

MICROFINANCE LOANS AND IT'S IMPACT OF ON FEMALE DOMESTIC WORKERS (MOLKARIN) OF SCHEDULED CASTE CATEGORY AT NAGPUR

Dr. Kavita Patil*

ABSTRACT

Maximum female domestic workers (SC Category) are living in slum areas at Nagpur city, a central Region of India and prefer to work as a female domestic worker to work independently and to support the financial income in the family. They prefer to work at different household with different task and earn money for the task accomplished on monthly basis. The research draws attention to the fact, that meager earning many times does not fulfils the financial needs of female domestic workers and in critical situations they take loans from various financial institutions, especially Microfinance companies irrespective of rate of interest charged by them. Maximum respondents are not aware of the rate of interest from where they are taking the loans and the purpose of loan is to fulfill the present financial need. It is genuine fact that they are taking the loans from various Microfinance companies to start small Business (as per the norms) but they are utilizing it for their personal need, very few of them had utilized to start or support their small business. For present study the Methods of analysis include the domestic profile of the respondents, purpose and utility of loan and amount taken from various financial institutions and Stress level factor of the respondents. It has been found that very few of them had taken the burden of the loans and becomes habitual to take the loan from various sources.

Keywords: Female Domestic Workers, Micro Finance Companies, Utility of Loan, Loans.

Introduction

The female domestic workers are demanding profession in maximum households in all states of India. Female domestic workers of Scheduled Caste category are engaged in all types of Caste community and the thought of "untouchability" or "contamination of by them" in upper caste category homes" does not exist more or less in the city of Nagpur. The financial need of the family members are increasing day by day, hence small loans become an integral part now a day in most of the families in slum areas and female domestic workers continued to high demand for loans and more amounts irrespective of Financial sources.

Review of Literature

In India despite of Education promotion Policy for women especially for Scheduled caste (SC) Category, still most of the women are working in different organizations at lower level, in farms or in various household works to support the family income or to become independent, but still deprived. Various review had studied by the researcher to identify the issues.

Researcher **Vimala. M** (VIMALA.M) had done the pilot study of 50 Servants of purposive sample in Thiruvananthapuram and concludes that women domestic servants belonged to the economically disadvantaged group and most of them lived in slums areas or Scheduled caste colonies. A study by **Chinmaya Shah** (28.10.2014), investigate that there is no legal security applicable to them despite of rules & regulations in India. Besides this the researcher **S. Srinivasan1, Ilango Ponnuswami** (Sept 12, 2013) had studied the living conditions of women domestic workers in Tiruchirappalli district. The researcher analyzed that all women domestic workers had debts, which show their economic condition was very low but they are interested in Politics and borrowed money for valid reasons. **Bino Paul G D, Susanta Datta, Venkatesha Murthy R** (July, 2011) had surveyed the women domestic workers of sample size 1510 in *Mumbai* and conclude that women borrowed money from informal sources like Private money lenders, friends and relatives, Bhishi and Self Help Groups (SHGs).

* Assistant Professor, Dr. Panjabrao Deshmukh Institute of Management Technology Research, Department of Dhanwate National College, Congress Nagar, Nagpur, Maharashtra, India.

While reviewing, very few researchers had, explored their study on Loan taken by female domestic workers; hence the present study has been made to study "Economic condition of Female domestic workers (Molkarin) especially belongs to Scheduled Caste (SC) category and Loans taken by them at Nagpur".

Background

Nagpur is very famous for many reasons like Orange city, Deekshabhoomi, RSS headquarters, MIHAN Projects, growing educational Hub and many more. However, being a growing cities and good literacy rate of 92.38% (UNICEF Data- Jan 2015) the working women participation is higher in all the sectors. Hence the demand for the female domestic workers is growing at Nagpur, among various households for different tasks.

Research Methods

For the research the primary Data were collected of 60 Female Domestic Workers (SC Category) living in slum areas who had taken the loans, at Nagpur by using structured questionnaire with face to face interviews.

Objectives

The study primarily aims to;

- To analyse the socioeconomic details of the respondents
- To examine Debt and utilization pattern of loan taken by Female domestic workers at Nagpur.
- To assess the stress factor Impact on Key Aspects of Life of Female domestic workers due to loan

Statistical Tools

A simple percentage 9%), correlation and t-test had been applied for the study.

Results and Discussion

To attain the objectives, the primary data were analysed in following section:

Table 1: Demographic Profile

Age	Frequency	Percentage
26-33 yrs	17	28
34-41 yrs	21	35
42-50 yrs	16	27
51-60 yrs	6	10
Education	Frequency	Percentage
Illiterate (No Education)	12	20
Lower Primary (up to 4 class)	10	17
Upper Primary (up to 7 class)	10	17
Secondary (up to 10 class)	17	28
Senior Secondary (up to 12 class)	10	17
Graduate	1	2
Marital Status	Frequency	Percentage
Single	1	2
Married	54	90
Widowed	3	5
Separate	2	3
Experience	Frequency	Percentage
Below 3 years	14	23
3-6 years	10	17
6-10 years	7	12
Above 10 years	29	48
Monthly Income	Frequency	Percentage
Below Rs. 3000	16	27
3001-5000	19	32
5001-7000	14	23
7001-9000	2	3
9001-1100	7	12
11,001-15,000	2	3

Source: Survey Data

Demographic Profile of the Respondents

Table 1 explains the demographic profile of the respondents, the majority **age** group comprises of 34-41 years (35%), followed by 26-33 years (28%). Regarding the **Education category** majority of the respondents cleared their secondary class (up to 10 class) is 28%, on the other hand 20 % respondents are illiterate. Most of the respondents are **married** (90%) and 5 % are found to be widows. Further 48% respondents are having an **experience** of work above 10 years and 23% are having an experience of 0-3 years. The data also reveal that, 32 % of the respondents are **earning** monthly in the range of Rs.3001-5000 and 27% was found earning below Rs. 3000/-, surprisingly not a single respondent is earning above Rs 15000/- and more.

Table 2: Loan Pattern and Analysis

Sr. No	Name of the Financial Institutions	Frequency	%	Min. Amount	Max. Amount
1	Ananta cooperative society	1	1	100,000	100,000
2	Annapurna Microfinance Pvt. Ltd (AMPL)	2	2	25,000	25,000
3	Axis bank (microfinance)	2	2	18,000	20,000
4	Bharat Microfinance	1	1	20,000	20,000
5	Bachat Ghat	2	2	30,000	30,000
6	Equitas Microfinance	2	2	15,000	30,000
7	Gram Rakshak Dal- Microfinance	1	1	30,000	30,000
8	Grameen Koota Financial Services Pvt. Ltd.)	6	7	10,000	35,000
9	Gramshakti Microfinance	3	3	20,000	34,000
10	Hdfc Micro finance	1	1	20,000	20,000
11	INSAF Micro finance	1	1	25,000	34,000
12	Janalakshmi Financial Services Pvt Ltd (Janalakshmi) - Micro finance	25	28	20,000	75,000
13	Janseva Cooperative Credit Society Ltd	1	1	30,000	30,000
14	Muthoot Microfin (microfinance)	2	2	25,000	25,000
15	Nabard microfinance	2	2	30,000	30,000
16	Nagpur district Cooperative Bank	1	1	20,000	2,000
17	Ratnakar Bank microfinance	5	6	10,000	26,000
18	Satin Creditcare Network Ltd (Satin-microfinance)	7	8	30,000	40,000
19	SHARE Microfin Limited (SHARE- Microfinance)	3	3	10,000	20,000
20	SKS Microfinance	10	11	15,000	38,000
21	Spandana Microfinance	2	2	25,000	30,000
22	Suryoday Micro Finance.	6	7	20,000	40,000
23	Ujjivan Financial Services Ltd.	3	3	21,000	24,000
24	Utkarsh Micro Finance Pvt. Ltd.	1	1	10,000	10,000
	Total	90	100	579,000	768,000

Source: Survey Data

Loan Analysis

Small loans are easily given by Microfinance companies to start the Business to female domestic workers but very few members are utilizing for Business purpose. Hence in slum areas at Nagpur, 60 respondents had taken the Single loan Policy (66.6%), 24 respondents had taken Double Loan (26.6 %) from different financial sources and 6 respondents had taken Triple loan (6.6%) from 3 different sources.

Table 2 also explains that only one respondent had taken the loan from cooperative society while 97 % respondents had taken the loan from Microfinance Company and 2% respondents had taken the loan from Bachat Ghat (Self Help Group). The Cooperative society disbursed the maximum and minimum amount of loan of Rs. 1 Lakh, while Bachat Ghat disbursed maximum and minimum amount of loan of Rs. 30000/- and Microfinance company disbursed maximum amount 75,000 and Minimum amount of loan of Rs. 10,000/-.

Utility of Loans

The table 1.3 clearly highlights that 56 respondents had taken the loan for marriage purpose of their children, and medical purpose. Only one respondent had used the loan under 'any other category' to visit Buddhist Tourist places in India and preferred the travel agents for the same.

Table 1: Utility of Loans

Headings	Always (Frequency)	%	Never (Frequency)	%	Total
Medical purpose	56	93	4	7	60
Construction purpose	51	85	9	15	60
Marriage purpose	56	93	4	7	60
Education purpose	51	85	9	15	60
Repayment of the other Loans	48	80	12	20	60
Vehicle Purpose	52	87	8	13	60
Any other purpose	37	62	23	38	60

Source: Survey Data

Stress Level Factors among the Respondents

The two questions were designed in a questionnaire to know any stress level factors exist among the respondents on a Likert scale of never (1) to always (5).

Table 1: Data Analysis

Headings	Burden / Stress due to Loan Taken	Recovery Agents Harassment for Repayment of Loan
Mean	3.3833333	2.8
SD	1.8141783	1.955435709
SE	0.2342094	0.252445665
t stat	1.6367119	-0.792249692

The **t-test** for two variables has been done to see whether they are significant or not. The mean, standard deviation, standard error and z value has been calculated in table 1.4. Both z values (t-stats) have values less than 1.96 (95% confidence level), both variables are not significant. Hence, we can conclude that the female domestic workers in general are neutral or undecided whether they have any stress due to loan and Harassment by Recovery Agent for the loan repayment. Further, researcher attempted to find correlation and its significance. The **coefficient of correlation** is 0.62 and t stat for r is 6.15 which is more than 1.96 which means both variables are mildly related and this mild relationship is significant. Hence it means Recovery agents' harassment for repayment of loan can bring mild stress to borrowers.

Conclusion

During the survey it was observed that maximum respondents become the habitual of taking the loans irrespective of requirement, not aware of the rate of interest offered by the financial company and Recovery Agents harassment for repayment of loan is common. In view of this, one female domestic worker at Nagpur had committed the suicide, other had burned herself due to harassment by recovery agent, team members and taunting by relatives and one is taking psychological treatment due the stress factor. The severity lies that if the respondents continue to take the loan, in future the stress level will increase and the number of suicide cases will increase of female domestic workers like farmers in Vidarbha. Hence proper information of rate of interest should be well-known to them and only in needs, the loan should be taken.

References

1. Bino Paul G D, S. D. (July, 2011). *Working and Living Conditions of Women Domestic Workers: Evidences from Mumbai.*
2. S. Srinivasan, I. P. (Sept 12, 2013). *The Living Conditions of Women Domestic Workers In Tiruchirappalli District.*
3. Shah, C. (28.10.2014). *These Shocking Realities of the Lives of Domestic Workers Highlight The Need For Urgent Attention.* Youth ki Awaaz.
4. VIMALA.M. (n.d.). Socio Economic Status of Domestic Women Servants -A Case Study of Thrissur Corporation. *Kerala Research Programme on Local Level Development, Cds, Thiruvananthapuram .*
5. <https://www.hindustantimes.com/mumbai/how-maharashtra-domestic-workers-to-get-benefits-of-minimum-wages-act/>