basic needs and now increase their income, production owing to the use of microcredit. There is little evidence that micro-credit has any impact on job creation. Mr. Abu Hossain said that he has four sons, they were not going to school, so, he sent them abroad to contribute to their family. He took microcredit and now he is self-sufficient and the unemployed curse removed from his family.

J. Housing and vehicle improvement

A better shelter is needed for a better life and keeping hygienic and healthy, everyone wants to dwell under the beautiful house. Transportation facilities have reached the village level, so, vehicle driving is another popular occupation for rural people. Mizan who is the south para of Balunnagar village said that he brought CNG as means of living by taking loans from microfinance institutions, he informed the author that he continues better life before. Besides, Saiful Islam construct new houses by withdrawing loans, thanks to microfinance institutions for facilitating and offering such loans for poor and disadvantaged people.

K. Poverty Reduction

Poverty reduction is one of the important goals of sustainable development goals and another vision and mission of the Bangladesh government for reducing poverty and extreme level poverty. Governments, NGOs, and various private sectors contribute to the elimination of poverty. Microfinance plays an effective instrument for eradicating poverty in rural areas through women's development. Fulani of the old women of regarding village narrates that since 1991, she was a member of Grameen bank and still now receiving credit facilities. She was nothing, but now she has some agriculture land, cattle farm, small poultry farm, and constructs house and other development. Shahidul Islam who take a loan from BRAC recently, and invest such money in fisheries, now, is self-employed and leased three ponds else for fisheries from the income of the first fisheries firming.

L. Socioeconomic Outcomes of Participation in Micro-financed Programs in Balunnagar

The micro-financed participants borrow money with the assumption that they would be able to raise their income and retain their self-employment as a result of the borrowing. The impacts of microfinance program participation on consumption, nutrition, employment, net worth, schooling, fertility, and other factors can be used to determine whether or not the borrowers are emerging from poverty. To measure these effects, the total amount borrowed from MFIs by participants may be assessed, which will represent both the impact of credit and the duration of program participation. Furthermore, the influence on both male and female borrowers, as well as the local economy, may be assessed.

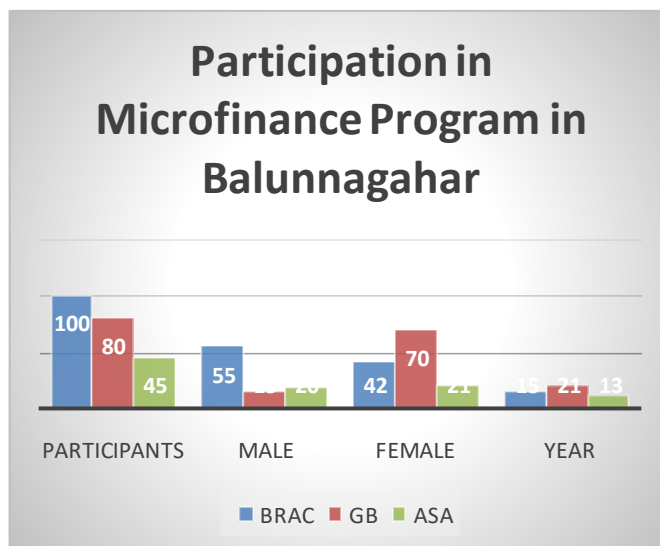


Figure 2: Participation in Microfinance Program in Balunnaghar

M. Consequences and Monitoring process

Everything has positive and negative results. If the administrator can conduct the project accurately which may produce a better outcome, otherwise, if he fails to operate the project that produces negative output? After interviewing the respondents, data revealed that maximum people can bring a positive impact on their income, production, and socio-economic conditions overall. But few people can't operate the credit properly and face some obstacles and natural threats; that's why their consequences were bad loans. A respondent said that when he took a loan after a few days he crashes into a road accident, so, he cannot invest his amount in a particular sector. Another villager shared that he leased three ponds for fisheries farming, but he did not concentrate properly; therefore, he failed to bring positive change in his family income. Monitoring is another important tool for the successful implementation of credit. The staff of GB and BRAC said that they have some barriers and shortages as well as lacking the proper track to the client's credits and monitoring that to ensure so that they can utilize in productive sectors and provides some mechanism as well as guidelines.

The research found that client households were more likely than non-client families to become owners of the home in which they resided, and client households were more likely to expand the number of rental units owned than non-client households. Microfinance helped to change many women's socio-economic conditions and social status as well as got priority in family decision-making. They got the courage for starting a business and were introduced as entrepreneurs. The study considering the impact of micro-credit on women's empowerment, there is some evidence that microcredit is empowering women. Micro-credit increases women's decision-making power, but the author points out that this is as much a result of their standing in the home and ownership over their agricultural businesses as it is a result of micro-credit. Women also obtained control of various household assets previously held by men, as well as their micro-businesses. Even though this study was assessed to be of the medium rather than high quality, it is likely the most comprehensive examination of the function of microcredit in women's empowerment. Microcredit had no substantial influence on child labor in this research, although it did lower kid participation in-home tasks. The study shows little significant difference in household diet and food security. Although not universally true, microcredit and micro-savings have a favorable influence on food security and nutrition. It is necessary to comprehend the broader impacts of microfinance activities. At the individual, company, and family levels, the impact should be studied from the cultural, economic, social, and political realms. The labor market, the capital market, the market for commodities consumed by impoverished people, production connections, and client engagement in social and political processes can all have broader social and economic consequences.

VIII. RECOMMENDATION

- There is no question that microfinance operations should be developed to a greater extent to promote socio-economic growth.
- As microfinance programs generate earnings, finding additional strategies to maximize the benefits should be a top priority for microfinance organizations.
- According to the study's findings, the generation of employment through microfinance operations is still insufficient. It requires greater concentration regarding the village.

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- MFIs should more emphasize monitoring the clients for proper utilization of credit and provide various ways for generating more income to existing clients who already improved than before because of taking microcredit in Balunnagar village.
- Ensure Microcredit Program Participation in the village: With microcredit programs, the effects of involvement in poverty reduction initiatives are expected to be long-term. Microfinance is one such instrument that tackles poverty at its source by rising participants' family consumption spending.
- Selecting the Target Group in the study area: To maximize the impact of microfinance, both males and females should be approached equally, especially in family planning programs.
- Build a New Foreign Policy: The government should devise a unique international affair and send a professional individual to each diplomatic mission office overseas to investigate the prospects for workforce export in that nation and appropriately negotiate with all stakeholders.
- Remittances as a source of productive investment and promote an investing environment for remittances in the equity market.
- The authorities should improve the road communication infrastructure of the study village so that officials can give service to the country's most distant places.
- Microfinance institutions should adequately support those who can't optimally utilize their credits due to natural disasters and men made accidents regarding the village. • Take a more cautious approach to provide consumers with long-term loans.
- Above all, because microfinance programs are so important in reducing poverty, the government should devote more resources to enacting regulations that will enable more impoverished people to participate in microfinance activities.

IX. CONCLUSION

Microfinance programs, according to the study, have considerable and meaningful benefits on participants in terms of poverty reduction, income formation, and accumulation. They help generate employment to a little extent in Balunnagar village under Cumilla district of Bangladesh; however, it is still not up to par. Microfinance has evolved as an effective instrument against financial hardship in recent decades. Microfinance services give financing to the underprivileged without requiring them to put up any evidence. Yunus' Grameen Model is one of the most effective ways to integrate microfinance services into a social mechanism system that eventually integrates disadvantaged people into the country's socio-economic growth and reflects today's Bangladesh in the globe. Microfinance institutions are created with the shared goal of assisting in neighborhood socioeconomic development. Microfinance's relevance was felt more in rural communities than in metropolitan ones due to the latter's lack of infrastructure development. The actions of microfinance institutions are more successful in reducing poverty. It was vital to keep track of microfinance initiatives from the government to improve managerial capability and the efficacy of social care. Microfinance initiatives should be enlarged to promote economic growth, socio-economic development, and, most importantly, poverty elimination; however, microcredit program users' earnings and consumptions rose, and they now enjoy a higher quality of living (Chowdhury et al., 2021). Microcredit programs may not be able to empower women regardless of entrepreneurial, but they do empower women in terms of feeling empowered. The goal of the study is to look at key elements and figure out how microfinance programs affect household demographic progress. Microfinance services assist the underprivileged in not just surviving but also becoming productive, self-employed individuals. Microfinance contributes significantly to Bangladesh's main economic development metrics, such as GDP, GNP, and savings, among others (Karim, 2017).

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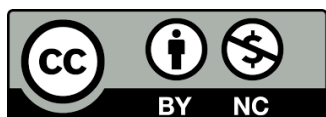
XI. CONFLICT OF INTEREST

There is no conflict of interest reported by the researchers while completing this study.

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