CHAPTER 6
QUALITATIVE STUDY (STUDY 1)
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6.1 OVERVIEW:

The previous chapter discussed the research design and methodology of the present research. This chapter deals with the impact of microfinance in the Deoghar District, Jharkhand in the form of success and failure stories resulting into caselets. This study is a qualitative exploration to extricate key latent impact dimensions from the caselets. The extricate key latent impact dimension identified in this study are distance from the city centre, migration, family and social support, etc., the other studies (Study 2, 3 and 4) focuses on the measurement and further analysis of the impact studied in the research setting.

6.2 OVERVIEW OF QUALITATIVE STUDY

Qualitative research is a broad methodological approach that encompasses many research methods. A popular method of qualitative research is the case study (Stake, 1995; Yin, 1989) which examines in depth "purposive samples" to better understand a phenomenon. Qualitative research is a type of scientific research. In general terms, scientific research consists of an investigation that:

- Seeks answers to a question
- Systematically uses a predefined set of procedures to answer the question
- Collects evidence
- Produces findings that were not determined in advance
- Produces findings that are applicable beyond the immediate boundaries of the study

Based on the above criteria, qualitative research positions itself as an important tool for research in social sciences and management research.
This portion of the study intended to gain a nuanced understanding of the context of microfinance in Deoghar, Jharkhand. Hence, both successes as well failure stories are discussed below which has resulted in the selection of socio-economic variables for the remaining portions of the study. Each caselet is followed by a brief analysis of the variable identified.

6.3 CASELETS (SUCCESS AND FAILURE STORIES)

This section presents the caselets which the researcher came cross while interacting with the respondents. It consists of both the success as well as the failure stories. The key latent impact dimensions were identified from this caselets. Each caselet is followed by the variables identified from the case. The extricate key latent impact dimension identified in this study are distance from the city centre, migration, family and social support, etc.

6.3.1 CASELET 1 (SUCCESS STORY)

Name of the JLG

Group: SHANTI JLG

District: Deoghar

Block: Deoghar Sadar

Village: Gidhni

Usha Devi, w/o of Mr. Niranjan Mahata, is a lady languishing under the BPL, in the Gidhni village of Deoghar sadar block. She has been availing loan from the MFI, XYZ microfinance for the last eight years. Initially, the loan amount was Rs 8000/-, Usha Devi’s husband who used to work as a helper in a retail shop in Deoghar was asked by his wife to utilize the loan amount to open their retail shop (KIRANA SHOP) in the outer room of their own house. Her husband was not ready, he felt that the loan amount was too minimal and could be better used
for household chores. There were regular fights between them, but Usha Devi was firm, and she with the assistance of her father in law and mother in law started the shop with few baby toys and chocolates. She says that it was difficult to save much because of the drinking habit of her husband but her in laws help was very encouraging.

A fixed amount had to be paid back every week to the MFI’s collecting personnel. Many times when she ran out of cash, the ladies from the group used to help her. After the successful repayment of first loan amount, she got her second loan amount of Rs 12000/- which was further used for the extension of the shop. Though she had the liability of getting her four daughters married, she told that she never used the principal or the savings from the loan amount for the marriage purpose. She has got two of her daughters married.

Usha Devi has availed her third loan amount of Rs 16000/- .Now even her husband helps her in the marketing of items for the shop and has invested some of his savings in the shop. Even though her shop is small in size but now she is experiencing increased self-dependence.

This caselet depict the Increase in the Economic well-being of the subject after availing and successful utilization of microfinance loan amount

Variable Identified from the Caselet I: Increase in Saving, Increase in Income, Increase in Expenditure (Economic well-being)
6.3.2. CASELET 2 (SUCCESS STORY).

*Name of the SHG: TARA SHG*

*No of members: 12*

*District: Deoghar*

*Block Devipur*

*Village: Munda Munda (Rajpura panchayat)*

Munni Hembram, w/o of Vishwanath Soren, a tribal lady in the Devipur block where the researcher had been to meet the LEO and BDO of the block. The researcher saw this lady meticulously listening to few government officials as how to make the map of her village road under the NAREGA scheme of the Government of Jharkhand. After the completion of the meeting which was taking place under the shed of a tree, the researcher approached her to know more about the NAREGA programme in her village. She told that the villagers have elected her as their representative for this programme.

She is the only educated lady (10th pass) of her village was involved in most of the government schemes about her village. She was even the president of her SHG group named “Tara SHG” and a motivator in the functioning of two more such groups in the Munda Munda village. Married at a very young age, her husband is a daily labourer, so the income is very limited and it comes on daily basis. She told that though this SHG groups were there in her village since long, but she became part of it only after her two children attained the age of 10. Now it has been four years since she has been part of this Tara group which has received a credit linkage of Rs 2 lac, for the farming purpose from ABCD bank. The performance and the involvement of Munni have led to an increase in her social status of in the Community as well as in the family.
Munni here needs to be appreciated for reviving the belief of the ladies to form SHG group. She says since most of the ladies of the village are not educated, so she faces many questions and cross-questions regarding the bank transactions and savings deposits for which she accompanies different bunch of the ladies of her group to the bank and makes them talk to the bank officials on a regular interval. This has made the group ladies more secure and confident about their savings deposits and loan amount utilization.

This caselet depicts an increase in Social well-being of the subject after joining the group.

*Variable Identified*: Increase in the status of the subject in the family and the community. (Social well-being).
Name of the SHG: Surujmukhi SHG

No of members: 12

District: Deoghar

Block: Sarwan

The Suruijmukhi SHG at Rohini village of Sarwan block was formed during 2009-10 and passed its first grading in 2011-12. A revolving fund of Rs. 25,000/- had been provided during February 2012 to the group. The XYZ bank sanctioned an amount of Rs. 4.00 lakhs against their activity for dairy farming during 2013-2014 after the SHG has passed second grading test. An amount of Rs. 1.00 lakh was released to the SHG as subsidy and accordingly disbursed by the bank. There are 12 members in the group. Seven numbers of Jersey cows has been procured by the group, and all these cows are being kept in a common shed under their supervision. At present, the SHG is selling milk and milk products and selling the products in the local areas as well as in the Deoghar town which has good consumption of milk throughout the year because of the tourist attraction for PEERA (form of sweet) in the holy city Deoghar. The village Rohini’s proximity to the city center makes the transportation of milk from the village to the city center affordable.

This caselet depicts an increase in Economic well-being of the subjects after joining the group. However, many respondents from the group suggested that the location of Rohini was key in the feasibility of the plan as there were ample opportunities for transportation from Rohini to Deoghar.

Variable Identified: Distance from city center can have an impact on the feasibility of the economic activities undertaken.
6.3.4 CASELET 4 (FAILURE STORIES)

Name of the JLG group: Sita Devi group

No of members: 5

District: Deoghar,

Block: Madhupur

Sarita Devi part of Sita Devi JLG group formed and financed by ABC MFI is on her third loan cycle availing loan amount of Rs 25000/-. During one of the scheduled interview, Sarita devi who had availed the loan for tailoring previously paid back her loan amount successfully without any default. When asked about her shop and sewing machine, she said though she had issued the loan, her husband, who is a proficient tailor, migrated to Gujarat after purchasing the machine from the loan amount for better income. He does send money at regular intervals, and this is how she pays back her installments. Sarita Devi was not happy with the state of affairs although she did acknowledge the role of the loan in procuring the cash flow from her husband. Her children hardly saw their father, and she had a tough time managing the household all by herself. She was of the opinion that given a choice she would have preferred that her husband stay with her and earned the income from local sources.

Although the intended aim of microfinance is to increase the economic, social and capability well-being of borrowers, this caselet suggests that microfinance loans were used for migration. This has lead to the economic improvement of the borrowers’ situation but creates other social problems. Such social problems have hitherto not been explored in the microfinance impact literature.

Variable Identified: Direct impact of Microfinance loan on promoting migration.
6.3.5 CASELET 5 (FAILURE STORIES)

Name of the JLG Group: Mahila Unati Group

Number of members: 5

District: Deoghar

Block: Sarwan

Rekha Devi part of the Mahila Unati JLG group has availed the loan for the farming purpose. It was the very first time that the group had taken a loan. Inspite of having no problem in repaying back the loan installments, members of the group are determined not to avail loans in the future as they feel the loan amount did not suffice the purpose it was meant for. The loan was availed to increase the vegetable production, which happened as they used better quality of seeds and fertilizer. However, after the production, they had problem in selling the produce, since they resided in the rural and difficult to access area of the Sarwan block. Even after making arrangements for the sale of crops, the group did not get the price which other groups, situated near the city center, could receive who too has availed the loan. Members of the group suggested that the distance from markets and buyers did form a problem. Even though different SHG groups of the village paid the same interest on the loans, the payoff from the sale of crops was not enough to increase the well-being of the group members.

This caselet again highlights the importance of the distance from city center concerning the overall impact generated by microfinance loans. This variable has not been given much attention in the academic literature. However, multiple respondents during our qualitative study suggested the importance of the variable.

Variable Identified: Distance from city center