

An Evaluation of the Micro Credit Program of Banking Sector: A Case Study of Grameen Bank

Md. Asaduzzaman Akanda

Reg. No. – 178

M. Phil. Session – 1999/2000

Date : October-2006

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Certificate by Supervisor

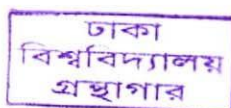
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Declaration of the Candidate

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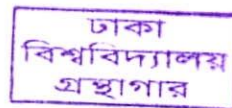
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List of Acronyms

GB= Grameen Bank
MC= Micro Credit
PRSP= Poverty Reduction Strategy Papers
MDGs= Millennium Development Goals.
BP= Beggers Project
EL= Education Loan
PKSF= Palli Karma Shayaik Foundation
IGA= Income Generating Activities
MCB= Micro Credit Borrower
GBW= Grameen Bank Worker
UN= United Nations
MD= Managing Director
GGS= Grameen Generalized System
MIS= Management Information System
CGAMS= Computerization of Grameen accounting and monitoring system
GM=General Manager
DGM= Deputy General Manager
AGM=Assistant General Manager
BM= Branch Manager
AM= Area Manager
GT= Grameen Trust
GBRP= Grameen Bank Replication Program
PPAF= Palli Poverty Alleviation Foundation
IAS=International Accounting Standards

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Abstract

The dissertation deals with micro credit programs of the banking sector of Bangladesh with special reference to Grameen Bank. This is an attempt to evaluate the role of micro credit program of Grameen Bank in poverty alleviation by making credit available to the poor and assetless destitute people. The micro credit borrowers of Grameen Bank face manifold problems of which illiteracy, ignorance, lack of capital and lack of drinking water, sanitation, housing and health care facilities are some of the most severe ones.

The field study for this research has been done at Bishka Phulpur branch of Grameen Bank under Mymensingh district. Both primary and secondary data have been analysed in carrying out this research. Primary data were collected in 2005 by interviewing the borrowers of Grameen Bank in 10 villages of Bishka Phulpur branch area of Mymensingh district. A structured questionnaire has been administered to collect primary data. The sample size of the study is 150 micro credit borrowers and 54 struggling members (beggars) belonging to different centers of the branch. Interviews of the branch manager, other staff of the branch and high officials of Grameen Bank head office were also undertaken. Random sampling method has been applied for this selection. Secondary data were collected from research books, journals, news papers and Grameen Bank head office etc. The data collected from primary and secondary sources have been processed for further analyses and different measures of descriptive statistics such as mean, dispersion and range have been estimated

It has been found that poverty and malnutrition are being reduced. Awareness and women's contributions to family income in improving their over all conditions are increasing. Women empowerment in family and society has been increasing. The borrowers are found to send their children to schools for education. Health and sanitation conditions have improved. Self reliance has also been increasing. Information and Communication Technology (ICT) and family planning methods have become more effective. Food conditions and food intakes per day are better than the past. However, flow of micro credit is

insufficient. Savings on weekly basis have been observed. The borrowers have future plans to be poverty free families. Beggars do not want to continue begging and live in such conditions. The socio-economic potentialities of women and poor people are now being recognized. The family size is found smaller than that of the past and it is an indication of the effectiveness of family planning. All borrowers are found drinking tube well water .They have now better clothing for going to relative's house and also warm clothing for the winter. Half of them can afford better medical treatment and buy medicines for different diseases. Awareness about health, poverty, education and social rights has been increasing. Housing and over all changes in socio-economic conditions have been found improving. The findings of the study show many significant aspects of the efforts of micro credit Program of Grameen Bank through the participation of rural poor and assetless destitute people.

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Chapter 1

Section 1 Introduction:

Bangladesh is the birth place of micro credit and the rest of the world considers it as an important mean to poverty alleviation. The United Nations (UN) have fixed up eight specific goals as millennium development goals (MDGs). Among them reduction of 50% poverty by 2015 is one. It declared that micro credit is an effective mean to reduce 50% poverty by 2015¹ and its importance can be understood from this. In Bangladesh some nationalized commercial banks like Sonali Bank, Janata Bank, Agrani Bank, Rupali Bank, Pubali Bank and some other banks like Bangladesh Rural Advancement Committee (BRAC) Bank and Grameen Bank are involved in micro credit programs. Many nongovernment organizations (NGOs) like BRAC, Association of Social Advancement (ASA), Kranti, Shedo, Padkhaep, Credit Development Forum (CDF), Shavolombi, Esho Nijera kori, Palli Karma Shahayak Foundation (PKSF) and a good number of institutions like Bangladesh Rural Development Board (BRDB), Palli Daridro Bimochon Foundation, Juba unnayan department are administering micro credit program to alleviate poverty form the society. It is well known that about 80% people of Bangladesh used to live below the poverty line. The overwhelming majority of the people were totally out of reach of any kind of credit from bank and others financial institutions except rural mohajan.

The financial constraints seriously retarded the income generating activities of the rural people and the Grameen Mohajan exploited this situation. They used to give loans to the poor people at interest rate of 240%.² The conditions of the women were the worst. They were abused by the family and society and they had to do all household activities including rearing of children. It was difficult to imagine that the poor male and female would be able to get credit from banks and change their socio-economic conditions. GB initiated measures with the co-operation of Bangladesh

¹ Ministry of Finance, Government of the People's Republic of Bangladesh, (2006), Bangladesh Economic Survey, Dhaka.

² Yunus, M. (2003), Banker to the poor. Grameen Bank. Dhaka.

Bank. Other banks and financial institutions and NGOs also adopted micro credit programs to reduce poverty. It may be mentioned here that Grameen Bank is the largest and pioneer institute in this respect. GB has more than 1700 Branches, 153 area offices, 21 Zonal offices, 21 Zonal Audit offices, near about one lac centers.³

Spread over 60,000 villages over 5 billion US dollars have been distributed as micro credit among the poor people. The number of micro credit borrowers of GB is about 5.8 million, 96% borrowers are women.⁴ At present GB has reached almost all remote areas of Bangladesh. It has achieved a mass familiarity within and out side the country. GB has developed and established many rules and regulations to conduct micro credit among the poor people. It has many types of credit programs. There are many branches of GB in rural areas. It has introduced different types of loans like loan for the poor, Babsha bikash loan, struggling members loan, education loan, palli mobile phone loan and housing loan etc. The poor people are organized and formed into groups, sitting in meeting every week, exchanging opinion, extending hands of co-operation and getting conscious about poverty.

GB, NGOs and many other Micro Finance Institutes (MFI) have made a wave of micro credit and micro finance. With the passage of time the poor people have now access to the banking services. The children of the micro credit borrowers (MCB) are attending schools, colleges and universities. The women members of GB are becoming decision makers in their families. The repression of women especially in the case study of GB has been found less or fewer. Half or more than half of total borrowers of GB are now above poverty line or very close to cross the poverty line. Their traditional habits are being changed. The GB staffs are also very hard working and promising though their salary and other facilities are not handsome or good. In some sectors the rural small businessmen can manage their revolving fund from GB in the form of Babsha bikash loan. The study has found that the struggling members (beggar) do not like begging any more. They are totally assetless. Those who

³ Yunus, M. (2005), *Grameen Bank at a Glance*. Dhaka.

⁴ Yunus, M. (2005), *op. cit.* loc.

approach GB get small loans to do small business. It does not impose any rigid conditions like others upon struggling members to pay back the loan to them.

The struggling members pay back their loans and ask for more money as loan. They realize that begging is a curse and it has no dignity at all. They want to join the labor force and get themselves involved in income generating activities. It has been observed that people are conscious of their family size. It may be noted that several government departments and NGOs are involved in the micro credit programs. However, Grameen Bank plays the most significant role in this respect.

Section 2 Objectives of the Study:

The main objective of the study is to examine the current state of affairs of micro credit and its impact on the socio-economic development of the rural poor. With that objective in mind this study will look into the following specific objectives:

1. Make an overview of Grameen Bank.
2. Evaluate the performance of Grameen Bank micro credit program in poverty alleviation.
3. Analyse the system and methodology of group formation, disbursement of micro credit and recovery rate of Grameen Bank.
4. Examine the income generating activities, health, food, housing, sanitation and social condition of the borrowers after joining Grameen Bank.
5. Investigate into women empowerment, their awareness and population control.
6. Analyse education, occupation, income, purpose of taking loan, housing condition, drinking water and sanitation, food, health, decision making and family planning methods in GB Bishka Phulpur branch.

Methodology:

The survey area

The study has been confined to one branch of Grameen Bank located in Kashiganj Bazar beside Mymensingh- Netrokona High way at Phulpur Upzilla of Mymensing

district. It is about 25 k.m. away from Mymensingh town. The name of the branch is Bishka Phulpur branch. The study area consists of 10 villages and 10 centers which are under the jurisdiction of the said branch.

The researcher has undertaken interviews of 15 borrowers from center no. (8) of kakonikona village, 9 from center no. (27) of village Bahela, 15 from center no. (36) of village Tarati, 21 from center no. (30) of village Shidhanterbatta, 12 from center no. (19) of village Trisia, 18 from center no. (10) of village Dohar, 19 from center no. (60) of village Noapara, 11 from center no. (14) of village Mesera, 20 from center no. (9) of village Islampur, and 10 from center no. (38) of village Monati, 1 branch manager, 8 officers, 10 center chiefs and 54 struggling members (beggars). Data have been collected by administering a structured questionnaire to the borrowers. Direct interviews of 10 center chiefs, 1 branch manager, 8 officers and group interviews of 54 struggling members have been under taken. Verbal communication and discussions with the area manger, zonal manger, DGM and other officers of Grameen Bank head office helped completion of the study.

Statistical framework of the study

The researcher has analyzed the information based on various statements (such as books, journals, magazines, periodicals bulletins etc.) of Grameen Bank's head office, specially Gramen Bank library, Grameen Trust library and one branch office to evaluate the Grameen Bank's credit disbursement and recovery system. Interviews, verbal communications and discussions with the officers, zonal manager, branch managers, branch workers and the borrowers helped the researcher to clarify different issues concerning micro credit program. For questionnaire survey, researcher has collected data from Grameen Bank Bishka Phulpur branch of Mymensingh district. A sample size of 150 borrowers, 10 centre chiefs and 1 branch manager, 8 officers, 54 struggling members were selected from that branch. Borrowers and centre chiefs selected randomly by using random numbers table. The researcher has also reviewed the records, documents, manuals etc. available in head office and other offices of Grameen Bank.

Sampling design

This dissertation is based on empirical data collected through sample survey. The data are on Grammen Bank borrowers, centre chief, branch manager and officers of the Grameen Bank Bishka phulpur branch located in Mymensingh. The researcher has used the technique of random sampling in collecting data. He has also tried to ensure that the sample is representative of the population from which it has been drawn.

Population

It has been mentioned earlier that the study area is GB Bishka Phulpur branch of Mymensingh district. It has 4 unions viz Kamaria, Rampur and Bishka of Phulpur Upzilla and Shidla of Gouripur Upzilla respectively. It has 62 centers, 35 villages, 4656 borrowers, 54 struggling members (beggar) and 8 officers. It is to be noted that the area is without electricity supply. The main profession of the people of the region is agriculture. The main communication of the area is muddy road (kacha road).

Table 1: Distribution of samples

Name of the branch	Population						Sample					
	No. of Unions	No. of Villages	No. of Centers	No. of Borrowers	No. of struggling members	Number of staff	Number of Unions	Number of Villages	Number of centers	Number of Borrowers	Number of staff	Number of struggling members
Bishka Phulpur	04	35	62	6456	54	8	04	10	10	150	8	54
Total	04	35	62	6456	54	8	04	10	10	150	8	54

Sources of data

As mentioned earlier the study has been done on the basis of both secondary and primary data. The secondary data were extracted from various published reports of Grameen Bank, World Bank, BIDS and BIBM. While collecting primary data both male and female members were interviewed and 96 % of the respondents were female. The questionnaire was structured on respondents credit information, average installment, health and sanitation condition, food, clothing, housing, drinking water, culture, children education, using family planning methods etc, income generating works, income after and before joining Grameen Bank and over all awareness of poverty alleviation.

Survey instruments

The survey methodology used to fulfill the objectives of the study is as follows:

The researcher visited Bishka Phulpur branch of Grameen Bank more than once to evaluate the socio-economic status of the population and ascertain the impact of micro-credit program of the bank.

As mentioned earlier that a structured questionnaire was given to the borrowers to collect primary data.

Data analysis

The main focus of this study is on the impact of micro credit program of Grameen Bank on poverty alleviation. It is an evaluation of different category of loans and advances, average disbursement and collection, effective interest rate, repayment rate, trend in recovery, repayment factors, procedures for obtaining credit, installment procedures, efficiency of bank workers, expectation of the borrowers, income generating activities of the borrowers and dropout rates etc. Different measures of descriptive statistics such as mean, dispersion and range were developed. The trend of changes of the major performance indicators has been obtained through the above mentioned methods and correlation analysis has been done to ascertain the relationship between the variables.

Section 3 Literature review on GB micro credit program:

According to Marguerite S. Robinson micro credit program is a revolution in the world.⁵ She has observed the changes among the poor people taking loans from GB and other Micro Finance Institutions (MFI). She has examined some cases about awareness of women and behavioral changes of the husbands to their wives among the rural people. The efforts of the GB members to repay their weekly installments and to earn more money have been analysed. She has analysed the positive impact of micro finance in Bangladesh, India, Srilanka, Philippine and Vietnam. Hussain (1986)⁶ has found that the Grameen Bank members had about 50% higher income compared to the target group in the controlled villages. The positive income effect is mainly due to large increases in income from processing and manufacturing and trade and transport

⁵ Robinson, M. S. (2001), *The microfinance Revolution*, The world Bank, Washington.

⁶ Hossain, M. (1986), *Credit for Alleviation of Rural Poverty: The Experience of Grameen Bank in Bangladesh*, BIDS, Dhaka.

services. According to him the Grameen Bank has made a positive contribution to poverty alleviation in the area of its operation and this is impressive in the backdrop of the disappointing experience of the past development efforts that failed to improve the conditions of the rural poor.

Rahman⁷ and Rahman⁸ conducted series of surveys of the credit program of the Grameen Bank in different regions of Bangladesh. Both of them have found positive impacts on women borrowers and especially with regard to income generating activities. In his study Rahman focused on the consciousness raising effort of the Bank among women, institution building and empowerment among women and impact of micro credit programs on the rural power structure of Bangladesh. He has mentioned that women in the loan center of the GB are able to gain strengths in terms of collective solidarity, challenging traditional norms and values and fighting against social injustice.

According to Rahman⁹ and Hossain¹⁰ Grameen Bank operations have made substantial impacts on the level of income of the rural poor. The per capita income of an average GB loanee was found to be about 59% higher in 1985 compared to that in 1982. GB operations have made positive impacts on the wage and employment situation of the poor, enhanced the level of their capital accumulation, substituted private loans with GB loans and reduced unproductive expenditure by making people more conscious. There has been a significant rise in the productive investment, thereby creating an increased productive capacity of the rural poor.

Rahman¹¹ argues that Grameen Bank is increasingly emerging as a human development program. Its activities have broadened the expectation of loanee men and women. They can now dream of a better future.

⁷ Rahman, R. I. (1986), Impact of Grameen Bank on the Situation of Poor Rural Women. In Irene Tinker, Gender and Cooperative Conflicts. Grameen Bank Evaluation Project, BIDS: Dhaka.

⁸ Rahman, A. (1986), Consciousness Raising Efforts of Grameen Bank. Grameen Bank Evaluation Project, BIDS, Dhaka.

⁹ Rahman, A. (1986), op. cit. loc.

¹⁰ Hossain, M. (1986), Credit for Alleviation of Rural Poverty: The Experience of Grameen Bank in Bangladesh. Dhaka: BIDS.

¹¹ Rahman, A. (1986), op. cit. loc.

A study by Hossain¹² revealed that one fifth of the members got new employment opportunities after getting credit from the Grameen Bank and that about 90% of the loanee women perceived economic condition improved through using the credit facilities. It also found that the incidence of absolute poverty was much lower in project villages. The proportion of moderately poor population was 62% in the project villages, compared to 76% in control villages – the per capita expenditure on food for household member was 8% higher than for non participants in project villages and 35% higher than the control group. The investment in housing by members was about six times higher than that of the target group in control villages.

Ahmed and Hossain¹³ observed that there exists a positive association between economic betterment and acceptance of family planning methods. Population Development and Evaluation Unit (PDEU) of the planning commission conducted three studies on each of the three special projects undertaken by the government-Rural mother's center program, BRDB cooperative program and Women's vocational training program. All the three studies have indicated an increased economic activity rate among the loanee women and also a very high level of contraceptive prevalence rate (CPR). It may be noted that unlike the GB project whose main focus is to extend credit to the rural poor women for bringing a positive change in their economic life, the major objective of these three projects has been to achieve a decline in fertility rate through income generating activities.

Ghai¹⁴ in his mid-term evaluation of the Grameen Bank project found that it has been highly successful. It has positive and beneficial effects in terms of income, production and consumption. It has also significant positive social impact in terms of sanitation, health care, nutrition, education, training, family planning and promotion of social reforms such as abolition of dowry.

According to Ghai GB has enhanced the skills, economic capabilities, income and productive employment of the rural women. It has also raised the consciousness of women and changed the attitudes on the role of women and upliftment of the status of poor working women within the household and in the community.

¹² Hossain, M.(1986), op. cit loc.

¹³ Ahmed, R. and Hossain, M. (1990), Development Impact of 6 Rural Infrastructure in Bangladesh. BIDS: Dhaka.

¹⁴ Ghai, D. (1998), An Evaluation of the Impact of the Grameen Bank Project. Grameen Bank: Dhaka.

Summing up his evaluation study on Grameen Bank operation Siddiqui¹⁵ argues that GB is a remarkable rural development experiment in a poverty stricken country like Bangladesh. Its significance one day may overshadow even that of the Comilla experience of 1960s.

According to Ahmed¹⁶ also Grameen Bank loan has the ultimate effect of increasing the actual and perceived socio-economic status of its female clients, their awareness of women's right, marital adjustments and husband's perceptions of wives.

Hashemi and Scular¹⁷ have conducted an anthropological research on rural credit, empowerment of women and contraceptive use in Bangladesh. They have analysed the impact of credit programs on the contraceptive behavior and empowerment of women. The primary focus of their study is on fertility and reproductive health, not the long-term economic and social implications of credits. They argue that the credit programs of various nongovernmental organizations and GB is helping poor rural women to achieve socio-economic empowerment in the society.

Goetz and Gupta¹⁸ examined women's leadership in rural development in Bangladesh. They categorized the loan use patterns of three major micro lending organizations in the country (BRAC, GB and RD-12) and found that male controls over women's loan. Women in these programs retained full or significant control over loan use in 37% of the cases, whereas 63% of the cases fell into the three categories of partial (17.8%), very limited (17%), or no control (21.8%). This indicates a significant pattern of women borrowers systematically losing control over their loans; they are even victimized by the process. Many women borrowers bear the risk and burden of institutional loans without directly benefiting from them.

¹⁵ Siddique, K. (1984), An Evaluation of the Grameen Bank project, Dhaka.

¹⁶ Ahmed, I. (1985), Low-Income Housing: Multi-Dimensional Research Perspectives. PRPA-Grameen Trust :Dhaka.

¹⁷ Hashemi, S. M. and Schuler, S. R.(1997), Sustainable Banking with the Poor: A Case Study of Grameen Bank. PRPA WP # 19, PRPA-Grameen Trust: Dhaka.

¹⁸ Goetz, A.M. and Gupta, R. S. (1996), Who takes the credit? Gender power and control over use in rural credit program in Bangladesh. Institute of development Studies: Sussex, Dhaka.

Todd¹⁹ conducted a study of women borrowers in two villages of Tangail district. The study populations consisted of women borrowers who had been involved with the credit program for at least ten years. With regard to the use of loans and installments payments by borrowers, she found many practices violating the principle of the Bank. Women in her study claimed that investment in land provided them with increased status in their households. Todd also argued that the success of individual borrowers depends on many factors, such as the women's own personalities and their relations with their keen and family members.

Rahman (1999A and 1999B)²⁰ made an ethnographic study on Grameen Bank staying at a village in Tangail district over a year. He successfully showed the difference between the rhetoric and realities of Grameen Bank lending. In his theoretical framework he showed the cultural hegemony of Grameen Bank in the rural countryside.

¹⁹ Todd, H. (1996), *Women at the Centre: Grameen Bank Borrowers after One Decade*. The University Press Limited, Dhaka.

²⁰ Rahman, A. (1999), *An Ethnographic study on the borrowers of GB in Tangail district*. Grameen Trust, Dhaka.

Chapter 2

An Overview of Grameen Bank

Since 1983 Grameen bank has been working with the poor people. By the end of the year 2005 it has established many branches throughout the country and a large number of officers and other staffs are working in those branches. GB is conducting micro credit program through its own systems.

2.1 Grameen Bank at a glance

In august 1976 Dr Muhammad Yunus, Head of the Department of Economics at the University of Chittagong, started a project called GB project with only Taka 856. In 1979, it expanded into Tangail in co-operation with Bangladesh Bank. In October 1983 it was established as an independent Bank. Today Grameen Bank is operating throughout the country and it has been replicated in more than 100 other countries of the world.

GB is owned by the borrowers of the Bank. The main goal is to make credit available to the rural poor, mostly women, in the struggle against poverty. In doing so borrowers are given loans for income generating purpose and housing. All loans are given without collateral and any legal instruments. GB loans are paid on a weekly basis.

In 2002, GB introduced its Struggled Member Program, especially designed to lend money to the beggars to make a dignified livelihood. They are offered interest free loans. By the end of October 2005, cumulative members under this program reached 55,517. A total of Taka 38.41 million has so far been disbursed.²¹

In an effort to encourage members to educate their children, Grameen offers scholarships to children of its members. By October 2005, 21,752 students (both boys and girls) have received scholarships equal to US\$ 0.30 million.²² In October 2005, Grameen had 1735 Branches, 153 area offices, 21 zonal offices, and 21 zonal audit offices. Through 97,000 centers, spread over 59,912 villages, over US\$ 5 billion have been distributed to nearly 5.5 million borrowers, 96% of them are women. Saving

²¹ Grameen Trust. (2005), Grameen Bank At A Glance, Dhaka.

²² GB web site, www.grameen.com

balance of the borrowers stands at US \$ 450 million.²³ Housing loans total US\$ 200.40 million and have been disbursed to 630,000 members. The outstanding amount of loans stands at US\$ 570 million with a repayment rate of 99%.²⁴

Starting of Micro Credit Grameen Bank

Grameen Bank (GB) has reversed conventional banking practice by removing the need for collateral and created a banking system based on mutual trust, accountability, participation and creativity. GB provides credit to the poorest of the poor in rural area of Bangladesh without any collateral. At GB credit is a cost effective weapon to fight against poverty and it serves as a catalyst in the over all development of socio-economic conditions of the poor who have been kept outside the banking orbit on the ground that they are poor and hence not bankable. Professor Muhammad Yunus, the founder of Grameen Bank and its Managing Director, reasoned that if financial resources can be made available to the poor people on terms and conditions that are appropriate and reasonable, these millions of poor people with their millions of small pursuits can make the biggest development wonder.

Grameen Bank's positive impact on its poor and formerly poor borrowers has been documented in many independent studies carried out by external agencies including the World Bank, the International Food Research Policy Institute (IFPRI) and the Bangladesh Institute of Development Studies (BIDS).

2.2 Some features of micro-credit of Grameen Bank

Total loans provided from bank deposit

Grameen Bank finances 100 % of its outstanding loan from its deposits. Over 64% of its deposits come from bank's own borrowers. Deposits amount to 113% of the outstanding loans. If it is combined both deposits and own resources, it becomes 135% of loans outstanding.²⁵

Revenue and Expenditure

Total revenue generated by Grameen Bank in 2004 was Taka 4.69 billion (US \$ 79.00 million). Total expenditure was Taka 4.27 billion (US \$ 71.84 million). Interest

²³ Yunus, M. (2005), Grameen Bank At A Glance. Dhaka.

²⁴ GB annual Report 2005

²⁵ Yuns, M (2005) , op. cit loc.

payment on deposits of Taka 1.58 billion (US \$ 26.58 million) was the largest component of expenditure (37 %). Expenditure on salary, allowances, and pension benefits amounted to Taka 1.25 billion (US \$ 21.00 million), which was the second largest component of the total expenditure (29%). Grameen Bank made a profit of Taka 422 million (US \$ 7.16 million) in 2004. Entire profit is transferred to a Rehabilitation Fund created to cope with disaster situations. This is done in fulfillment of a condition imposed by the government for exempting Grameen Bank from paying corporate income tax.²⁶

Deposit Rates

Grameen Bank offers very attractive rates for deposits. Minimum interest offered is 8.5 % and maximum rate is 12%.²⁷

Loans paid off at death of a Borrower

In case of death of a borrower, all outstanding loans are paid off under loan Insurance Program. Under this program, an insurance fund is created by the interest generated in a savings account created by deposits of the borrowers made for loan insurance purpose, at the time of receiving loans. Each time an amount equal to 3% of the loan amount is deposited in this account. This amount is transferred from the Special Savings account. If the current balance in the insurance savings account is equal to or more than the 3% of the loan amount, the borrower does not need to add any more money in this account. If it is less than 3% of the loan amount, she has to deposit enough money to make it equal.²⁸

Coverage of the loan insurance program has also been extended to husbands with additional deposits in the loan insurance deposit account. A borrower can get the outstanding amount of loan paid off by insurance if her husband dies. She can continue to borrow as if she has paid off the loan. Total deposits in the loan insurance savings account stood at Taka 1990.54 million (US\$ 30.26 million) as on December 31, 2005. Up to that date 40,338 insured borrowers and insured husbands died and a total outstanding loans and interest of Taka 308.97 million (US \$ 5.04 million) left

²⁶ GB News letter, Dhaka Issue 66 and 67 November and December 2005

²⁷ Grameen Bank web site, op. cit. loc.

²⁸ Latiffee, H.I. (2003), Micro credit and poverty reduction, Grameen Trust, Dhaka.

behind was paid off by the bank under the program. The families of the deceased borrowers are not required to pay off their debt burden any more, because the insured borrowers or their insured husbands do not leave behind any debt burden to take care of the loan.²⁹

Deposits

By the end of December, 2005 total deposit in Grameen Bank stood at Taka 31.66 billion (US\$ 481.22 million). Member deposits constituted 64% of the total deposits. Balance of member deposits has increased at a monthly average rate of 3.83 % during the last 12 months.³⁰

Loss Reserve maintenance

Grameen Bank has a very rigorous policy on bad debt provisioning. If a loan does not get paid back on time it is converted into a special type of loan called flexible loan and 50 % provisioning is done at the first annual closing. Hundred % provisioning is done when flexible loan completes the second year. At its third year the outstanding amount is completely written off even if the loan repayment still continues.

Balance in the loan loss reserve stood at Taka 2.98 billion (US \$ 50.13 million) at the end of 2004 after writing off an amount of Taka 1.59 billion (US \$ 26.75 million) during 2004. Out of the total amount written off in the past an amount of Taka 0.15 billion (US \$ 2.52 million) has been recovered during 2004.³¹

Grameen Bank never went to the court

Grameen banking is not based on support from the legal system. It did never go to court. There is no legal instrument between the borrower and the lender in Grameen banking. So the word defaulter has no legal significance in Grameen banking. If somebody cannot pay, GB would describe her as someone who is in difficulty to pay back. They simply needed more time and more support.

²⁹ Latiffee, H.I.(2003), op. cit. loc.

³⁰ Latiffee, H.I.(2003), op. cit. loc.

³¹ Grameen Trust (2005), GB Annual Report, 2004

Lending Policy

GB put a time-frame, i.e., 104 weeks to its loans for accounting and monitoring purpose and also to help the borrowers to make up their time budget within their business plans. Although the loans are for two years (104 weeks), borrowers are required to pay them back within one year in weekly installments. If they cannot pay back within one year, GB does not consider that they have violated any contract. If a borrower cannot complete total payment of the entire loan, including interest, in 52 weeks, staff of the bank and the borrower's group pays special attention to the person. If she or he cannot pay back in 104 weeks, the bank makes 100% bad debt provision for the amount as a part of financial prudence. If she or he paid Taka 90 in 104 weeks against a loan of Taka100, GB would consider her or his repayment rate is 90%. This does not mean that she or he is not going to pay the remaining Taka 10. This does not trigger any procedure to take her to the court for non-repayment. Grameen banking has no room for such a procedure.³²

Computerization

GB has computerized nearly half of its branches. These branches do their accounting MIS through computers. By the end of 2005, 75% of branches will come under computerized accounting and MIS system. All daily transactions are done through the computer. GB keeps records of amount due on any given on each day by each borrower of Grameen Bank. It calculates repayment status on the basis of the ratio between amount due and amount actually by each borrower.

30 day and risk

Grameen banking does not use this 30-day rule. This system of assessing portfolio at risk is never heard in the conventional banks in Bangladesh. Although Grameen banking emphasizes the value of the discipline of regular weekly repayment, it considers absence in attending an weekly meeting as a more serious breach of discipline than missing a weekly installment.

³² Yunus, M. (2005), op. cit. loc.

Bad debt provision

GB has a very generous bad debt provisioning arrangements. It has a total bad debt reserve of Taka 3.3 billion. Amount of loan overdue (above two years) is Taka 1.2 billion.³³

Higher recovery rate

79% of Grameen Bank borrowers repay their loans on the date. Their repayment record is 100 %. Only 21 % of borrowers have difficulties.

Earn profit every year

Ever since Grameen Bank came into being, it has made profits every year except in 1983, 1991, and 1992. It has published its audited balance sheets every year, audited by two internationally reputed audit firms of the country.³⁴

Rate of Interest

Government of Bangladesh has fixed interest rate for government-run Micro credit programs at 11% flat rate. It amounts to about 22% at declining basis. Grameen Bank's interest rate is lower than government rate.³⁵

There are four interest rates for loans from Grameen Bank. These are 20% (declining basis) for income generating loans, 8% for housing loans, 5% for student loans, and 0% (interest-free) loans for Struggling Members (beggars). All interests are simple interest, calculated on declining balance method. This means, if a borrower takes an income-generating loan of say, Taka 1,000, and pays back the entire amount within a year in weekly installments, she will pay a total amount of Taka 1,100, i.e., Taka 1,000 as principal, plus Taka 100 as interest for the year, equivalent to 10% flat rate.

2.3 Preparation of Financial Statement

The financial statements comprising the balance sheet, profit and loss account, cash flow statement, statement of changes in equity, comparative value added statement and notes thereto are prepared in accordance with International Accounting Standards (IASs) on a going concern basis under the historical cost convention. A separate set of

³³ Yunus, M. (2005), op. cit. loc.

³⁴ GB web site, op. cit. loc.

³⁵ Yunus, M. (2003), Halving poverty by 2015, Grameen Bank, Dhaka.

records for consolidation of the statement of affairs and income and expenditure account of the branches are maintained at the head office of the bank based on which these financial statements are prepared. Rehabilitation fund consists of transfer from general reserve and tax provision and transfer of entire revenue profit in order to comply with the requirement for tax exemption allowed by the Ministry of Finance. The rehabilitation fund is to be utilized for the purpose of rehabilitation of members affected by natural disasters.

Foreign funds were received from the foreign donor agencies under the subsidiary loan agreement with the Government of the People's Republic of Bangladesh. The terms for repayments, interest rates, grace periods etc have been set out in those agreements. The funds were disbursed to Grameen Bank in equivalent taka currencies and were accounted for at cost as and when those funds were received. Consequently, no accounting treatment is required in respect of exchange differentials on foreign currencies and Grameen bank need not to account for exchange rate gain/loss on such differences as well. Deferrals and accruals have been made as per the guidance of the International Accounting System (*IAS*) presentation of financial statements. In order to meet their objectives, financial statements except for cash flow statement and related information are prepared on accrual basis of accounting. The effects of transactions and other events are recognized when they occur (and not when cash or its equivalent is received or paid) and they are stated in the accounting records and reported in the financial statements of the periods to which they relate.

2.4 Provision for loan impairment

As per the guideline of disclosures in the financial statements of banks and similar financial institutions, specific provisions are made against non-performing and problem loans on the basis of best estimate up to such amount as it is expected to cover for the loss from non-performing and impaired loans and advances. No specific credit risk provision for loan impairment is established to provide for management's estimate of loan losses as soon as the recovery of an exposure is identified as doubtful. As per the requirement of disclosures in the financial statements of banks and similar

financial institutions when a loan is deemed uncollectible, it is written off against the related provision for impairments. The bank writes off its non-performing and problem loans after one year on overdue loan. Subsequent recoveries of such loans are credited to the income statement.

2.5 The Philosophy of Grameen Bank

GB considers credit as a human right. GB built its system on the faith that the poor always pays back. GB believes that the poor people are credit worthy. They know how to save money, how to invest the small amount of money and the way to change their poor conditions.

2.6 Micro Credit Lending Models Associations

This is where the target community forms an 'association' through which various microfinance (and other) activities are initiated. Such activities may include savings. Associations or groups can be composed of youth, or women; they can form around political/religious/cultural issues; can create support structures for micro enterprises and other work-based issues. Bank guarantee is used to obtain a loan from a commercial bank. This guarantee may be arranged externally (through a donor/donation, government agency etc.) or internally (using member savings). The community banking may have savings components and other income-generating projects included in their structure. A co-operative is an autonomous association of persons united voluntarily to meet common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

The Grameen model emerged from the poor-focused grassroots institution. The Group Model's basic philosophy lies in the fact that shortcomings at the individual level are overcome by the collective responsibility and security afforded by the formation of a group of such individuals. Intermediary model of credit lending position is a 'go-between' organization lenders and borrowers. The intermediary plays a critical role of generating credit awareness and education among the borrowers (including, in some cases, starting savings programs). NGOs have emerged as a key player in the field of micro credit. They have played the role of intermediary in various dimensions. NGOs

have been active in starting and participating in micro credit programs. Peer pressure uses moral and other linkages between borrowers and project participants to ensure participation and repayment in micro credit programs.

The prevailing vision of the informal sector is one of survival, low productivity and very little value added. However, this has been changing, as more and more importance is placed on small and medium enterprises (SMEs) for generating employment, for increasing income and providing services which are lacking. Village banks are community-based credit and savings associations. They typically consist of 25 to 50 low-income individuals who seek to improve their lives through self-employment activities. Initial village bank may come from an external source, but the members themselves run bank. They choose their members, elect their own officers, establish own by-laws, distribute loans to individuals, and collect payments and savings. Their loans are backed, not by goods or property, but by moral collateral the promise that the group stands behind each individual loan.

Throughout long way of conducting micro credit GB has made some examples. The characteristics of GB are different and the poor clients of GB are taking loans from GB and also repaying their loans.

Chapter 3

Performance of Grameen Bank to alleviate poverty

3.1 Grameen Bank Replicated Micro Credit Program to combat poverty

Poverty is one of the most severe problems in Bangladesh. GB is trying to reduce poverty by disbursing small loans among the poor, landless and destitute male and female borrowers. It has replicated micro credit programs in different areas related to poverty alleviation.

The Grameen Bank Replication Program (GBRP) was launched in 1989 with the objective of participating and contributing to worldwide crusade against poverty. Grameen Trust (GT) came into being in 1989 with the objective of turning the Grameen philosophy into reality by providing support to those struggling to remove poverty. Grameen Bank (GB) has made history by pulling thousands of women above the poverty line by just providing them with a few dollars of credit through a financially sustainable institutional framework. The Grameen Bank Replication Program (GBRP) was initiated under Grameen Trust (GT) in response to a growing demand. The GBRP is global in nature. Under this program GT promotes GB replication projects all over the world. Its novelty lies in the methodology followed by the program in selecting, building and implementing potential replications for poverty alleviation. Promising individuals and institutions are invited to Grameen to participate in a dialogue process and spend time at the heart of Grameen Bank at branch level to get a hands-on orientation as to what Grameen does and how it does. Highly committed project leaders are selected for preparation of replications projects, and various types of financial, technical and informational support are provided to the selected projects. GT closely monitors these projects and carries them through subsequent expansion stages with the goal of eventual financial viability. As it is shown in appendix- GB has also set ten indicators of poverty alleviation (been added in annex-B) for the borrowers and they are trying hard to fulfill them.³⁶

³⁶ Latifee, H. I. (2003), Micro -Credit and Poverty Reduction; Grameen Trust: Dhaka.)

3.2 Starting of micro credit of GB to improve the condition of poor people

As mentioned earlier GB has reversed conventional banking practice by removing the need for collateral and created a banking system based on mutual trust, accountability, participation and creativity. GB provides credit to the poorest of the poor in rural area of Bangladesh without any collateral. At GB credit is a cost effective weapon to fight against poverty and it serves as a catalyst in the over all development of socio-economic conditions of the poor who have been kept outside the banking orbit on the ground that they are poor and hence not bankable. It is argued that if financial resources can be made available to the poor people on terms and conditions that are appropriate and reasonable the poor with their millions of small pursuits can achieve the goal of biggest development. As on October, 2005, it has 5.8 million borrowers, 96 % of whom are women. With 1735 branches, GB provides services in 60,000 villages, 64 districts covering more than 85% of the total villages in Bangladesh.³⁷

3.3 GB providing micro credit to sectors

GB extends loans to its members for their preferred activities. Activities approved for GB lending are processing and manufacturing, agricultural and forestry, livestock and fisheries, services, trading, padding and shop keeping.

List of the major activities for which GB extends loan are detailed in Table 3.1

Table 3.1: Major activities supported by GB loan

Processing and manufacturing	Agriculture and forestry
1. Rickshaw making and repairing	1. Plantation
2. Bamboo works	2. Vegetable cultivation
3. Food making	3. Paddy cultivation
4. Jute bag making	4. Potato cultivation
5. Spare parts for handloom	5. Insecticides
6. Tube-well repairing	6. Land lease taking
7. Katha making	7. Hand tube-well for irrigation

³⁷ Yunus, M.(2005), op. cit. loc.

8. Bucket making	8. Farming
9. Tread works	9. Bamboo groves
10. Saw purchase	10. Jute cultivation
11. Toy making	11. Garden lease
12. Hogla making	12. Cane cultivation for mat making
13. Wheat husking	13. Onion cultivation
14. Puffed rice making	14. Pond lease

Livestock and fisheries	Services
1. Cow fattening	1. Rickshaw
2. Bullock	2. Barder shop
3. Goat	3. Renting of irrigation pump
4. Poultry raising	4. Newspaper distribution
5. Dry fish	5. Push cart
6. Fishing net	6. Rice mill
7. Sheep raising	7. Microphone rental
8. Boat for fishing	8. Boat for ferry service
9. Duck purchase	9. Laundry
10. Pigeon raising	10. Veterinary services
11. Apiculture	11. Power tiller
12. Pond excavation	12. Dentistry
13. Other domestic animals	13. Decorators
14. Animal rearing	14. Baby taxi
	15. Carpenter

Trading	Peddling
1. Rice/paddy	1. Bamboo basket
2. Paper	2. Dry fish
3. Vegetables	3. Second hand cloth
4. Firewood	4. Tobacco and betel leaf
5. Dry fish	5. Grocery goods
6. Cattle	6. Bangles
7. Stationary goods	7. Ice-cream
8. Broken glass	8. Vegetables
9. Tea	9. Glassware
10. Saree	10. Medicine
11. Grass	11. Sweetmeat
12. Honey	12. Peanut
13. Sweetmeat	13. Insecticides
14. Ice-cream	14. Oil
15. Zarda	15. Pottery products
16. Old tin, Iron, Silver, Cable, Bottle etc	

Shop-keeping
1. Grocery shop
2. Stationary shop
3. Medicine shop
4. Tea stall
5. Iron shop
6. Betel leaf / biri shop
7. Magazine stall
8. Cloths shop
9. Shoe store
10. Sweetmeat shop
11. Fruits stall
12. Electrical parts
13. Musical instrument
14. Seeds and plants
15. Photograph shop

Source: (GB web side www.grameen.com)

3.4 Grameen Bank's micro credit program for struggling (Beggars) members.

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In late 2003 GB embarked on a new program exclusively targeted for the beggars in Bangladesh. Begging is chosen by many poor people in Bangladesh, as a result of river erosion, divorce, death of earning member in the family, unemployment or disability, and for many reasons, it becomes a lifetime occupation. Beggars in Bangladesh are not reached by most of the poverty alleviation interventions and they subsist on the margins of society. The struggling (Beggar) members program is a new initiative undertaken by GB to confront a sustained campaign that micro credit cannot be used by the people belonging to the lowest rung of poverty, as well as to reinforce the Bank's campaign that credit should be accepted as a human right.

The key features of this program are unique and bypass the rules and regulations that apply to the regular GB members. The struggling members are not required to form any micro credit group. While they may be affiliated with a regular group, they are not obliged to attend the weekly meetings. The regular group members act as mentors to the struggling members, providing guidance and support to them. The bank treats its

struggling members with the same respect and attention as regular members and refrains from using the term beggar which is socially demeaning. A typical loan to a beggar member amounts to Taka 500 (US\$ 9.00). It is collateral-free and there is no interest charged on it. The repayment schedule is flexible decided by the struggling member herself. The installments are to be paid according to her convenience and earning capability and must not be paid from money earned from begging.

The goal of the program is not only to economically empower but also to boost the morale and dignity of the beggars. They are given identity badges with the bank's logo as physical evidence of the bank's support behind them. For some of them GB makes arrangements with local shops to give the members a credit line up to a given amount to pick-up whatever items they choose to take out to sell in the village. The bank provides guarantee to the shops that it will make payments in case of defaults. The struggling members sell items such as bread, candy, pickles and toys, and so on to supplement their begging.

The struggling members are welcome to save with GB as they wish. They are covered by the loan insurance scheme under which their loans will be fully repaid by GB in case of death. In addition, Taka 500 will be provided from the bank's emergency fund to the bereaved family for meeting burial expenses. The bank provides struggling members with blankets, woolen shawls, mosquito nets and umbrellas on credit to be repaid as interest free loans. Although there is no compulsion for the struggling members to give up begging, there are many cases of beggars who have given up begging and moved on to being business persons.

As of October, 2005 Taka 45.92 million has been disbursed to 63,000 struggling members of whom Taka 23.69 million has been repaid. 786 members have already quit begging. GB expects the number of struggling members taking part in this program to exceed 70,000 by the end of 2005.³⁸

³⁸ Grameen Trust (2005), op. cit. loc.

3.5 Beggars turning to Business

Grameen Bank in 2003 has launched a program to give loans exclusively to beggars, particularly generational beggars. GB invites them to consider carrying collection of popular consumer goods financed by Grameen Bank when they go out to beg from the rural households. They can do both begging and selling at their convenience. If their selling activity increases they may quit begging and concentrate on selling.

GB is thinking of giving telephone loans to some beggars to turn them into telephone-ladies. If they find it difficult to operate the business, GB will help them hire someone or go into partnership with someone who can help run the business better.

It may be noted here that the beggars are responding to the program enthusiastically. If a significant number of beggars quit begging within a year or so, this would be a big demonstration of the inherent capacity of the poor people, even the beggars to overcome their problems with their own abilities if only financial services are made available to them. If there are additional interventions, they will only go to make better enabling environment for the beggars.

3.6 Grameen Bank Conducting Micro-enterprise Loans

Many borrowers are moving ahead in businesses faster than others for favorable reasons like proximity to the market and presence of experienced male members in the family. Grameen Bank provides larger loans, called micro-enterprise loans, for these fast moving members. There is no restriction on size of loan. So far 668,389 members took micro-enterprise loans. A total of Taka 14.50 billion (US \$ 235.00 million) has been disbursed under this category of loans. Average loan size is Taka 21,695 (US \$ 330), maximum loan taken so far is Taka 1.2 million (US \$ 19,897). This was used in purchasing a truck which is operated by the husband of the borrower. Power-tiller and irrigation pump, transport vehicle, and river-craft for transportation and fishing are popular items for micro-enterprise loans.³⁹

³⁹ Yuns, M. (2005), op. cit. loc.

3.7 Life Insurance System of the GB

Each year families of deceased borrowers of Grameen Bank receive a total of Taka 8 to 10 million (US \$ 0.14 million to 0.17 million) as life insurance benefits. Each family receives Taka 1,500. A total of 81,750 borrowers of GB died so far. Their families collectively received a total amount of Taka 158.97 million (US\$ 3.55 million). Borrowers are not required to pay any premium for this life insurance. Borrowers come under this insurance coverage by being a shareholder of the bank.⁴⁰

3.8 Pension Fund for Borrowers

Under the pension fund a borrower is required to save a small amount, such as Taka 50 (US \$ 0.86), each month over a period of 10 years. The depositor gets almost twice the amount of money she saves, at the end of the period. By the end of December 2005 the balance under this account comes to a total of Taka 8.99 billion (US \$ 147.66 million). Taka 3.19 billion (US \$ 47.82 million) was added during 2005. It is expected that the balance in this account will grow by Taka 4.98 billion (US \$ 75.70 million) in 2006 making the balance to reach Taka 13.97 billion (US \$ 212.34 million).⁴¹

3.9 Grameen Bank's village phone program

The **Village Phone Program** of **Grameen Telecom**, a nonprofit company set up to bring the modern cell phone services within the reach of **Grameen Bank** members has experienced recently a very rapid growth. The number of subscribers doubled in 2004, with more than 120,000 active subscribers currently spread out in thousands of villages, including very remote locations in the coastal regions of Bangladesh. The number is expected to double again in 2005.⁴²

While GB provides the loan financing to enable its members to purchase the handset with mobile connectivity, **Grameen Telecom** provides them with the requisite support services. **Grameen Phone**, the operating company which has built the countrywide network, is now the leading telecom service provider in Bangladesh, with more than 11 million regular subscribers, who live mostly in towns and cities.

⁴⁰ Yunus, M. (2005), op. cit. loc.

⁴¹ Yunus, M. (2005), op. cit. loc.

⁴² GB Newsletter. Grameen Phone Ltd: Dhaka, November and December. 2005

Telenor of Norway owns 62% of **Grameen Phone** equity, while **Grameen Telecom** has the remaining 38% of the shares. This is a unique instance of a joint venture between major telecom operators from a developed country, collaborating with a nonprofit organization from the third world.

The joint venture combines the business objective of making money from lucrative telecom investments, with the development objective of enhancing the income of the rural poor through access to ICT. The mobile ladies are conducting mobile phone shops in rural areas almost all over the country with the help of the male members of their family and relatives. People of all classes of rural area are using the palli (rural) phone to make communication. The people of remote areas are conducting their small businesses and exchanging news and information world wide. It is to be noted that the call rate of palli phone is cheaper than that of any other cell phone in the country.⁴³ Grameen Bank has established a program called Village Phone through which women entrepreneurs can start a business providing wireless payphone service in rural areas of Bangladesh. In doing so it has created a new class of women entrepreneurs who have raised themselves from poverty. It has also improved the livelihoods of farmers and others who are provided access to critical market information and communications previously unattainable in some 28,000 villages of Bangladesh.⁴⁴

3.10 Mobile-Ladies

To-date Grameen Bank has provided loans to 187,187 borrowers to buy mobile phones and offer telecommunication services in nearly half of the villages of Bangladesh where this service did not exist. Telephone-ladies play an important role in the telecommunication sector of the country by generating revenue for Grameen Phone. Telephone ladies use 16 % of the total air-time of the company, while their number is only 4 % of the total number of telephone subscribers of the company.⁴⁵

3.11 GB's Education Loan

Grameen Bank has introduced higher education loans for all students from Grameen families who can enter into higher educational institutions. Loans are given to students

⁴³ GB News Letter (2005), op. cit. loc.

⁴⁴ GB News Letter (2005), op. cit. loc.

⁴⁵ Bayes, A, Braun, J. von and Akhter, R. (1999), Village phone and poverty reduction: Insights from Grameen Bank initiative in Bangladesh. PRPA-Grameen Trust; Dhaka.

directly without approaching their parents. Students are made responsible to repay the loans when they start earning. Scholarships are awarded every year to the school students from Grameen families on a competitive basis. Half of the scholarships are reserved for female students. Remaining 50% is open for both male and female. Each year Grameen Bank offers 3,704 scholarships and ensures that each branch can provide at least one scholarship. Gradually the number of scholarships will be increased as more and more students compete for these scholarships.⁴⁶

3.12 Income after Joining GB

With loans from the GB women members have bought cows, goat, hens and ducks to rear up them. Some women are now making mates (chatai dhari, dul) hand fan, ceiling of the house, partition of the room from bamboo. They are selling mates, milk, goats, eggs, hens, ducks, cow cafes, kitten and conducting small shops in the house or beside road. The small businessmen have taken loan Taka 70,000 to 80,000 thousand under the scheme of Grameens babasha Bikash credit and enhanced their business in the hat (small bazar) of the rural area. Their income is undoubtedly higher than other poor borrowers.

3.13 Daily food intake

It is well known that food is the first thing on which man and all animal live. But in the past there was a serious food crisis in rural areas. Near about 75% people in the sixties and seventies did not get adequate meals. The current situation is different. They are taking food three times a day. They are happier that they are working hard; earning something, managing food and at least can eat three times a day. Before joining GB they could eat maximum twice a day but one time was a common phenomenon.

⁴⁶ Grameen Trust, (2005), Grameen Shikha Barta, Dhaka.

3.14 Crossing the Poverty Line

According to a recent study by a World Bank economist micro credit contributes to poverty reduction at the village level in Bangladesh. Grameen Bank's internal survey based on 10 indicators, shows that 55% of families of Grameen borrowers have crossed the poverty line. The remaining families are moving steadily towards the poverty line from below.⁴⁷

Over the last 25 years GB has been providing loans to the poor people and it has contributed in poverty alleviation through income generating activities. By 2005 half of the total male and female borrowers have crossed the poverty line and some borrowers are very close to cross the poverty line.

⁴⁷ *Khandaker S.R* (2005), Fighting poverty with micro credit, Dhaka.

Chapter 4

System and methodology of group formation, disbursement of micro credit and recovery rate

GB disburses loans without collateral and group security of the clients are the main base of the conducting micro credit. The process of group formation and loan disbursement is crucial for its functioning. It has taken a road map to conduct micro credit program.

4.1 Group formation and loan disbursement

Grameen Bank's disbursing loans is not a simple matter. The candidates are obliged to participate in a group training program which is of minimum seven days of continuous instructions. Under the supervision of a branch manager this is a major responsibility of the bank workers. The training includes teaching thoroughly the rules and regulations of Grameen Bank. Understanding the purpose of the Bank procedures, knowing in details the responsibilities of the group chairperson and the center chief, explaining the potentiality of fund saving schemes for joint activities or children's welfare and introducing the issues in the social development program are important elements of the training program.

4.2 The procedure of loan disbursement

First installment of loans ranges from Taka 500 to 1500 but the amount subsequently increases. Contrary to the negative assumptions about poor persons it is the experience of GB that they are the most reliable clients. Group members and a bank worker combine knowledge through open discussions of the viability of a potential loan. Misinformation or exaggerations regarding local values usually become apparent. It is in everyone's interest to ensure that a bad loan does not jeopardize the future prospects of other members.

It is the center chief's responsibility to initiate a formal proposal by filling in an application form. The bank worker completes his or her own loan proposal form and submits both of them to the branch manager. The branch manager will visit the

respective groups and centers. In these visits he will check the viability of some of the loan proposal and the stipulated business activity. He will also take into consideration the group's observance of bank disciplines.

The branch manager makes his recommendation after assessing all the loan proposals. They are then consolidated on a list and sent to the area officer for approval. The program officer has the power to reduce the loan amount or refuse it, but has no power to increase it. On the program officer's recommendation, the area manager gives the final authorization necessary for releasing the loan. In fact, the area manager endorses the program officer's opinion which itself is already based on a through decision making and supervisory process. Loans over Taka 5000 need special approval by the area manager. A loan is given for one year, to be repaid in 50 equal weekly installments. These 50 weeks cover the 100 % repayment of the principal while the remaining two weeks of installments are reserved for interest and a fee set aside in an emergency fund. Loans are disbursed every afternoon from Saturday to Wednesday, the main workweek in Bangladesh. Wednesday is reserved for closing the week's accounting and reporting.

From the Bank's perspective, regular center attendance and the payment of weekly installments do not in themselves constitute adequate supervision. Immediately following a loan disbursement, it is a regulation that within seven days the client must invest the loan for the specified purpose and start utilizing the investment for income. When a loan is fully repaid, the branch manager issues a repayment certificate to the loanee which together with the loan utilization form is part of deciding criteria when granting a new loan to a member. The repayment certificate offers the poor with one of the few legal protections. Within the village or within the homestead, it is undeniably clear which assets belongs to whom. And the institution of Grameen Bank can be called upon for legitimization.

4.3 New method applied

When the repayment situation did not improve as desired due to natural disaster and other causes, GB thought this would be a good opportunity to be bold, and to dare to design a new Grameen methodology, incorporating all the lessons learnt, and the

wishes and the desires that GB accumulated during about 30 year of Grameen's operation. GB debated about it. But finally GB decided in favor of it. Borrowers, who did not show up at their centre meetings for years, started showing up to talk about the new system. Soon they were signing up to start all over again and repay the old loans with the accumulated interest. By April, 2002, two years after GB began the process, Grameen Bank II has emerged. The transition is now complete. The last branch of Grameen Bank switched over, completing the process of transition.⁴⁸

4.4 Grameen Generalized System for new product of micro credit

GGS has been built around one prime loan product - called Basic Loan. In addition, there are two other loan products: the housing loan and the higher education loan that run parallel to the basic loan. All borrowers start with a basic loan (in Bangla GB calls it Shohoj or Easy loan). Most of the borrowers will continue with this basic loan, cycle after cycle, without any difficulty, and meet all their credit needs in the most satisfactory manner. In GGS, basic loan comes with an exit option. It offers an alternative route to any borrower who needs it, without making her feel guilty about failing to fulfill the requirement of the basic loan. This alternative route is provided through Flexible Loan. In Bangla, GB calls it Chukti, i.e., contract or Renegotiated loan, because the bank, the group, and the borrower have to go through a process of renegotiation to arrive at a new contract with a fresh repayment schedule for a borrower entering into the flexible loan.

Flexi-loan is not an independent loan. It is only a temporary detour from the basic loan. A borrower will always make efforts to re-enter the basic loan, because under flexi-loan a borrower can only work within a non-expansionary loop - that is, a borrower can borrow, only the same amount or less, cycle after cycle. If a borrower fails to repay the basic loan and is unwilling to go into the flexi-loan, she becomes a willing defaulter. If a borrower takes the flexi-loan option and tries repeatedly to repay the money, but still does not succeed, she becomes an unwilling defaulter. Any amount of flexi-loan which does not get paid back within two years it becomes

⁴⁸ Khan, A. H.(2003). Introduction to Grameen II. Grameen Bank : Dhaka.

overdue, and 100% provision is made for that amount. Amount that does not get paid back in three years, becomes bad debt, and is written off entirely.

Under GGS loans are written off as a part of financial prudence, but the amount is neither forgotten nor forgiven. GGS treats all written-off loans as recoverable loans. It is guessed that under GGS, nearly 90% of written-off loans and interest will ultimately be recovered, because the borrowers will pay them back, in their own interest, as and when opportunity arises. Poor people always need money. Their interest is to keep the door to money open. If this door shuts down for any reason, they'll do their best to reopen it- if that option is available. GGS provides this option. There are many exciting features in GGS, removing tension from micro-credit and permanently establishing full dignity to the poor borrowers, are the two most important ones.

4.4 GB'S new method created custom-made credit service

GGS has created a methodology which can provide custom-made credit to a poor borrower. GGS is still a powerful methodology which demonstrated its ability to deliver micro credit in all types of countries, economies, and cultures. It has done its job in making micro credit a serious business. GGS allows loans of any duration, such as, 3 months, 6 months, 9 months or any number of months and years. In its reduced form it can be as simple as GGS. GGS was designed to operate mechanically. In an extreme case, each installment can be of different size. In the other extreme, all installments can be exactly equal, like in GGS. An agreed repayment schedule is signed by both the lender and the borrower, before the loan is disbursed. The borrower is obliged to follow the schedule during the loan period. If she or he fails, it is required to take the detour and move to flexible loan.

When a borrower moves to flexi-loan she or he gets a second chance to work out another repayment schedule, one that is more do-able than the previous one. Suppose a borrower starts with a basic loan for duration of one year. During the loan period she or he develops some problem in paying the installments according the schedule she had committed to. She or he moves to flexi-loan and converts the one-year loan into, say, a three year loan, making the installments very small and affordable. Even if she or he has extended the loan period to three years, she or he does not have to wait three years to access fresh loans.

One most visible change noticed in GGS is the disappearance of Group Fund. Grameen Bank had to keep on defending Group Fund ever since it was created twenty five years back. There are no more joint accounts. Each borrower will have three obligatory savings accounts - Personal savings account, Special savings account and Pension deposit account (obligatory only for borrowers borrowing above Taka 8,000). GGS continues with 5% obligatory savings, deducted from the loan amount, at the time of disbursement. But it is no longer called a "group tax". New name is "obligatory savings". Half of this 5% obligatory savings goes to a personal savings accounts, the remaining half goes to a "special savings accounts". A borrower can withdraw any amount from her or his personal savings account any time she or he desires. GGS requires all borrowers with loans above Taka 8,000 (US \$ 138) to contribute a minimum of Taka 50 (US \$ 0.86) each month in a pension deposit account. After ten years a borrower will receive a guaranteed amount which is almost double the amount she has put in during 120 months. GCS operated with a loan ceiling for the whole branch. No borrower can take a loan above the ceiling fixed for the branch. On top of it there was a ceiling for the whole zone. Branch ceilings were below or equal to the zone ceiling. GGS has replaced it with an upgradeable able loan ceiling for each borrower. Under GGS there is no ceiling for the zone, and no ceiling for the branch. For basic loan, the ceiling is fixed each time a borrower requests a new loan. It is calculated in two different ways. Higher amount between the two is accepted as the ceiling. Under the first method the ceiling is worked out on the basis of performance (regularity in repayment, attendance in weekly meetings etc) of the borrower, her group, and centre. Under the second method the ceiling is fixed on the basis of the total amount of the savings (excluding personal savings). Ceiling is equivalent to 150% of the total savings. If a borrower has a total saving of Taka 10,000, her or his loan ceiling will be Taka 15,000.

4.6 Difference with conventional banking

Grameen Bank methodology is almost the reverse of the conventional banking methodology. Conventional banking is based on the principle that the more some one has, the more he or she can get. Conventional banks are owned by the generally rich men. Grameen Bank is owned by poor women. Grameen Bank's objective is to bring financial services to

the poor, particularly women and the poorest to fight poverty, stay profitable and financially sound. Grameen Bank branches are located in the rural areas, unlike the branches of conventional banks which try to locate themselves as close as possible to the business districts and urban centers. But Grameen Bank's 16,142 staffs meet 5.58 million borrowers at their door-step in 59,912 villages spread out all over Bangladesh. Conventional banks go into 'punishment' mode when a borrower is taking more time in repaying the loan than it was agreed upon. They call these borrowers "defaulters". Grameen methodology allows such borrowers to reschedule their loans without making them feel that they have done anything wrong (indeed, they have not done anything wrong.) In conventional banks interest charged on a loan can be multiple of the principal, depending on the length of the loan period. In Grameen Bank under no circumstances total interest on a loan can exceed the amount of the loan, no matter how long the loan remains unpaid. No interest is charged after the interest amount equals the principal.

GB has always carefully avoided the practices of the conventional banks to make sure GB does not fall into the same logical loop which kept the poor out from financial institutions. Grameen had to create new systems to balance financial and human considerations. For example, it presents loan information separately for women and men, lists meticulously every single business of the borrowers in its annual report, and recognizes that a house is not just a house, but a workplace for the poor women, something that is categorized as a 'consumption' loan by the conventional banks is actually a 'production' loan for the poor. Grameen is a system based on human-relationships, not on threats of penalty imposed by legal system or any other agency. Grameen required new style of business, new banking culture of its own. Other banks do not move from their specific offices but GB goes to the door of the poor people.

The method, rules and regulations and natures of GB and micro credit program of GB are different than other conventional banks in the country. GB abides by its own rules and regulations to make credit flow easy and worthy to keep recovery rate equal to previous year and make micro credit more effective in poverty alleviation.

Chapter 5

Income generating activities, health, food, housing and sanitation conditions of Grameen Bank member

There are many rural based income generating activities of GB. It also plays role in health care, food production and food intakes, housing and sanitation conditions of the borrowers. GB has been making credit flow to the borrowers in some specific sector. The borrowers have made themselves involved in various income generating activities.

5.1 Income generating activities of Grameen bank member

GB aims at poverty alleviation through income generating activities. It, there fore, carefully evaluates the profitability of the proposed investment sector. GB's income generating activities include among others the following: conducting small business, husking paddy and puffed rice, rearing poultry and selling eggs, rearing goat and cow, tailoring, calendaring cloths, buying goods and vegetables from one place and selling in another place, distributing cosmetics, vegetable cultivation, planting trees, nursery, growing flower, land cultivation, selling milk, making furniture of cane ,bamboo and wood, grocery shop, book stall, mobile phone shop, tea stall, fishery and fishing, hatchery, honey growing, candle producing, pot maker, hear cutting saloon, making hand pakha from bamboo, palm leaf and cloths, small hotel, bakery, ornament making, business of waste paper, broken glass, iron, silver and plastic, small business of diesel, fertilizer and insecticide, tilling other's land, medicine shop in rural hat, making mat from cane and Bamboo, clot king nokshi katha, C.D. shop, rickshaw and van pulling, driving auto rickshaw, C.N.G. tempo etc., repairing shop of shallow machine, Radio, T.V. clock etc., food processing, fish business, fire wood shop, seed store, fruit shop and selling soap of chanachure, biscuit, chocolate, betel leaf and nut, needle, bread, hair ribbon and clip, cup plate, dish, dress of children, toys, Soya and matchstick etc. from door to door.

5.2 Education and health care for the poor through micro credit

Grameen Bank lends money to extremely poor people particularly women, without collateral, without any legal instrument, without any group guarantee, without joint liability. GB laid emphasis on the idea that children of Grameen families go to school. In the early years when GB had a very small number of borrowers, it discussed with the borrowers their daily problems. One of the vital decisions of GB is, "**GBM shall send the children to school**". GB encouraged everybody to send 100% of the children to school. In Bangladesh, literacy rate is very low. GB has been trying to create 100% literacy. The study has found all children of GBM of age 6 to 14 years go to school.

GB introduced scholarships for students who are at different levels in high schools and colleges. It introduced student loans that helped the students to continue with their higher education. At present there are more than 8,000 Grameen students who are under the student loan program attending medical, engineering and other departments in the universities. Students succeeding in reaching the tertiary level of education are given higher education loans covering tuition, maintenance and other school expenses. By December 2005, as many as 8,926 students received higher education loans, of them 8,294 students are studying at various universities; 99 student are studying in medical schools, 211 are studying to become engineers, 322 are studying in other professional institutions.⁴⁹

5.3 GB member can sign their name

GB believes that illiteracy must be removed to reduce the poverty. It has made all its borrowers to know how to sign. All members of GB are able at least to put their signature which they have learned after joining GB. They have realized the importance of education as they have to repay the weekly installments of loan accurately. Though 30% borrowers are over 50 years, they can sign when needed. When they come to GB and form a group to get a loan, it is mandatory to learn how to put their own signature in the application form and other papers.

⁴⁹ GB web site, op. cit. loc.

5.4 Oral saline and drinking water

One big health issue is the availability of drinking water. Impure drinking water causes many diseases. One common disease in Bangladesh is diarrhea. Oral saline is an effective drinking to cure it. At the back page of the Grameen Bank loan passbook, it shows pictures of how to make oral saline solution. Every family is trained to make oral saline in case they need it. Tube well water is available to most of the borrowers and they drink pure tube well water. Almost half of the families have been brought under the coverage of tube wells with assistance of the government, UNICEF, public health department and other agencies. GB also promoted tube wells and gave loans for sinking tube wells for drinking water. Every Grameen family can have access to pure drinking water.

5.5 Sanitary latrine

In Bangladesh, a latrine condition is not satisfactory in the rural area. GB introduced one practice among the borrowers: if any body becomes a Grameen Bank member, one of the first things he or she must use a hygienic latrine. The poor borrowers at least dig a hole and build a latrine with fence of hay and bamboo. After joining GB some members have made semi sanitary latrine, some borrowers made hole in the earth with strong fence of bamboo. At present no member uses open place as latrine and this is also true about their children.

5.6 Doctors and others appointed

GB has appointed qualified doctors, paramedics, health workers and set up pathological laboratories to render medical and health care services to the borrowers. GB is adding safe delivery practices as a priority. 95% of the children in Bangladesh are born at home. As a result maternal mortality is very high, and so is child mortality. GB offers a place where the mother can have a child delivered safely. GB trained some doctors to perform cataract operations and intraocular lens implantation in the villages. One particular company in Japan is very eager to work with GB, and has just signed an agreement in this respect. GB has two hospitals and it has built up a good

healthcare system covering the villages and provides Medicare. There was a time when night blindness was rampant in Bangladesh. GB has made its clients aware of Vitamin A deficiency of their children.

5.7 Food quality

GB members have improved their diet. They eat vegetables, fruits, eggs, meat, fish, potato, wheat, fishes etc. They have understood that their improved diet will help them to keep their body fit to work hard and save them from diseases. They are producing food by taking loan from GB. It is urging its clients to promote cultivation of vegetables by the families. GB started campaigning that each family must grow their own vegetables and eat plenty of them. It also started collecting seeds and now supplying little penny packets of many different seeds. GB has promoted the program through out the country. It has been importing and growing its own seeds for the members.

5.8 Housing condition and housing loan

House building loan is not provided in the area of GB Bishka phulpur branch. No borrower could avail the house building loan. It is observed that nearly half of the total members has improved their housing condition with tin roof. The rest of the members have made their houses with bamboo and straw. The branch members have said that after some months house building loans will be disbursed here among the borrowers. In 1984, GB introduced housing loans and it became obligatory that along with each house built, the borrowers must have a sanitary latrine attached. All houses built with Grameen housing loans must have a sanitary latrine. This program was awarded Aga Khan International Award for Architecture in 1989. Maximum amount given for housing loan is Taka 15,000 (US \$ 249) to be repaid over a period of 5 years in weekly installments. Interest rate is 8 %. 627,058 houses have been constructed with the housing loans averaging Taka 13,291 (US \$ 202). A total amount of Taka 8.33 billion (US \$ 127 million) has been disbursed for housing loans. During January to

december, 2005 19,643 houses have been built with housing loans amounting to Taka 187.07 million (US \$ 2.94 million).⁵⁰

5.9 Occupation and income of the borrowers before joining GB

It has been mentioned before that members of the GB are not educated at all. They have learned only how to write down their name and signature. They have no other occupation other than household work for the women and in some cases the work of maid servants and day laborer or the job of rickshaw/van pullers. As they are assetless poor they have no idea of what is capital. It has been found that all women members had no income before joining GB. The women who used to work as maid servant in other's house, they were given only food and cloth occasionally. There was no wage for their works. The male person used to sell their labor to the land owner in the season of planting crops, weeding, cutting and harvesting the crops at cheap rates. During the peak season they used to earn some money but in the off season there was no income. That is why their average income in a year was Taka 10 to 20 per day.

5.10 Clothing and cultural conditions of the borrowers

Clothing is one of the most important basic needs. The study has found that the borrowers of GB have clothing for the winter. The woman members are now wearing petticoat and blouse. It has been found that all women members belonging to 30 to 40 years have some good clothing. The GB members have improved their living conditions. They watch TV, listen to Radio, and go to social functions wearing good dresses.

The poor borrowers are involved in many income generating activities and they are becoming aware of health care, food, housing and sanitation etc. They can take three times food. Their housing conditions are better than that of the past. Pure drinking water is now available to them and the sanitation conditions are also better.

⁵⁰ Islam, N. Chowdhury, A. I. and Ali, K. (2000), Evaluation of the Grameen Bank's Rural Housing Programme. CUS-Dhaka University: Dhaka,

Chapter 6

Women empowerment, their awareness and population control

Women is the half of the total population of Bangladesh. GB has laid special emphasis on women from its beginning. Most of the women borrowers are now aware of their rights and responsibilities in the family and the society. Both the wife and husband now take decision jointly. Poor women are aware of population control. They are against the dowry system. They try hard to overcome their inhuman conditions. Some of them have grown interest in politics as well. Many Grameen Bank members have been elected as members in local Government. The poor women use family planning methods to keep the family size small.

6.1 Local government election

Grameen system makes the borrowers familiar with the election process. They routinely go through electing group chairmen, secretaries, centre-chiefs and deputy centre-chiefs every year. In every three years they elect board members for running Grameen Bank. This experience has prepared them to run for public offices. They are contesting and getting elected in the local governments. In 2003 local government (Union Porishad) election, 7,442 Grameen members contested in the reserved seats for women and 3,059 were elected. They constitute 24% of the total members elected in the seats reserved for women members in the Union Porishad. During 1997 local government election 1,753 members were elected to these reserved seats.⁵¹

6.2 Women's positions in bank and families

Conventional banks focus on men, Grameen gives high priority to women. 96% of Grameen Bank's borrowers is women. Grameen Bank works to raise the status of poor women in their families by giving them ownership of assets. It makes sure that the ownership of the houses built with Grameen Bank loans remain with the borrowers, i.e., women. Total number of borrowers is 5.58 million. Women are always sincere about fulfillment of terms and conditions. They try hard to change their lot by making

⁵¹ GB web site, op. cit loc.

proper use of micro credit. It is known to all that the traditional joint family has broken down and nuclear family is now the dominant family system in Bangladesh. Members of GB are no exception to this. All members do have nuclear families. They manage their livelihood by hard labor. The choice, taste, habit and tolerance of women have changed and women have gained the ability to conduct their families more efficiently compared to the past.

6.3 Present occupation

Both male and female members of GB are household workers. By making use of GB loan they are rearing cows, goats and conducting small shops. As mentioned before they are also involved in mobile phone business and other business in hats and bazars of villages. These indicate that there has been women empowerment at the grass root level. Women are playing an important role by contributing income to the family. Husband dose not take family decisions alone. Almost in every case, husband and wife take decision jointly after joining GB. Now wives are able to express their opinions and exercise power as do they work properly. In some cases GB has given priority women to man. For example palli mobile phone credit is given only to women. The education loan is being given to the children of women members. Some women members in the area are also involved in local politics. But in other areas both male and female members are involved in politics and in many cases they have been elected as members of union parishads.

6.4 Grameen Technology center's contribution to uplift the women

Grameen Shakti has undertaken a program to set up 30 Grameen Technology Centers (GTCs) in order to train up the rural poor women. The trained women can handle manufacturing accessories of solar home systems locally to meet the demand of the clients. They are given certificates of solar technicians and they will sign an annual contract of servicing and maintenance of client's solar systems. This would make them entrepreneurs in the future as well. As nearly 20,000 people are installing Solar

House System (SHSs) in the country for various purposes. This has a huge demand for local technicians and entrepreneurs.

Grameen Telecom (GTC) has initiated a pilot inter net kiosoks in the rural area in 2005. Three kiosoks have been installed in Mirzapur of Tangail district by the poor members by using loans from Grameen Bank Mahera, Fatehpur and Pakulla branches. Grameen kiosok operators are selling computers and internet accesses to the villagers who can browse the web sites, e-mail friends and family, chat on line, send photograph, print various forms and documents and collect information of overseas employment opportunities. They can earn Taka 500 to Taka 1000 per week. It is an indication of women empowerment.⁵²

6.5 Awareness about health and children

GB women members are aware of their health and sanitation. They buy essential medicines from the near by hat or bazar. As they are illiterate, they do not have knowledge of first aid. They take suggestions from village doctors and health workers of local health center and family welfare assistant of their unions. The borrowers are more conscious about female children .They send their female children to schools, colleges and universities.

6.6 Number of children and use of family planning methods

The members belonging to 55 to 60 years have 5 to 8 children. These people were not conscious about the population problem of the country. However, the new members have children between 2 to 3. Clearly they are more aware of their family size. The media in this regard has played a vital role to make up them aware of the advantages of small family size. GB workers are also active in this respect. Some GB branches have M.B.B.S. doctors and supporting staffs to render service to its members. Women prefer small family size.

⁵² Grameen Trust (2005), Grameen Dialogue, Dhaka.

All young members of GB are using contraception as they realize that small family is better. Grameen bank has laid an emphasis on the poor female borrowers and their school going children. The female borrowers have proved their abilities and potentialities in the society. They are becoming aware of their health, families and their children. Family planning methods have been adopted by them to keep the family size small.

Chapter 7

Socio-economic aspects of Grameen Bank in Bishka Phulpur branch

The area of GB Bishka Phulpur branch has been surveyed and visited by the researcher. The major socio- economic aspects examined in the area are education, occupation, income, pure drinking water, clothing, housing and sanitation and women empowerment etc. It is to be noted that the Bishka Phulpur branch of Grameen Bank was established in 1992. At that time the number of borrowers was small. At present the total number of members of the branch is 4656. Members are benefited by credit program of the branch. The living conditions of the borrowers have been changed.

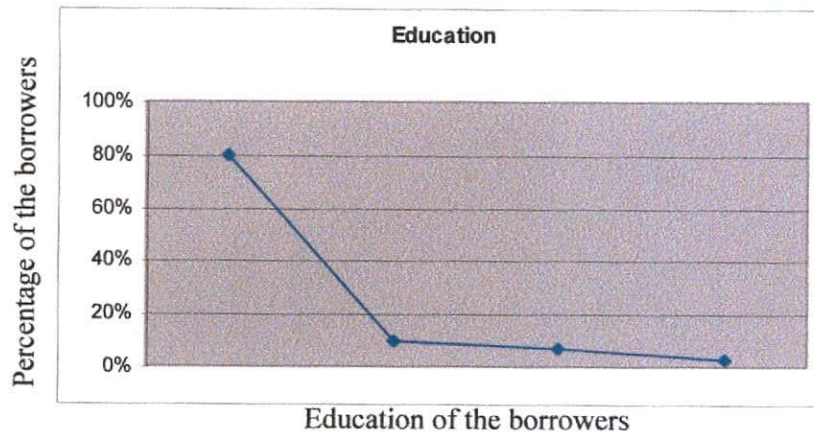
Age of membership of the borrowers of GB Bishka Phulpur branch

The duration of the membership in GB is not long. A half of borrowers, whose age is around 35 to 40 years, is involved with GB since 1998/99. They have learned some positive things that helped them to change their over all conditions of life. Some members whose age is between 55 to 60 years are GB's clients for about 10 to 12 years. They have changed their economic conditions and brought their children to GB and managed memberships and now the parents and their children are members of Grameen bank.

Education

It has been mentioned earlier that majority of the borrowers are in the age group of 40 to 50 and they are not educated. Poverty is the main cause of their illiteracy. GB has taught them how to put signature only. 10% borrowers can read the letter incorrectly. 7% borrowers went to schools or maktabas but could not continue the study for poverty. 3% borrowers have few educations and can read and write some how. However, 100% children of the borrowers are going to schools. It is expected that in future the borrower's family will be literate. At present 80% borrowers can sign only, 10% borrowers can read some, 7% borrowers went to schools and 3% borrowers can read and write in Bangla. But 100% children of the borrowers are going to schools.

Figure 1: Education of the borrowers of GB Bishka Phulpur branch



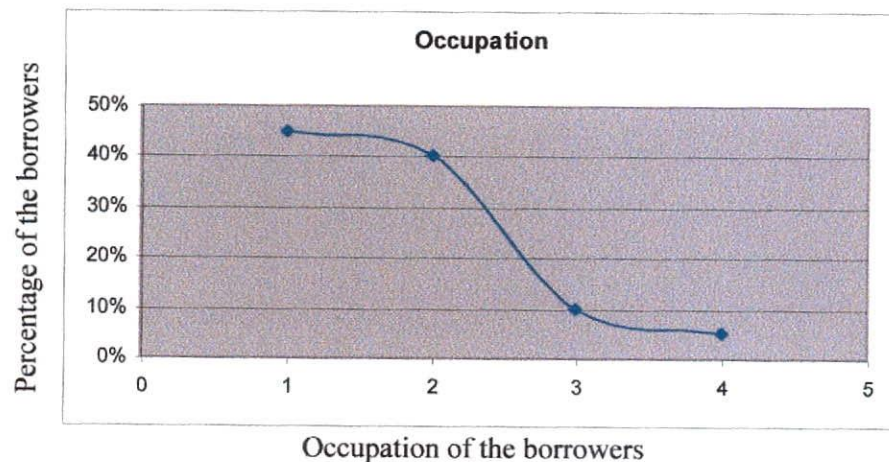
1. 80% borrowers can sign only
2. 10% borrowers can read some
3. 7% borrowers went to schools and
4. 3% borrowers can read and write in Bangla

Source: Survey result of the area of GB Bishka Phulpur branch in 2005.

Occupation

GB has made its borrowers engaged in economic activities. When a borrower takes loan, he has an obligation of repayment the first installment of the loan just after one week of drawing it. She or he becomes busy and starts working. As a result the borrowers can earn more and it has that have a positive effect in the society. All respondents in Bishka Phulpur branch have taken more than one works as their profession. House hold work is common to all. 45% borrowers are engaged in poultry farming, cow and goat rearing, 40 % borrowers have small shop and small business, 10% borrowers are rickshaw/van puller and the rest 5% borrowers are only in agriculture and nursery.

Figure 2: The occupations of the borrowers of GB Bishka Phulpur branch



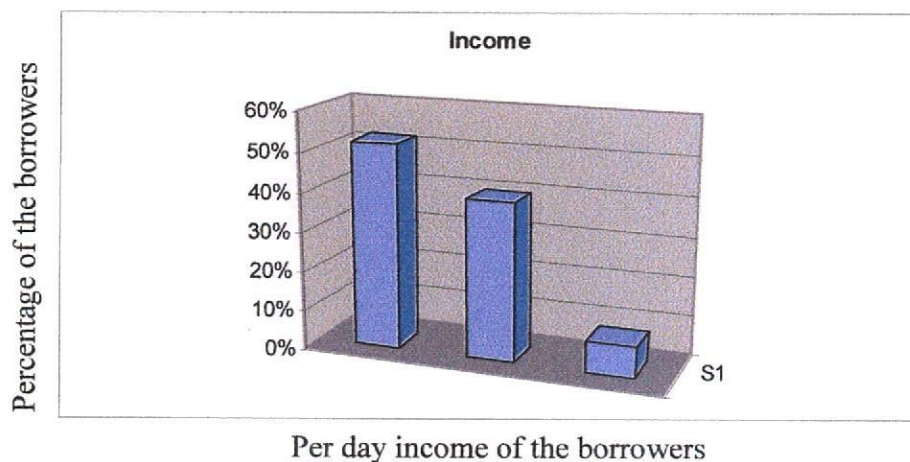
1. Poultry farming goat and cow rearing
2. Small shop and small business
3. Rickshaw and van pullers
4. Agriculture and nursery

Source: Survey result of the area of GB Bishka Phulpur branch in 2005.

Income

The male borrowers had very few income per day before joining GB. They could earn Taka 10 to 20 per day on average by selling their physical labor during the planting and harvesting seasons of the crops and the rest of the time of the year they remained unemployed. Female borrowers had no income. After joining GB the borrowers of Bishka Phulpur branch are earning money. The study found that 52% borrowers can earn Taka 100 per day, 40% borrowers can earn Taka 70 to 80 and rest 8% borrowers can earn Taka 40 to 50 per day by investing their loan money with their own labor. These are indications of increases the income of the borrowers.

Figure 3: Daily income of the borrowers of GB Bishka Phulpur branch



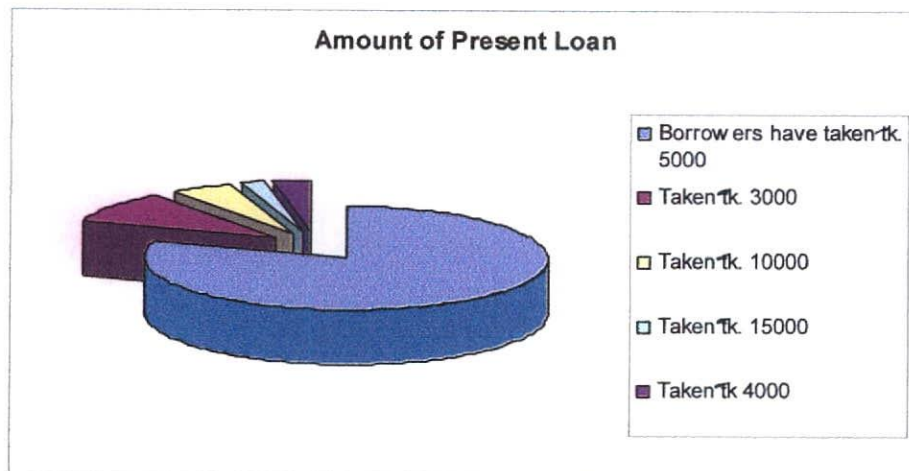
1. 52% borrowers can earn Taka 100
2. 40% borrowers can earn Taka 70 to 80 and
3. 8% borrowers can earn Taka 40 to 50

Source: Survey result of the area of GB Bishka Phulpur branch in 2005.

Amount of present loan

The borrowers of GB Bishka Phulpur branch individually were not given big amounts of Taka as loans. There has been no scope for setting up small and cottage industries. Agriculture is the main source of earning. The poor borrowers have no ability to invest medium and big amount of loan in productive sectors. 80% borrowers have taken Taka 5000, 10% borrowers have taken Taka 3000, 5% borrowers have taken Taka 10000, 2% borrowers have taken Taka 15000 and 3% borrowers have taken Taka 4000 respectively.

Figure 4: Amount taken as loans by the borrowers of GB Bishka Phulpur branch

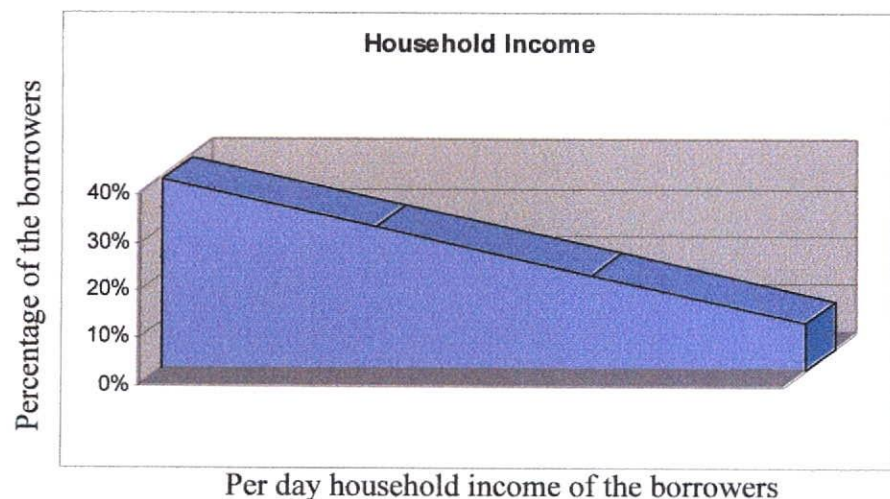


Source: Survey result of the area of GB Bishka Phulpur branch in 2005.

Household income

GB has created some income generating activities in the houses of borrowers. These are rearing poultry, goats, cows, hares and pigeons in their houses. Some borrowers are growing vegetables, honey and banana and have nursery etc in their house adjacent area. They are earning money by selling their products every day. In GB Bishka Phulpur branch 40% borrowers can earn Taka 50, 30% borrowers can earn Taka 70 to 80, 20% borrowers can earn Taka 80 to 90, and the rest 10% borrowers can earn Taka 100 100 plus on average.

Figure 5: Household income of the borrowers of GB Bishka Phulpur branch



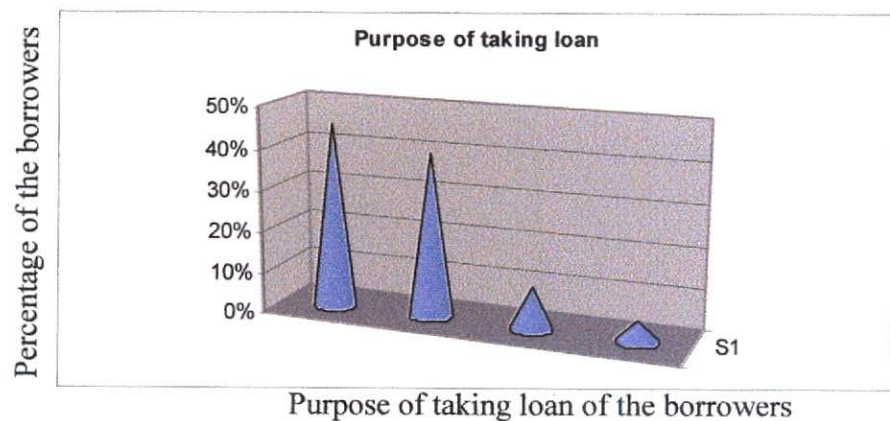
1. 40% borrowers can earn Taka 50
2. 30% borrowers can earn Taka 70 to 80
3. 20% borrowers can earn Taka 80 to 90 and
4. 10% borrowers can earn Taka 100 100 plus on average

Source: Survey result of the area of GB Bishka Phulpur branch in 2005.

Purposes of taking loan

It has been mentioned earlier that GB Bishka Phulpur branch area is an agro based one. The majority of the borrowers takes loan for agriculture related productive activities. Their produced goods cater to the needs of the local people. The purpose of taking credit by 45% borrower's purpose is rearing of cow and goat and poultry farming, 40% borrower's purpose is to conduct small shops with small business, 10% borrower's purpose is to buy rickshaw/van and 5% borrower's purpose is vegetable cultivation and developing nursery.

Figure 6: Purposes of taking loan of the borrowers of GB Bishka Phulpur branch



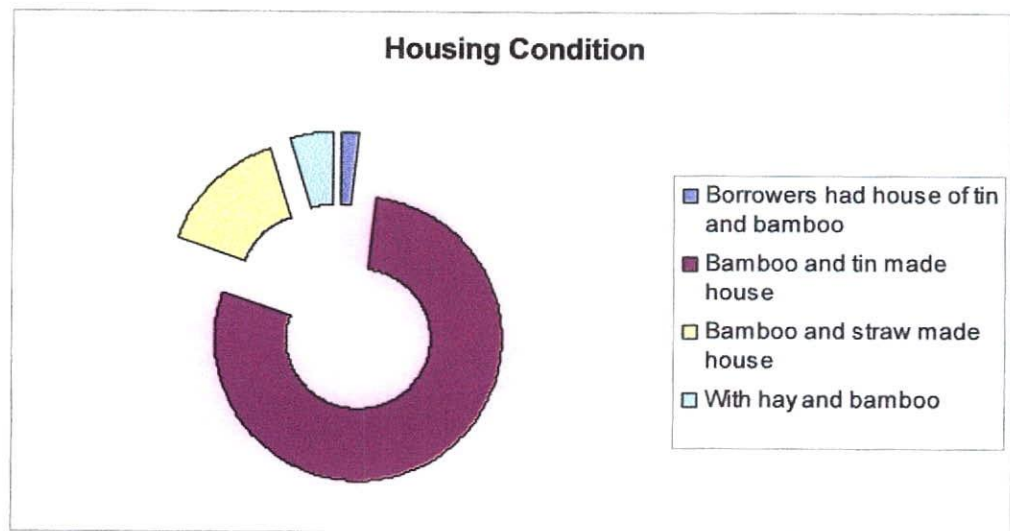
1. 45% borrower's purpose is rearing of cow and goat and poultry farming
2. 40% borrower's purpose is to conduct small shops with small business
3. 10% borrower's purpose is to buy rickshaw/van and
4. 5% borrower's purpose is vegetable cultivation and developing nursery

Source: Survey result of the area of GB Bishka Phulpur branch in 2005.

Housing conditions

As mentioned earlier house building loan is not yet given in the area of GB Bishka Phulpur branch. No borrower could avail house building loan. But it has been seen that nearly half of the total members has improved their housing conditions with tin roof. The rest of the members have made their houses with bamboo and straw. According to the branch manager house building loans will be disbursed among the borrowers of the branch. It should be noted that only 2% borrowers had house of tin and bamboo before joining GB and now 80% has bamboo and tin made house, 15% borrowers has bamboo and straw made house and rest 5% borrowers has made their houses with hay and bamboo. It is evident that the housing conditions of the borrowers are improving.

Figure 7: Housing condition of the borrowers of GB Bishka Phulpur branch

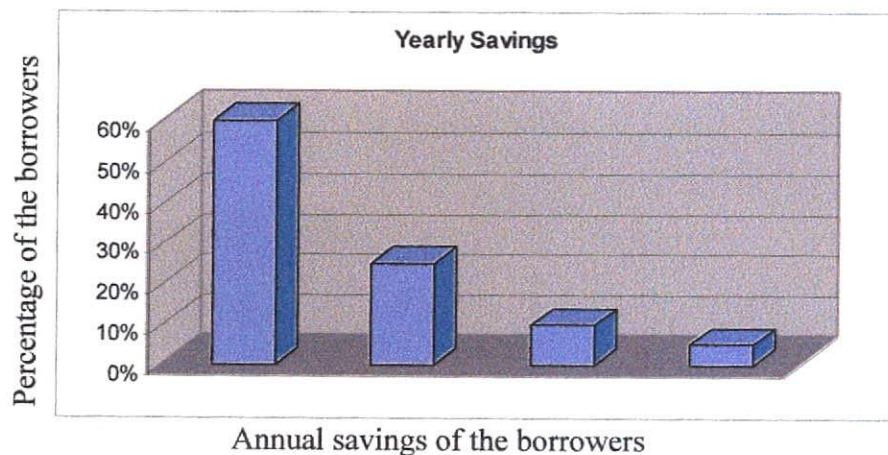


Source: Survey result of the area of GB Bishka Phulpur branch in 2005.

Annual savings

The economic conditions of the borrowers of GB Bishka Phulpur branch are not good. On the other hand borrowers of the area are allocated small amount of loans. Their income is small. As a result their yearly savings are small. However, they are making habits of savings that have a positive effect on the economy of the country. It has been found that 60% borrowers saves Taka 1000, 25% borrowers saves Taka 500, 10% borrowers saves Taka 300 and only 5 % borrowers can save Taka 2000 or more.

Figure 8: Annual savings of the borrowers of GB Bishka Phulpur branch



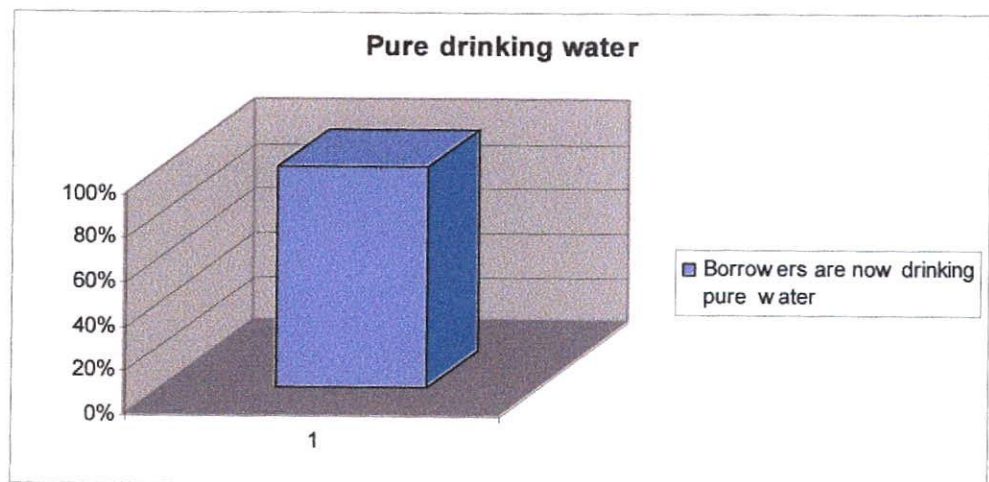
1. 60% borrowers saves Taka 1000
2. 25% borrowers saves Taka 500
3. 10% borrowers saves Taka 300 and
4. Only 5 % borrowers can save Taka 2000 or more

Source: Survey result of the area of Bishka GB Phulpur branch in 2005.

Pure drinking water

The area is arsenic free area and there is good source of getting pure drinking water from tube wells. The borrowers of GB Bishka Phulpur branch area have tube wells either in their own houses or they can collect pure drinking water from tube wells of others. As a result 100% borrowers are now drinking pure water from tube wells.

Figure 9: Pure drinking water of the borrowers of GB Bishka Phulpur branch



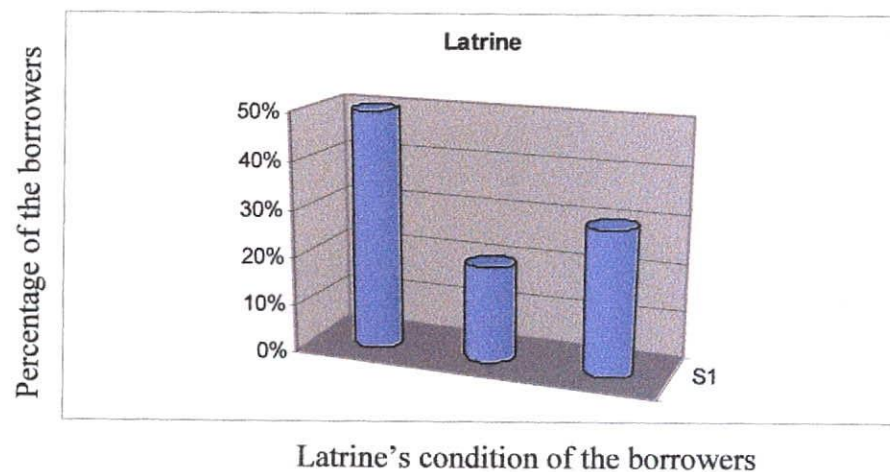
100% borrowers drink pure tube well water

Source: Survey result of the area of GB Bishka Phulpur branch in 2005.

Latrine

The poor borrowers of the GB Bishka Phulpur branch area had no latrines before 15/16 years ago. The borrowers have changed the latrine conditions. It had a significant effect on the society. At present 50% Borrowers have paved latrine with tin roof and bamboo fence latrines, 20% borrowers have holes in the earth with bamboo fence latrines, 30% borrowers have hole in the earth with hay and straw fence latrines but none have full sanitary latrine in that area.

Figure 10: Latrine conditions of the borrowers of GB Bishka Phulpur branch



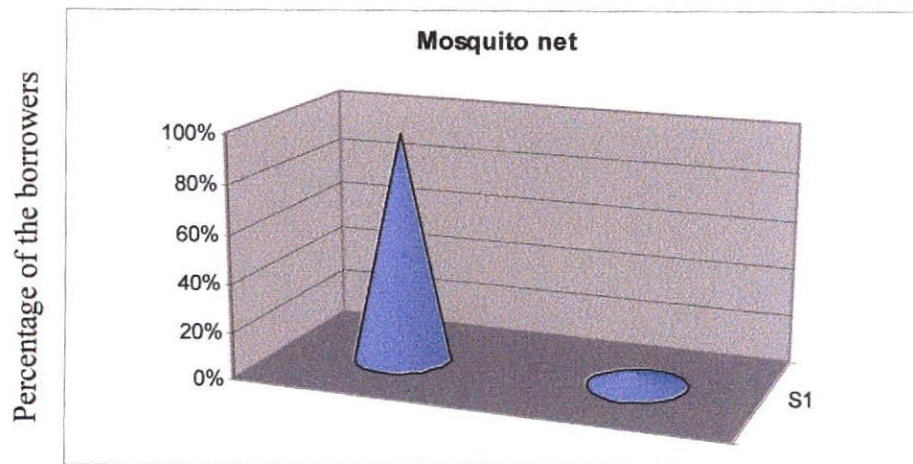
1. 50% borrowers have paved latrine with tin roof and bamboo fence latrines
2. 20% borrowers have holes in the earth with bamboo fence latrine
3. 30% borrowers have hole in the earth with hay and straw fence latrines

Source: Survey result of the area of GB Bishka Phulpur branch in 2005.

Mosquito net

The borrowers of GB have managed to buy mosquito net. Though mosquito net is a small thing its importance is enormous. The lower classes of people can not afford to buy mosquito coil. The mosquito net in this regard play a vital role for saving them from the attack of mosquito as well as many diseases. 95% borrowers have mosquito nets essential to protect from mosquito biting and rest 5% borrowers have no mosquito nets.

Figure 11: Available of mosquito nets to the borrowers of GB Bishka Phulpur branch



Mosquito net of the borrowers

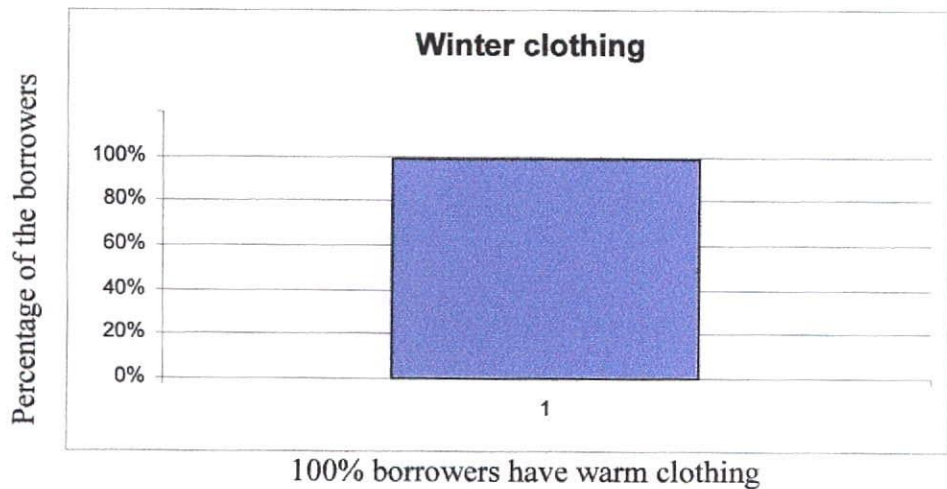
1. 95% borrowers have mosquito nets
2. 5% borrowers have no mosquito nets

Source: Survey result of the area of GB Bishka Phulpur branch in 2005.

Winter clothing

Winter clothing is a factor in social development. The borrowers of GB Bishka Phulpur branch are in good position in this regard. At present 99% borrowers have warm clothing to protect themselves from winter.

Figure 12: Winter clothing of the borrowers of the Bishka Phulpur branch

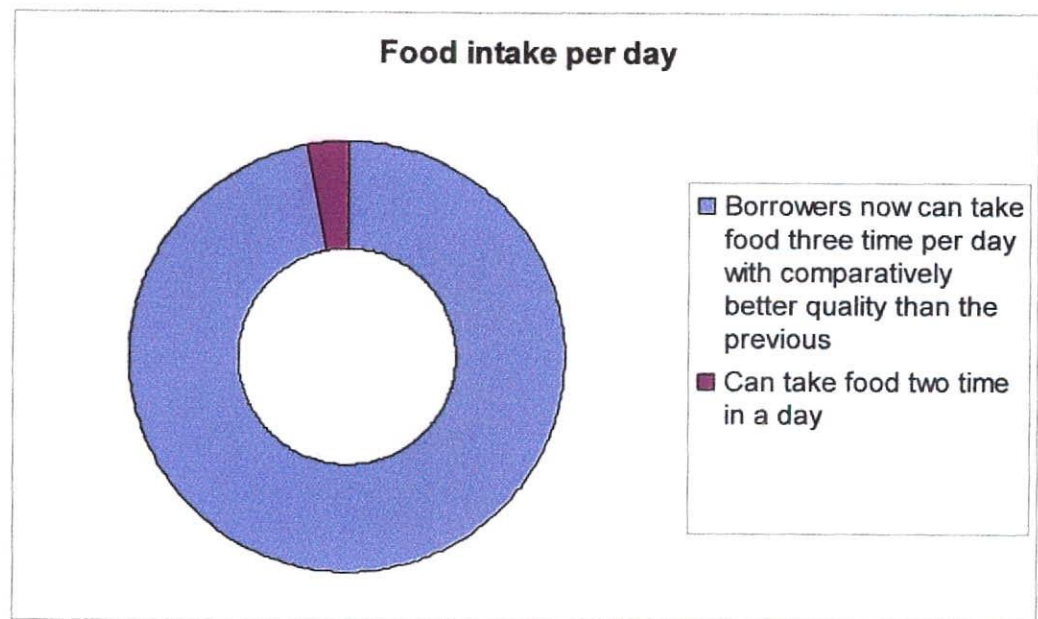


Source: Survey result of the area of GB Bishka Phulpur branch in 2005.

Food intake per day

Food is a basic need for human survival. In the eighties the poor people could not manage three time's food everyday. The borrowers of GB Bishka Phulpur branch were in the same conditions. GB had laid importance on food for its clients. As a result the poor borrowers are able to overcome the worst conditions. At present 97% borrowers can take better quality food three times per day and the rest 3% borrowers can take food two times in a day.

Figure 13: Food intake of the borrowers of the Bishka Phulpur branch

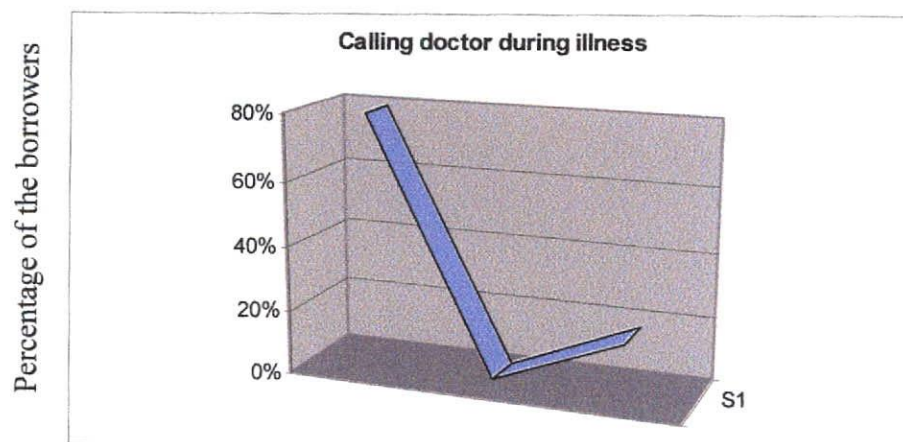


Source: Survey result of the area of GB Bishka Phulpur branch in 2005.

Calling doctor during illness

GB borrowers can not call a doctor when they become sick. In the condition of serious illness they go to hospitals in the near by town and thana sadar. It is also found that the members have not deposited and saved even a small amount of money for treatment. GB members of Bishka Phulpur branch area are very backward. In 2005, 80% borrowers could call a village doctor during illness, 2% borrowers could go to hospitals in towns and the rest 18% borrowers could not call any doctor during their and family member's sickness.

Figure 14: Calling doctors during illness by the borrowers of GB Bishka Phulpur branch



The borrower's ability of calling doctor during illness

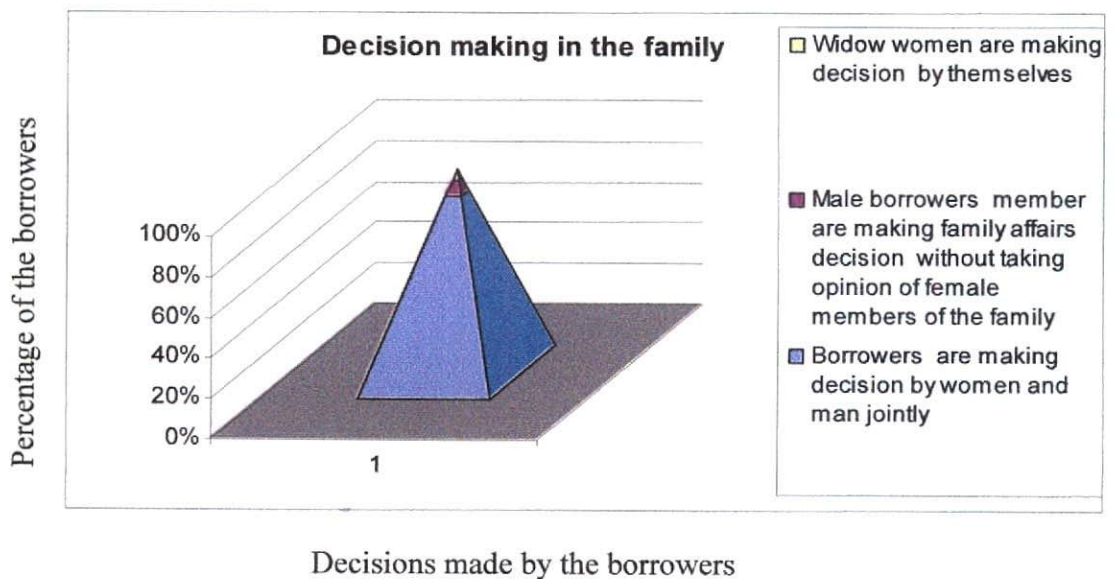
1. 80% could call call doctor
2. 2% could go to hospital
3. 18% could not call doctor

Source: Survey result of the area of Bishka Phulpur branch in 2005.

Decision making in the family

This is related to woman empowerment and their rights and positions in the society. 96% borrowers of GB are women. The efforts of GB have a positive role for the upliftment of women. In GB Bishka Phulpur branch 90% male and female borrowers are making decision jointly, 7% male borrowers are making family affairs decision without taking opinion of female members of the family and the rest 3% widows are making decision by themselves.

Figure 15: Decisions made by the borrowers in the family of GB Bishka Phulpur branch

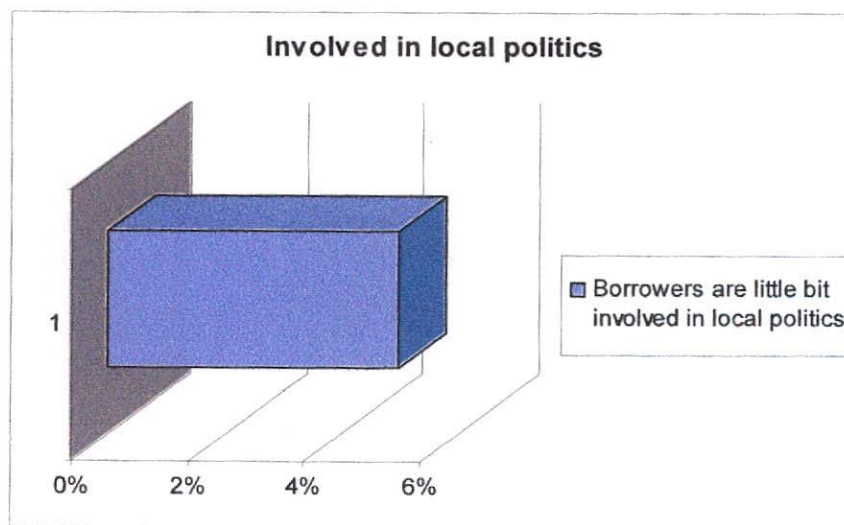


Source: Survey result of the area of Bishka Phulpur branch in 2005.

Involvement in local politics

The area of GB Bishka Phulpur branch has been dominated by two main political parties since the liberation war. The poor borrowers are not interested in joining politics. They have to spend most of their times in managing livelihood. The borrowers have few participation in the local politics. Only 5% borrowers are involved in local politics.

Figure 16: Involvement of the borrowers of GB Bishka Phulpur branch in local politics

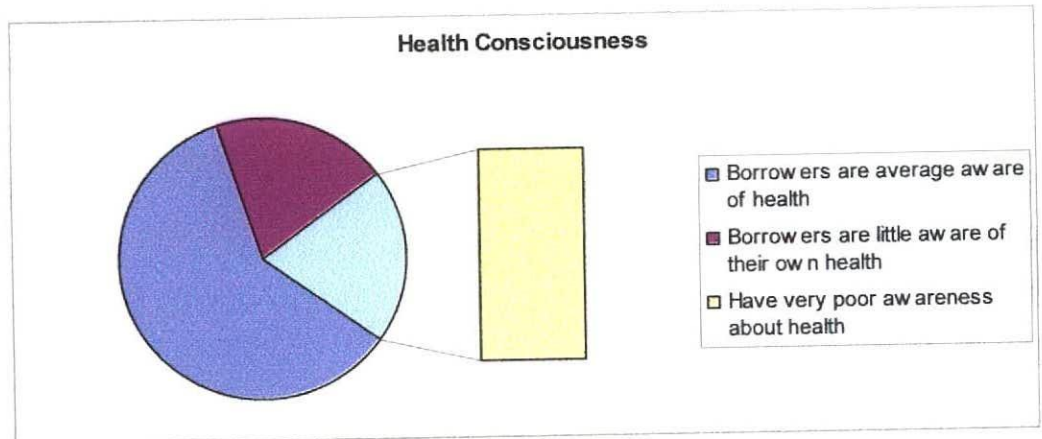


Source: Survey result of the area of Bishka Phulpur branch in 2005.

Health consciousness

Health is another basic aspect of human beings. The poor borrowers of GB Bishka Phulpur branch were not conscious about their health in the past. But GB has been trying to make the borrowers aware of health and sanitation. At present they have started realizing the importance of good health and the elements that are essential for good health. The bank staff helps the borrowers to know about good health and the things that help to build a good health. It has been found in the area that 60% borrowers are average aware of health, 20% borrowers are little bit aware of their own health the rest 20 % have very poor awareness about health. The borrowers of the area are not educated and they do not get the facilities of getting services from qualified doctors and health assistants.

Figure 17: Health consciousness the borrowers of GB Bishka Phulpur branch



Source: Survey result of the area of Bishka Phulpur branch in 2005.

Contraceptive using

Over population is another severe problem in our country. The Government, national and international organizations, NGOs and UNICEF are working in this regard to keep the growth of population under control. GB also takes the matter into its consideration seriously and asking its clients to accept family planning methods to keep their family size small. At present 90% able female borrowers are using various types of contraception methods, 5% borrower male members are using them and the rest 5 % borrowers are not able to give birth to children

The borrowers of GB Bishka Phulpur branch have been getting micro credit and other suggestions, directions and help from the workers of the branch since the date of their membership was accepted. They have achieved success more or less in some fields like education, income per day, pure drinking water and sanitation, housing, clothing and food. The borrowers are continuing their all out efforts to be poverty free healthy and conscious citizens of the country.

Chapter 8

Summary and Conclusions

Grameen Bank has been conducting micro credit programs throughout Bangladesh to make the poor people poverty free. GB has emphasized female borrowers and extended its hand of co-operations to them so that the neglected women can prove their potentialities and abilities. By the end of the year 2005, 5.58 millions poor people have become the borrowers of GB and 96% borrowers are women. Throughout most of its existence Grameen Bank has maintained repayment rates of 95 to 98 % and continued to move towards self-sustainability without deviating from its central vision of credit for poverty alleviation. GB is providing small loans to the landless destitute people collateral free. The groups of the borrowers are the collateral of the credit and it is the accepted system of GB. It has demonstrated not only that the poor are bankable, but that lending to the poor can be far less risky than lending to the rich. The greatest obstacle that Grameen Bank faces in providing targeted credit for poverty alleviation is poverty itself. GB has made contributions in poverty alleviation and created income generating activities by making credit available to the poor. It has made its borrowers able to take nutritious food, better health, habitable houses, pure drinking water, hygienic latrine, mosquito nets, warm clothing for winter and over all consciousness of education and family planning.

GB has put importance on education of both the borrowers and their children to make society free from illiteracy. It has introduced education loans and scholarships for the children of borrowers. It provides loans in palli phone for the female borrowers and has made the mobile phone communication easy across the country. It has expanded its banking services to the remote rural areas in the country. It is trying to reduce 50% poverty by 2015. Beggars are not out of Grameen Bank's credit program. It has set up some rules and regulations to conduct the micro credit program. If it can continue its activities and up date its rules and regulations with the changing requirements, it will have greater contributions to poverty alleviation and other positive changes in the society.

Policy Recommendations

Based on field survey research, the following recommendations are made:

1. Loan size should be increased as the price of all types of goods and services are rising.
2. The number of male members should be increased as they are the half of total population.
3. GB branches should be increased as the numbers of borrowers are increasing.
4. The first installment of loan repayment should be fixed up at minimum after one month of disbursement of loan.
5. More officers and staff should be appointed.
6. Traveling allowances should be increased for both officers and branch managers because their areas are vast in size.
7. Financial assistance should be widened to set up sanitary latrines especially in the backward region in this regard.
8. GB should think about the sustainable development of the conditions of the poor people.
9. Struggling members (beggars) should be motivated and struggling members projects should be widened in the city area also.
10. All members should be provided with the services of MBBS doctors.
11. The potential members should be provided with bigger amount of loans so that they can establish cottage industries to create job opportunity.
12. Some flexible rules and regulations should be introduced for the aged widows and old male members.
13. A strong legal frame work is needed for all institutions that are involved in micro credit programs.

Annex -1

Summary sheet of deposits

On 31 December 2005

In Lac Taka

1	2	3	4	5
SL	Name of Deposit	Balance before interest	Total amount of interest	Balance with interest
1	Current deposit	8,100	-----	8,100
2	Saving deposit	2,890,019	133,402	3,003,421
3	Centre welfare Fund	32,053	2,725	34,778
4	Tree plantation Fund	250	20	270
5	Polli phone saving	836,933.46	37,302	874,235.46
6	G.P.S	5,248,867	277,532	5,526,399
7	Special saving account	1,273,987	59,549	1,333,536
8	Monthly profit member	150,000	----	150,000
9	Double member by 7 years	1,305,999	108,798	1,414,788
10	Debt Insurance	1,014,099	----	1,014,099
11	Fixed deposit(non member)	100,000	8,007	108,007
12	Savings deposit (non member)	729,711.70	39,227	768,938.70
13	G.P.S (member)	53,258	5,798	59,056
14	Double member by 7 years	211,133	21,959	233,092
15	Worker debt Insurance	18,574	----	18,574
16	Monthly profit (non member)	-----	----	----
17	Current deposit (non member)	12,677	----	12,677
	Total	13,885,661.16	694,319	14,579,980.16

Source: Summary sheet on 31st December 2005 of GB Bishka Phulpur branch

Annex-2

Grameen Network

Grameen Bank does not own any share of the following companies in the Grameen network. Nor has it given any loan or received any loan from any of these companies. They are all independent companies, registered under Companies Act of Bangladesh, with obligation to pay all taxes and duties, just like any other company in the country.

- 1) Grameen Phone Ltd.
- 2) Grameen Telecom
- 3) Grameen Communications
- 4) Grameen Cybernet Ltd.
- 5) Grameen Software Ltd.
- 6) Grameen IT Park
- 7) Grameen Information Highways Ltd.
- 8) Grameen Star Education Ltd.
- 9) Grameen Bitek Ltd.
- 10) Grameen Uddog (Enterprise)
- 11) Grameen Shamogree (Products)
- 12) Grameen Knitwear Ltd.
- 13) Gonoshasthaya Grameen Textile Mills Ltd.
- 14) Grameen Shikkha (Education)
- 15) Grameen Capital Management Ltd.
- 16) Grameen Byabosa Bikash (Business Promotion)
- 17) Grameen Trust

Source: GB web site ,[www. grmeen bank .com](http://www.grameenbank.com)

Annex -3

List of countries conducting MC

ASIA	AFRICA	
1. Afganistan	31. Barkinafaso	61. Ruanda
2. Bangladesh	32. Camaron	62. Argentina
3. Bhutan	33. Central African	63. Bolivia
4. Combodia	Republic	64. Brazil
5. Chaina	34. Chad	65. Chili
6. Fuiji	35. Egypt	66. Colambia
7. India	36. Iritria	67. Gayana
8. Indonesia	37. Ghna	68. Nicaragua
9. Nepal	38. Kenia	69. Venzuala
10. Pakistan	39. Lesetho	70. Pero
11. Philipine	40. Mali	71. Equedor
12. Lebanon	41. Malauyee	72. Haiti
13. Kirogijastan	42. Mourtania	73. Honduras
14. Malayasia	43. Nizaria	74. Surinam
15. Mayanmar	44. Searalion	
16. Sirlanka	45. Somalia	NORTH AMERICA
17. Veitnam	46. South Africa	75. Canada
18. South Africa	47. Sudan	76. Maxico
19. Jordan	48. Tanzania	77. Elsalvador
20. Maldova	49. Togo	78. Zamica
21. Mongolia	50. Uganda	79. Guatemala
22. Pelestein	51. Jangi Bar	80. Thirinidad and Tobago
23. Oman	52. Zimbabwea	81. United States
24. Bahrain	53. Senagal	
25. Popua new guini	54. Zambia	EUROP
26. Samua	55. Ithiopia	82. France
27. Ujbekistan	56. Moroccow	83. Basnia
28. East timur	57. Jebuti	84. Netherland
29. Turkey	58. Ivory cost	85. Norway
30. Australia	59. Benir	86. England
	60. Gambia	87. Cosovo
		88. Poland
		89. Italia
		90. Russia

Source: GB web site: www.grameen.com

Annex- 4

Statistics at a glance

Owner ship-.....	94% poor people
.....	6 % Govt.
Total number of borrowers-.....	5.58 million.
Women-.....	96 %
Total branches-.....	1,735
Total villages-.....	59,912
District-.....	64
Thana -.....	all
Staff-.....	16,142
Loan Disbursed tk-.....	257 billion
Repaid-.....	228.53 billion
Outstanding-.....	27.97 billion
Disbursed in 2005.....	39.19 billion
Average monthly Disbursed last year.....	3.27 billion
Projected disbursement will be in 2006-.....	54.000 billion
More than last year-.....	14.81 billion
Outstanding will be.....	4.50 billion
Over all recovery rate -.....	99%
Interest rate	
Income generating loan-.....	20%
House loan-.....	8%
Education loan -.....	5%
Struggling member (beggars) -.....	0%
.....	8.5%
FDR-.....	12%
Beggars loan amount -.....	45.92 million
Number of beggars -.....	63,000
Already paid off amount-.....	23.19 million
House building loan-.....	8.33 billion
Number of house built-.....	6,27,058

Source: Grameen Bank at a Glance 2005

Annex-5

Sixteen decisions

The sixteen decisions are as follows:

1. The four principals of Grameen Bank – Discipline, Unity, Courage and Hard work- we shall follow and advance in all walks of our lives.
2. Prosperity we shall bring to our families.
3. We shall not live in dilapidated houses. We shall repair our houses and work towards constructing new houses at the earliest.
4. We shall grow vegetables all the year round. We shall eat plenty of it and sell the surplus.
5. During the plantation seasons, we shall plant as many seedlings as possible.
6. We shall plan to keep our families small. We shall minimize our expenditures. We shall look after our health
7. We shall educate our children and ensure that they can earn to pay for their education
8. We shall always keep our children and the environment clean.
9. We shall build and use pit-latrines.
10. We shall drink tube-well water. If it is not available, we shall boil water or use alum.

11. We shall not take any dowry in our sons' wedding; neither shall we give any dowry in our daughters' wedding. We shall keep the center free from the curse of dowry. We shall not practice child marriage.
12. We shall not inflict any injustice on anyone, neither shall we allow anyone to do so.
13. For higher income we shall collectively undertake bigger investments.
14. We shall always be ready to help each other. If anyone is in difficulty, we shall all help him.
15. If we come to know of any breach of discipline in any center, we shall all go there and help restore discipline.
16. We shall introduce physical exercise in all our centers. We shall take part in all social activities collectively.

Annex-6

Ten Indications of being free from poverty

Every year GB staff evaluates their works and examine whether the socio-economic situation of GB members is improving or not. GB evaluates poverty level of the borrowers using ten indicators.

A member is considered to have moved out of poverty if her family fulfills the following criteria:

1. The family lives in a house worth at least Tk 25,000 (twenty five thousand) or a house with a tin roof, and each member of the family is able to sleep on bed instead of the floor.
2. Family members drink pure water of arsenic-free tube-wells, boiled water of water purified by using alum, bleaching powder, purifying tablets or pitcher filters.
3. All children in the family over six years of age all going to school or finished primary school.
4. Minimum weekly loan installment of the borrower is Taka 200 or more.
5. Family uses sanitary latrine.
6. Family members have adequate clothing for every day use, warm clothing for winter, such as shawls, sweaters, blankets, etc. and mosquito-nets to protect themselves from mosquitoes.
7. Family has sources of additional income, such as vegetable garden, fruit-bearing trees, etc, so that they are able to fall back on these sources of income when they need additional money.
8. The borrower maintains an average annual balance of Taka 5,000 in her savings accounts.
9. Family experiences no difficulty in having three square meals a day throughout the year, i.e. no member of the family goes hungry any time of the year.
10. Family can take care of the health. If any member of the family falls ill, family can afford to take all necessary steps to seek adequate healthcare.

Annex -7

Questionnaires

1. Name :

Age:

2. Number of years in Grameen :

3. Marital Status:

- ☐ Married
- ☐ Unmarried
- ☐ Window
- ☐ Separated
- ☐ Divorced
- ☐ Other

4. Number of Children:

- ☐ Male
- ☐ Female
- ☐ Total

5. Educational Qualification:

- ☐ Can sign only
- ☐ Class five
- ☐ Class eight and above

6. Educational qualification of Husband:

- ☐ Illiterate
- ☐ Class five
- ☐ Class eight and above

7. Type of family:

- ☐ Nuclear
- ☐ Joint
- ☐ Others

8. Loan:

- ☐ First
- ☐ Present

9. Present occupation

- ☐ Household worker
- ☐ Poultry farming
- ☐ Goat rearing
- ☐ Cow rearing
- ☐ Small shop
- ☐ Street business
- ☐ Self nursery
- ☐ Agriculture
- ☐ Daily labor
- ☐ Rickshaw/van puller
- ☐ Maid servant

☐ Mobile lady

☐ Others

10. Occupation before joining GB:

- ☐ Household worker
- ☐ Poultry farming
- ☐ Goat rearing
- ☐ Cow rearing
- ☐ Small shop
- ☐ Street business
- ☐ Self nursery
- ☐ Agriculture

☐ Daily labor

☐ Rickshaw/van puller

☐ Maid servant

☐ Others

11. Income before joining GB:

- ☐ Daily
- ☐ Weekly
- ☐ Monthly
- ☐ Yearly

12. Income after joining GB: 13. Household income: 14. Previous Household income:
- | | | |
|----------------------------------|----------------------------------|----------------------------------|
| ☐ Daily | ☐ Daily | ☐ Daily |
| ☐ Weekly | ☐ Weekly | ☐ Weekly |
| ☐ Monthly | ☐ Monthly | ☐ Monthly |
| ☐ Yearly | ☐ Yearly | ☐ Yearly |
15. Purpose:
- | | |
|--|---|
| ☐ Poultry Rearing | ☐ Self nursery development |
| ☐ Goat rearing | ☐ Agriculture |
| ☐ Cow rearing | ☐ Marriage of Daughter |
| ☐ Small shop | ☐ Medical Treatment |
| ☐ Hawkey | ☐ Others |
16. First Business Lone:
17. Invested in:
18. Weekly installment :
19. Current business loan:
20. Invested in:
21. Weekly installment:
22. Present savings:
23. Amount saved yearly:
24. House loan / value of house:

25. House before:

- ☐ Building
- ☐ Tin
- ☐ Bamboo
- ☐ Resides in others house
- ☐ Others

26. House currently:

- ☐ Building
- ☐ Tin
- ☐ Bamboo
- ☐ Resides in others house
- ☐ Others

27. Pure drinking water:

- ☐ Yes
- ☐ No

28. From where:

29. How many earning member:

30. How many unemployed:

31. Using good cloth and shoe/sandal:

- ☐ Yes
- ☐ No

32. Sanitary latrine:

- ☐ Yes
- ☐ No

33. Latrine before:

- ☐ Hole in the earth
- ☐ Open field/wood
- ☐ Bamboo

34. Necessary clothing for winter:

- ☐ Yes
- ☐ No

35. Over all behavior of GB personals:

- ☐ Good
- ☐ Rough
- ☐ Average

36. How she/he motivated to join GB:

- ☐ By GB officer
- ☐ Member

37. Mosquito Net:

- ☐ Yes
- ☐ No

38. Daily food intake:

- ☐ One
- ☐ Two
- ☐ Three

39. Daily food intake before:

- ☐ One
- ☐ Two
- ☐ Three

40. Interview with VIP:

- ☐ Yes
- ☐ No

41. Children go to school:

- ☐ Yes
- ☐ No

42. How many children are School going:

43. Cultural condition

- ☐ Improve
- ☐ Stable
- ☐ Down

44. Knowledge of First Aid:

- ☐ Have
- ☐ No

45. Do you call a doctor when a family member is sick?

46. Do you save money for medical purposes?

47. How many workers involved in your business:

48. How much pay per month for worker:

49. Health consciousness:

- ☐ Yes
- ☐ No

50. Food quality:

- ☐ Improved
- ☐ Not improved

51. Decision make of the family:

- ☐ Own
- ☐ Husband
- ☐ Jointly
- ☐ Other male member

52. Decision make of the family before:

- ☐ Own
- ☐ Husband
- ☐ Jointly
- ☐ Other male member

53. Decision make of the business:

- ☐ Own
- ☐ Husband
- ☐ Jointly
- ☐ Other male member

54. Decision make of the business before:

- ☐ Own
- ☐ Jointly
- ☐ Other male member

55. Involved in local politics?

- ☐ If yes, elaborate

56. Using contraception:

- ☐ Yes
- ☐ No

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