

“Rural Financing in Bangladesh with Special Reference to Natore District – A Comparative Study of Grameen Bank (GB) and the Bangladesh Rural Advancement Committee (BRAC)”



A THESIS SUBMITTED FOR THE DEGREE OF DOCTOR
OF PHILOSOPHY IN THE DEPARTMENT OF
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Supervisor:

Dr. Priya Brata Paul

Professor

Department of Accounting and
Information Systems

University of Rajshahi

Submitted By:

Md. Shaik Romijul Karim

Ph.D. Fellow

Department of Accounting and
Information Systems

University of Rajshahi

DECLARATION

I, hereby declare that the whole of the research work now submitted as dissertation entitled "Rural Financing in Bangladesh with Special Reference to Natore District – A Comparative Study of Grameen Bank (GB) and the Bangladesh Rural Advancement Committee (BRAC)" to the Department of Accounting and Information Systems of the University of Rajshahi for the award of the degree of Doctor of Philosophy is the result of my own original research work and has not been submitted in part or full for any degree to any university. My indebtedness to my teachers and other works or publication has been duly acknowledged and cited at the relevant places of the dissertation.



23.12.06

(Md. Shaik Romijul Karim)

Ph.D. Fellow

Session January 2000

Department of Accounting and
Information Systems

University of Rajshahi

Dr. Priya Brata Paul

M. Sc. Ph.D. Economics, (Moscow)

Post Doctoral Research (JNU, New Delhi)

Professor & Chairman



Department of Accounting

University of Rajshahi

Rajshahi - 6205

Bangladesh

Date: 23.12.06

Ref. No. _____

CERTIFICATE

This is to certify that the dissertation entitled "Rural Financing in Bangladesh with Special Reference to Natore District – A Comparative Study of Grameen Bank (GB) and the Bangladesh Rural Advancement Committee (BRAC)" is an original research work done by Md. Shaik Romijul Karim under my supervision for the award of the degree of Doctor of Philosophy in the Department of Accounting and Information Systems of the Rajshahi University. The dissertation has not formed the basis for the award to the candidate of any degree, diploma, associateship, fellowship or other similar title.

I also certify that I have gone through the dissertation thoroughly and found it satisfactory for submission to the University of Rajshahi in fulfilment of the requirements for the degree of Doctor of Philosophy in Accounting.

Priya Brata Paul

(Dr. Priya Brata Paul) 23.12.06

Professor

Department of Accounting and
Information Systems
University of Rajshahi

Dedication

Dedicated to
My Father Late Shaik Reaz Uddin
And
My Mother Amina Begum

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GGS	-	Grameen Generalized System
GMA	-	General Manager Administration
GMME	-	General Manager Monitoring and Evaluation
GMTIA	-	General Manager Training Principal Officer and International Affairs.
GOB	-	Government of Bangladesh
GOs	-	Governmental Organizations
GT	-	Grameen Trust
IBS	-	Institute of Bangladesh Studies
IFAD	-	International Fund for Agriculture Development
IRDP	-	Integrated Rural Development Project
JO	-	Junior Officer
Km	-	Kilometre
KSS	-	Krishok Somobaya Samities
LGRD	-	Local Government and Rural Development
MBSS	-	Mohila Bittohin Somobaya Samities
MD	-	Managing Director
MES	-	Monitoring and Evaluation Section
MF	-	Micro Finance
MFI	-	Micro Finance Industry
MIDAS	-	Micro Industries Development Assistance and Service
NCBs	-	Nationalized Commercial Banks
NFPE	-	Non Formal Primary Education
NGOs	-	Non-Governmental Organizations
No.	-	Number
Org.	-	Organization
ORS	-	Oral Dehydration Saline
PKSF	-	Polli Karmo Sohayok Foundation
PO	-	Program Organizer
RAKUB	-	Rajshahi Krishi Unnayan Bank
RCP	-	Rural Credit Project
RCTP	-	Rural Credit and Training Program
RD	-	Rural Development
RDP	-	Rural Development Program
Resp.	-	Respondents
RHDC	-	Reproductive Health and Disease Control
RUL	-	Rajshahi University Library

Abbreviation

ADAB	-	Asian Development Agencies of Bangladesh
AGM	-	Assistant General Manager
AO	-	Area Office
AR	-	Annual Report
ASA	-	Association for Social Advancement
BBS	-	Bangladesh Bureau of Statistics
BDP	-	BRAC Development Program
BEOC	-	Basic Education for Elder Children
BEP	-	BRAC Education Program
BER	-	Bangladesh Economic Review
BHP	-	BRAC Health Program
BIDS	-	Bangladesh Institute of Development Studies
BKB	-	Bangladesh Krishi Bank
BRAC	-	Bangladesh Rural Advancement Committee
BRDB	-	Bangladesh Rural Development Board
BSBL	-	Bangladesh Samobaya Bank Limited
BSS	-	Bittohin Somobaya Samities
CBD	-	Chairman of the Board of Directors.
CBN	-	Cost of Basic Need
CDF	-	Credit and Development Forum
CIPE	-	Center for International Private Enterprise
DGM	-	Deputy General Manager
DMD	-	Deputy Managing Director
DUL	-	Dhaka University Library
EDP	-	Economic Development Program
EHC	-	Essential Health Care
ESP	-	Education Support Program
F/sBA	-	Field staff/Bank assistant
FAO	-	Food and Agriculture Organization
GB	-	Grameen Bank
GBRPs	-	Grameen Bank Research Programs
GDP	-	Gross Domestic Product
GDP	-	Vulnerable Group Development Program

RWP	-	Rural Works Program
SACP	-	Special Agriculture Credit Program
SB	-	Swanirvor Bangladesh
SFIs	-	Specialized Financial Institutions
SO	-	Senior Officer
SPSS	-	Statistical Package on Social Science
Sq	-	Square
TCCA	-	Thana Central Cooperative Association
TIP	-	Thana Irrigation Program
TTDC	-	Thana Training and Development Center
USAID	-	United States Agency for International Development
Viz.	-	Videlicet (namely)
VOs	-	Village Organizations
WHDP	-	Women Health and Development Program
Yrs.	-	Years

Glossary

Agrani	- Name of a Commercial of Bangladesh
ASA	- Name of a NGO of Bangladesh
Banpara	- Name of village where an Area office of BRAC is situated
Bittoheen	- Destitute
BRDB	- Name of a Government Institution of Bangladesh engaged in Rural Development
Grameen	- Rural
Gurudaspur	- Name of village where an Area office of BRAC is situated
Hatiandah	- Name of village where a Branch of GB is situated
Howkery	- Business Occurred in Street or in any Transport
Hoybatpur	- Name of village where an Area office of BRAC is situated
Janata	- Name of a Commercial of Bangladesh
Jobra	- Name of a village
Kafuria	- Name of village where a Branch of GB is situated
Karma	- Work
Krishi	- Agriculture
Manobik	- Human
Mohila	- Female
Natore	- Name of a district of Bangladesh
Nazirpur	- Name of village where a Branch of GB is situated
Palli	- Rural
PKSF	- Name of a NGO of Bangladesh
Pordha	- An Islamic Culture
PROSHIKA	- Name of a NGO of Bangladesh
Pubali Bank	- Name of a Commercial of Bangladesh
Rajshahi	- Name of a Division of Bangladesh (unit of local Government)
Rickshaw/Van	- A small light vehicle with three wheels ridden by foot especially used in some Asian countries
Rupali Bank	- Name of a Commercial of Bangladesh
Sabuj	- Green
Samabaya	- Co-operative
Samity	- Society
Sangah	- Association
Sangstha	- Association

Singra	- Name of village where an Area office of BRAC is situated
Sohayak	- Assistance
Sonali Bank	- Name of a Commercial of Bangladesh
Swanirvar	- Self reliant
Swanirvor Bangladesh	- Name of a NGO of Bangladesh
Tangamara	- Name of a village
Thana	- Sub-district (Unit of Local Government)
Tk./Taka	- Currency of Bangladesh
TMSS	- Name of a NGO of Bangladesh
Unnayan	- Development
Upazila	- Sub-district (unit of local Government)
Uttara	- Name of a Commercial of Bangladesh
Walia	- Name of village where a Branch of GB is situated

Chapter One

INTRODUCTORY ISSUES

1.1. Introduction

Bangladesh is one of the world's least developed and most densely populated country, with 941 person per sq. km. (BER, 2006, XVII). It is predominantly a rural economy. The agriculture that is the prime sector of the economy contributes about 19.59 percent of the total GDP, occupying 51.69 percent of the employed labour force and over 80 percent of total population live in the rural areas (BER, 2006, 8). The majority of the rural people remain unemployed or underemployed for about most of the time. Rural Bangladesh is characterized by landless, low income and unemployment resulting in high incidence to poverty which was 33.7 percent by using lower poverty line, while this stands 49.8 percent if upper poverty line is used.¹ The incidence of poverty is much severe in rural areas much as 53.1 percent in against of 36.6 percent in urban areas (BER, 2003, 147). Incidence of poverty by Administrative Divisions has been shown in Table-1.1,(Page-18) Among the divisions of the country the highest incidence of poverty was observed in Rajshahi Division (61.6%) and the lowest in Sylhet Division (28.4%). In case of poverty gap, the highest poverty incidence was also found in Rajshahi Division (18.1%) and the lowest in Dhaka division (7.7%). Regarding the squared poverty gap, the highest incidence accounted for Rajshahi Division (6.9%) and the lowest was obtained in Dhaka division (2.6%). All these three measures of income poverty show that the highest poverty incidence prevails in Rajshahi Division (BER, 2005, 186).

Though land is the main productive asset in the rural areas of Bangladesh, but distribution however is highly skewed. As statistical data show, about 57.1 percent and 70.6 percent of the rural households are landless according to lower line and upper line of poverty respectively, and 42.7 percent households owned up to 0.04 acres of land, 38.1 percent households owned up to 0.5 acres of land and 11.7 percent households owned more than 2.5 acres of land according to lower line of poverty (BER, 2003, 149, 2004, 173). It is evident from Table-1.2,(Page-19) that the gap between the poorest of

¹ Upper and Lower Poverty lines were estimated based on per capita per day calorie intake of 2122 kcal and 1805 kcal.

the poor (bottom 5 percent) and richest of the rich (top 5 percent) is widening so as far as the Distribution aspect of income is concerned. In 1995-96 the accruing to top 5 percent of the households was 23.62 percent while income share of the lowest 5 percent was 0.88 percent implying the gap of income differential by 27 times. Comparatively, in 2000, income accruing to top 5 percent of the households (30.66 percent) is 46 times higher than the income accruing to lowest 5 percent of the household (0.67). The share of income of the bottom 5 percent has decreased from 0.88 percent in 1995-96 to 0.67 percent in 2000. On the contrary, the share of income of the top 5 percent has increased from 23.62 percent to 30.66 percent over the same period indicating highly skewed income distribution. Rising income inequality is also reflected in the Gini Coefficient, which reached to 0.472 in 2000 from 0.432 in 1995-96. In rural area the richest-poorest ratio in 2000 is found to be 35.7 while in 1995-96 this ratio was 19.73. in urban area this ratio increased to 53.4 in 2000 from 32.8 in 1995-96. Per capita income of the poor is found lowest in Rajshahi division (Tk. 468.89 and Tk. 526.44 respectively) measured against both lower and upper poverty line. Rajshahi Division shows the lowest per capita expenditure (Tk. 438.25 and Tk. 490.41 respectively) (BER, 2003, 150-151).

- Though Bangladesh is agriculture based country, but it has little scope for increasing agricultural production through expanding its landmass. As many as 80 percent of the population depend on the agrarian economy. An increasing number of the rural population has to rely on the non-farm sector. Population of Bangladesh has been growing rapidly, and the farm sector is absorbing a falling proportion of new entrants into the labour market. Low growth and unemployment in rural areas remains a chronic structural problem. The rate of rural unemployment is alarming, which has been shown by Khuda as 46% and 70% to 85% in the peak and slack seasons respectively (Khuda, 1990, cited from Mojumder, 2000, 4). Unequal distribution of land, lack of institutional credit, lack of education and vocational knowledge, shortage of technical support and inadequate scope of self employment are the main constraints to rural development. To change the economic condition of the rural poor, it needs to create new jobs and investment. Generation of self-employment in non-farm activities may require investment in working capital and basic skill for reading, writing and arithmetic. The poor may be constrained in taking up such employment opportunity for lack of financial resources and necessary human capital. The amount of financial capital required may be small, but with very low levels of income it is difficult to accumulate

even that amount. Under these circumstances, credit can help the poor to meet up their own capital and investment. Credit plays an important role for accelerating economic growth in any developing country like Bangladesh. The rural people need credit for the improvement of their present financial condition through economic activities. In this context one of the foremost needs for rural development is the development of rural financing programs of various institutions engaged in rural areas for empowerment and self employment of the rural poor aided by bilateral and multilateral donor agencies.

Bangladesh has received global appreciation for attaining remarkable success in alleviation of human poverty in education, health and nutrition. Bangladesh has already achieved three targets of Millennium Development Goals (MDGs) such as (1) removing gender disparity in primary and secondary education; (2) ensuring access to safe drinking water; and (3) ensuring almost universal access to primary education. Bangladesh, for the last three consecutive years attained the HDI rank of "Medium Human Development," according to the UNDP Human Development Reports of 2003 and 2004. Keeping the MDGs in vision, the government has finalised the draft of Poverty Reduction Strategy Paper (PRSP). To address the challenge of poverty reduction, the government has adopted a fundamental strategy of seeking collaboration from NGOs and private sector, especially by providing necessary support to the activities of NGOs. In the light of the MDGs set by the United Nations, the government has been implementing the Three Year Interim Poverty Reduction Plan since FY 2003-2004. Subsequently, the full-blown PRSP titled *Unlocking the Potential: National Strategy for Accelerated Poverty Reduction* has been finalised. The cardinal objective of the PRSP is to gradually lift the vast majority of the people from the abject poverty levels and improve the quality of life of the people (BER, 2005, 183).

The Government of Bangladesh has been making all out efforts to ensure the regular flow of credit in rural areas through concessional rate, liberal lending policy and establishing a large number of bank branches in the rural areas. The main objectives of such credit are (i) to increase productivity, (ii) to generate income; (iii) to ensure flow of fund in the rural areas; and (iv) to ensure better distribution of wealth. With similar objectives there are also many Non Government Organizations working with micro-credit in the rural areas.

Lack of physical collateral for loans or the high transaction costs for small loans as per the need of farmers and other producers, the formal financial institutions failed to reach the rural economy in general, and the small producers and the poor in particular. In this context, with support from Government and donors, an alternative financial system, micro-finance, has been developed in Bangladesh that practices group-based lending to address not only rural market imperfections, including the problem of lack of physical collateral, but also the problem of lack of access of the poor. While the country's micro-finance system is running well with low default cost, the formal financial system is still overburdened with high loan default and other associated costs. The micro-finance initiative has managed to achieve the objective of outreach with high loan repayment rates, and is, thus, expected to contribute to the country's objective of poverty reduction and social and human development.

Bangladesh's success with micro-finance lies in developing a financial engineering that is able to cater to the needs of the poor and women in Bangladesh and other countries. The micro-finance programs have reached more than 10 million households in Bangladesh. The annual disbursement of micro-finance programs is about US\$ 1 billion with an outstanding loan balance of \$ 700 million. More importantly, micro-finance deepening in terms of growth in savings and savings as a percentage of loan outstanding is taking shape. While the industry as a whole has about 50 percent of loan outstanding as savings mobilized. (Shahid Khandker, 1-2, Web page)

Although micro-finance was introduced as a response to the failure of formal finance, its key objective was to meet the unmet demand of the poor and small producers for financial services, especially, for small loans. Thus, micro-finance attempts to resolve the access issue. While doing so, micro-finance helps create self-employment opportunities for the poor who lack capital to initiate a productive activity. Micro-finance is thus seen as a source of finance for employment generation and, hence, poverty reduction. While economic growth is supposed to create jobs for the unemployed, Bangladesh's sluggish economic growth rate of 3-4 percent has not been able to create sufficient job opportunities for the vast majority of the rural unemployed. More than 40 percent of the population do not find jobs. Agriculture has been the major source of growth and employment in a country such as Bangladesh's, micro-studies suggest that the rural households, especially the poor, generate more than 60 percent of household income from rural non-farm activities.

The thrust of the micro-finance initiative was, therefore, to create jobs in the rural non-farm sector by providing short-term finance in easy repayment schedules (like weekly payment installment). The underlying assumptions are that there is enough demand for the products micro-finance helps to produce and that the unemployed do not need any input other than finance to become self-employed. It is also assumed that the opportunity cost of the labour of the target households is low in order for them to take advantage to this financial facility.

1.2. Statement of the Problem

Finance plays an important role in the development of a country by satisfying the business needs of entrepreneurs, farmers, and non-farm producers. Financial intermediation facilitates growth, and a developed financial system is an essential condition for development. Financial products or regulations are usually developed in response to market demand, which in turn help deepen the financial market. A country's development creates demand for better financial products, and the system, if it is market demand driven, delivers products accordingly. However, this is not happening in many countries such as Bangladesh.

Micro-finance as a tool for reaching the poor at the aggregate level in Bangladesh, not only an improved access to micro-finance, but also its favourable impact on the poor. After all, the key goal of the micro-finance initiative is to reduce poverty via promoting self-employment among the poor. As such, the initiative is treated as an anti-poverty scheme. The initiative is also an outreach financial program, as its financial services are offered to targeted households who do not have access to formal finance. Bangladesh has been the breeding ground for micro-finance innovations.

The micro-finance initiative has been able to develop an alternative financial infrastructure with a built-in credit discipline that has offered not only income earning opportunities for the poor but also financial services that ensure high loan repayment rates. Over time micro-finance is becoming a full-fledged financial facility extending credit, mobilizing savings, and selling insurance for the poor who otherwise lack access to such financial services.

The poor people lack also the ability to access public resources due to lack of information. Micro-finance experience suggests that the poor can be empowered with organizational ability to access public resources, social intermediation for better use of

resources, and an organizational framework that helps the poor to access government resources. Micro-finance programs have also offered non-financial services such as skill development training awareness and consciousness building, and other kinds of social services.

Bangladesh's micro-finance serves a large percentage of rural women who do not have access to capital and other markets. This is not the case often observed with any other development initiative in the past. That is, when women cannot have access markets because of social taboo, the markets can be brought to them by creating an infrastructure that facilitates the exchange of home-based products. This type of transaction may change the social infrastructure itself, facilitating the economic and social emancipation of women further. Micro-finance programs target the rural poor, who are defined by the programs as households owning not more than fifty decimals of land, and more than sixty percent of rural households fall under this category. A similar percentage of rural households is also poor according to the income-based measure of poverty. Thus, a large percentage of the poor is likely to participate in micro-finance programs if the program eligibility conditions are met.

Bangladesh's micro-finance success is crossing its border. The model of group-based lending particularly GB and BRAC are being replicated worldwide. But they offer two separate models of financing for poverty alleviation in the country. Though objectives of lending of these two organizations are same, but the procedures of lending and their recovery mechanism are not same. Disbursement of loans to the rural poor is the main target for GB. But BRAC gives them loan after one-year training and management development program i.e. Credit program treated as one of the three core programs. The loan repayment rate of BRAC is also 98 percent (BRAC, 2005). GB has been encouraging the rural poor by organizing them into five member groups of males or females separately creating awareness among of them and engaging them in income generating activities through a loan-cum-saving model since 1979. The loan repayment rate is 98.91 percent (Yunus, 2005, 3).

BRAC is the pioneer organization and is the largest NGO in Bangladesh for integrated rural development. After establishment, it has developed a wide spectrum of various projects directed towards offering a better quality of life of this country people. Unlike

GB, BRAC has been encouraging the rural poor by organizing them into thirty to forty member groups of males or females separately for specific training program.

Though GB and BRAC cover a good number of villages with a good number of beneficiaries in Bangladesh but their coverage is not sufficient to meet the needs. NGO's operations in Bangladesh are quite negatively reviewed by some of the researcher. The critics argue that the small enterprises supported by micro credit programs have limited growth potential and so have no sustained impact on the poor. Instead, they contend, these programs make the poor economically dependent on the program it self (Bouman, F. J. A. and Otto, Hopes, 1994).

In economic standpoint, it can be stated that on the one hand, the Government agencies for rural development failed to do some thing for the rural poor. On the other hand, political parties also failed to create awareness among the rural poor for their socio-economic development. Again, the well to do persons is not keenly interested to do anything for the betterment of the poor. Above all the Government machinery does not work sincerely. These are the main reasons for NGO emergence in Bangladesh (Ashraf, Dr. Md. Ali, 1997, 59-60). Some raise question about the legitimacy and accountability of NGOs. On the other hand, some of the criticisms are on duplications of roles, overlapping, lack of co-ordination etc. They have not so far been able to find or create an alternative internal resources base to be mobilized. In this connection, we have decided to examine the rural financing programs of GB and BRAC and will try to find out the impact of financial programs of these two institutions on their rural beneficiaries.

1.3 Purpose and Objectives of the Study

The purpose of the study is to investigate the nature of rural financing program of GB and BRAC. For analyzing the financial activities of GB and BRAC some specific objectives are selected, such as:

- (1) To asses the rural financial market scenario of Bangladesh.
- (2) To study the methods and procedures of rural financing introduced by GB and BRAC in Bangladesh.
- (3) To trace out the progress of financing made by GB and BRAC in Bangladesh since their inception.
- (4) To evaluate the recovery mechanisms of rural financing of GB and BRAC.

- (5) To analyze the impact of financing made by GB and BRAC on income and change in occupation of their members in Natore district.
- (6) To identify the causes of dropout of the borrowers of GB & BRAC in Natore district.
- (7) To examine the socio-economic condition of the dropout borrowers of GB and BRAC in Natore district.
- (8) To make some suggestion on rural financing programs of GB and BRAC, which may help to improve the socio-economic position of the rural poor.

1.4. Review of Related Literature

To pursue this research work, some of the available relevant research works, articles and other related materials and publications of BIDS, BIBM, World Bank, ADAB, Rajshahi University Journals, Dhaka University Journals, Krishi Bank Parikrama, Bank Parikrama, Journal of Political Economy and various M.Phil and Ph.D. thesis of the Faculty and the Institutions of Rajshahi University etc. have been reviewed.

A study was conducted by Safia Afroz Sorwar (2005) entitled "Rural Credit Management of Grameen Bank in Bangladesh". In her study she concluded that the socio-economic impact of the GB rural credit on the selected borrowers is satisfactory enough. She opined that the GB has enough scope to develop the borrowers through providing more funds to the rural poor if the rural poor are interested to come forward to work hard for reducing their poverty and developing their income opportunity.

A study done by Md. Humayun Kabir Majumder (2002) entitled "The Role of GB as a Micro-credit Institution: A Critical Evaluation of some selected areas in Rajshahi Zone" found that the extent of self employment creation by the borrowers and their dependents with GB's loan is insignificant in comparison with the extension of the credit programs. He also opined that GB's credit has no significant impact on traditional rural power structure and the contribution of GB's credit in the total income generated by the borrower households is negligible.

A study was conducted by Mohammad Main Uddin, (2000) entitled "Credit facilities for the poorest of the poor: A study on GB in Bangladesh". The study was conducted only on one branch of GB. The researcher concludes that, GB has made a positive impact on the alleviation of poverty in the area of its operation in rural Bangladesh.

Another study was conducted by Sk. Md. Golam Saklayan (2000), entitled "Growth of Credit and its Impact on Bangladesh Economy with reference to Sonali Bank". He concluded that, the Bank credit has substantially contributed to increase income, savings, investment, employment and consumption of the loanees, He also opined that bank's credit has obvious impact on the acceleration of growth and progress of a developing economy like Bangladesh.

Md. Salimuddin and Md. Mohiuddin (1999) conducted a joint study entitled "Utilization of credit in the Rural Areas of Chittagong-An Analysis" are found that, the loanees, whether institutional or non-institutional, in a significant number diverted the loans from the stated purposes for which the loan was taken. In this study the researcher discussed only on loan utilization pattern. But not its impact on loanees' economic and social conditions, and the researcher tried to observe the role of wide variety of institutions like, GB, Krishi Bank, Nationalized Commercial Bank and Non-institutional lenders.

Nurun Nahar, (1999) conducted a study entitled "Poverty alleviation in Bangladesh: Problems and Prospects" she used secondary materials for her research work. She argued that, up to 1994, Bangladesh enjoyed relatively high human development compared to other countries with a similar level of percapita income.

Abdullah Al Mamun, and et al. (1999) in their joint study entitled "Utilization of BRAC Agricultural Credit by Borrower Families in a selected Area of Mymensingh District", found that less than half (48.76%) of total amount of credit has been properly utilized by the borrowers, and non-agricultural credit is more than half (51.24%) of the total disbursed. He also found that a very few percent (2.23%) of borrowers perceived their economic achievement as a desirable development. The repayment rate was found to be highly encouraging, but he concluded that the management of credit program of BRAC is not effective enough to check credit diversion.

Another joint study was conducted by Farzana D. Amin and Abdullahel Hadi (1998) entitled, "Micro-credit programs, women's Empowerment and change in Nuptiality in Bangladesh villages", They found that women's involvement in credit activities not only raises their living standard but creates a space for them in their households that leads to a new form of cultural behavior among the household members. They also argued that

while the credit program has the potential not only to raise the living standard and to some extent empower the poor, but also has freed the inherent aspirations of certain traditional values. The study focuses on the change of nuptiality early marriage and the practice of dowry as a result of credit based development programs in rural Bangladesh.

Matin, I. (1998) in his study on "Mis-Targeting by the GB: A Possible Explanation" showed that 49% and 71% sample GB borrowers, who joined the GB before and after 1992 respectively, were from non-target group in terms of land ownership. He also found higher rate of loan defaulter among the older groups and branches.

* Another study was done by Dr. Md. Ali Ashraf (1997) entitled "NGO Emergence and Credit for the Rural Poor: A study of BRAC and Proshika Manobik Unnayan Kendra", he concluded that all the neglected poor should be brought under the effective coverage of various poverty alleviation programs which alone is not possible by NGO's and thus, the Government should play the key role, This study was conducted only on secondary materials. In this study, impact of NGO's credit programs on income of the beneficiaries has not been discussed.

A study conducted by Shaheen Akhter (1996) on "Rural women in Micro-credit programs for poverty alleviation in Bangladesh-Participation and constraints to their activities", was based mainly on secondary materials for collection of data and the researcher's personal experience. She found that, the target credit programs of some NGO's and the GB had been becoming exemplary in assisting women. Female share in the participation in terms of membership and loan disbursement increased satisfactorily. She also found that the employment and income situation of the women are rising, but their net return is much lower than that of their male counter parts.

✓ Another study was conducted by Ms. Tahmina Akhter and Ms. Farzana Laiju, (1996) on "Self-Employment of women in Bangladesh: Problem and Prospects", they opined that the existing self-employment programs in Bangladesh are not adequate to meet the needs of the women. They also recommended that, access to easy credit is the single most effective strategy for generating new employment and adequate income for poor women. In this paper the researchers tried to analyze the employment status of women in past and present and how to create self-employment for the poor women. The researchers did not discuss the economic and social benefit of the women.

- ✓ Shahidur, R. Khandker, and et. el. (1995) have done a study on "GB performance and sustainability". This study was done only to examine the potential for expanding the GB in Bangladesh and replicating it elsewhere and the development policy in general. The researchers concluded that, Unlike targeted non-credit programs, the GBs credit program, helps the rural poor to utilize their productive means and generate income on a sustainable basis.
- ✓ Paul P.B (1995), in a study entitled "Role of NGO's in Human Resource Development of Bangladesh" suggested that all NGOs programs should have target for increasing the capability of the poor and disadvantaged to save and invest over time, so that an NGO can gradually withdraw its activities from the concerned area at an early date and shift its activities to another area.

Karim N.A (1995), in her article on "Women Entrepreneurship and Credit Financing in Bangladesh" argued that credit alone is not enough. It must be accompanied by appropriate technological advice, training and applied research.

Mahbubul karim(1994),in his article entitled "Non-Governmental Organizations in Bangladesh : Issues of legitimacy and Accountability" mentioned that until recently, there existed quite a big gap between the NGOs and other groups and institutions of the civil society as the NGOs prepared to keep aloof from them.

- ✗ Roy M.K. and Chowdhury N.H. (1994), in their study on Bangladesh Krishi Bank (BKB) suggested that broad based and well supervised credit program should be introduced by BKB for the rural poor and the anatomy of the BKB branches should be restructured in line with the present situation.

Rahman, A (1994), in a study entitled "Rural Development from Below: lessons learned from GB-Experience in Bangladesh" concluded that GB made "Principle of Exclusivity,(i.e. reaching the poor through women) its major preoccupation and designed on appropriate delivery system which is simple, straight forward, open, accountable, participative and capable enough to reap the dedication of field workers.

Razia Begum (1994), in a study on BRAC activities highlighted the significant dimension of development, commonly as human development and market development by BRAC. This paper shows human development underpins all the development activities of

BRAC. Training programs of BRAC develop talent people. Human development and occupational development training both help the people to increase their quality. These changes are very much effective for the economic development of Bangladesh.

Chowdhury (1994), in a study on Agricultural Financing concluded that the selected NCBs have contributed a lot towards agricultural financing in Rajshahi District, but its recovery rates over the years were not as high as were expected to be.

A Comprehensive impact assessment study on BRAC's RDP was conducted in 1993-94 by Mustafa and et al. entitled "Beacon of Hope-An Impact Assessment study of BRAC's Rural Development Program" they have used both before-after and 'with-without' analysis. The researcher found the positive impact of RDP on material well being of its member households though impact on women's empowerment and institution building were less pronounced. The study focused mainly on material well being of participants.

Ahmed, S (1993), in his study entitled "A Comparative Analysis of Rural Formal and Informal Credit Market in some selected areas of Bangladesh" concluded that the absence of any government support to the peasants in the form of subsidy or allowance, rural credit on easy terms and conditions is of paramount importance.

Another study was conducted by G. M. Kamal and et al. (1992) entitled "Impact of credit program on Reproductive Behavior of GB Women Beneficiaries". The study was based only on women beneficiaries of GB and control women. The researcher observed that ninety four percent of the beneficiaries considered that their economic condition had improved. He also opined that, the GB credit program has the potential to create an impact on contraceptive use among the participating women.

Catharin, H. Lovell (1992), conducted a study entitled on, "Breaking The Cycle of Poverty The BRAC Strategy". The researcher found that per capita annual income in the target household was 26 percent higher than that of the control group. The study period was 1990-1991. It was done on overall BRAC programs and NGO activities in Bangladesh. This study was conducted mainly on secondary sources.

✕ Chowdhury and Saha (1992) in their joint study entitled on "Rural Development And NGO's in Bangladesh", conducted on a wide variety of NGO's and the causes of their intervention and role of NGO's to rural development. The researchers concluded that, in

a developing country like ours where government machinery is not that big and efficient enough to cover the whole area, but the need for improvement of the vast rural people is a must, the role of NGOs may be made more effective if their activities can be co-originated, supervised, controlled and adjusted with our national program and perspective. But this study was based on secondary data and did not focus on the impact analysis of NGO activities.

- ✓ Quasem M.A (1991), in his study entitled "Limits to the Alleviation of Poverty through Non-farm Credit-A Comment" opined that GB is not supposed to limit its operation exclusively to the distribution of non-farm credit.
- ✓ Jahirul Haque (1990) conducted study entitled on "Rural Financial Market in Bangladesh: A case study". The study was conducted on four financial institutions and the data was collected from only one village with a number of 50 selected loanees. The researcher concluded that, Non-agricultural sectors need more credit. These sectors need more attention, which would accelerate rural development to a great extent. The study did not cover the cost element of the rural credit and the benefit of the loanees.
- ✓ Rahaman et al (1990), in their joint study entitled "Credit Institutions and Agricultural Credit Supply in Bangladesh" suggested that repayment performance of Agricultural credit may be improved by strengthening credit supervising capacity of the credit institutions. More qualified credit personnel with transport facilities are needed for identifying genuine borrowers, supervising proper utilization of credit and recovering the loan.
- ✓ Hoque J.M. and Solaiman (1990), in their article entitled " Rural Financial Market in Bangladesh: A case study" concluded that coordination among different rural financial institutions must be ensured through framing appropriate scheme in this regard. This would enhance proper delivery of loan avoiding delicacy and further giving a clear picture of demand and supply of credit in rural areas to appropriate authorities.
- ✓ A study has undertaken by Mannan (1989), entitled "Rural Poverty in Bangladesh and Its Alleviation: An Assessment of Selected Programs" was conducted in three villages and it was limited to three programs, viz., (i) Rural poor program of BRDB (ii) Small Farmers Development project and (iii) Destitute women Development Project. He also argued that finding tend to confirm the common belief that most poverty alleviation programs have so far, failed to prevent the penalization process in rural areas of Bangladesh.

A study was conducted by Shantana R. Halder and A. M. M. Husain, (1989) entitled on "Identification of the poorest and the impact of credit on Them: The case of BRAC", is a secondary analysis of selected data taken from the household survey of the second impact assessment study carried out in 1996-97. The researchers measured only the impact of credit on their livelihood, but they did not consider the needs of the poor and whether the poor prefer the services provided by the development organizations or not. They concluded that credit made positive contributing in raising their consumption level and negative impact on asset accumulation. They also further found that some positive relationship between well-being and women's involvement in different income generating activities.

✓ Paul P.B (1989), in his article entitled "Poverty and Poverty Alleviation Program in Bangladesh an evaluation" argued that the high recovery rate of rural finance should not be the main target of a credit institution rather it should give more emphasis on coverage and improvement of beneficiaries

Ahmed and Jashimuddin (1988) jointly conducted a study entitled "Banks in Alleviating Rural Poverty", based mainly on secondary data. The main objective of the paper was to analyze the role of the banks, particularly the NCBs in alleviating of poverty in Bangladesh. In this connection, the growth of the volume of rural credit, credit deposit ratios in the rural areas, etc. were taken into consideration to examine the contribution of the banks in alleviating poverty in the rural areas. In concluding remarks, the researchers pointed out that though the volume of credit in rural areas were increasing day by day, yet large number of population in rural areas were deprived of getting loan facilities due to lack of collateral. So the bank failed to produce expected results. They also mention that the GB is playing an important role, in lending collateral free loans to the landless and property less population in the rural areas. This research touched the subject partially but did not go far in-depth analysis of the impact of bank credit national economy.

Mukherjee, S,K, (1987), in another study on Grammen Bank mentioned that 92% of GB finance reached its target group and after joining the GB, there was substantial increase in the income of the beneficiaries and change in occupation is also significant in same particular cases.

Hossain, Mahabub, (1983) conducted the study entitled on "Credit Program for the landless, the Experience of GB Project" evaluate the GB project. He opined that credit is

being utilized for a large number of productive, non-crop activities, that it has been successful in reaching the target group of landless and resource poor people; that loan recovery performance is excellent and that the project, as a whole, considering the operating costs of a GBP units, is breaking even with the interest rate at 13 percent. He also concluded that the project has had a positive impact on per capita income, consumption and capital formation.

Alamgir, M. (1978) in his paper entitled "Financing the rural Poor: Experience in Group lending to small farmers and landless labourers" described an experimental action research project by commercial banks in extending credit to groups of small farmers and landless labourers for productive efforts. Author presented the current state of affairs of the rural poor, scope of the project, and the projects performance. He concluded that groups are becoming self-reliant and that group members have shown that they are credit worthy.

1.5 Rationale of the Study

Since Majority of the population of the country are desperately poor and unable even to provide for the basic necessities of human life, supply of credit, is therefore considered to be the key element for running productive activities for creating new jobs and employment and even some times for genuine family expenditure. It is by now an established fact that lack of fund is the most acute problem of millions of rural people in Bangladesh. The Financial Institutions even today could not reach the target groups significantly and as such the rural development activities both farm and non-farm are not getting proper touch by the Financial Institutions. Now a days the Government of Bangladesh has directed all the Nationalized Commercial Banks and Specially Krishi Bank to go to the rural areas in order to develop the rural financial market through lending operations and deposit mobilization. The most important factor in increasing the production capacity of the rural poor is the availability of the right type of productive resources including credit at the time it is actually needed.

The rural poor do not have access to institutional credit, as they cannot provide collateral. To arguing that banking cannot be done with the poor because they do not have collateral to offer is that, men can't fly because they don't have wings (Younus, 1987,2). Thus for the growth and development of rural economy and the rural poor, it needs to establish a special type institutions, which deals with the rural disadvantaged

poor. In this respect the role of GB and BRAC are remarkable. Though both these institutions try to reach the people at the bottom of the society. But the nature and performance of rural financing of GB and BRAC are not the same. Though various research studies have been accomplished on the various aspects of the GB and a few studies have been undertaken on BRAC activities separately generally on the basis of secondary materials, but not a single one adheres to this particular issue. Taking clues from this gap and considering the importance of the topic to the planners and decision makers the present study is planned. It is expected that the findings of this study may be of great use to policy makers, planners, students and researchers may help to formulate the action plan for the betterment of the rural financing in Bangladesh.

1.6 Hypothesis of the Study

In the light of the existing literature and research and to attain the objectives, the following hypotheses are formed:

1. Methods and procedures of rural financing of GB and BRAC are not the same.
2. GB's and BRAC's finance have reached their target groups.
3. There is a substantial increase in the income of the borrowers of GB and BRAC.
4. Change in occupation of the borrowers of GB and BRAC is also significant.
5. There is a positive correlation between participation in GB and BRAC activities and in building of social awareness and empowerment of the borrowers.
6. There is a positive correlation between success of GB and BRAC and socio-economic background of the borrowers.

1.7 Scope of the Study

The scope of the study is limited to 7 year data of the selected branches and area offices in Natore district. Sanctioning of credit disbursement, recovery, outstanding, socio-economic changes of the borrowers, problems of borrowers, socio-economic condition of the dropout borrowers and experience of the branch and area office officials are the main discussions of the study.

1.8 Limitation of the Study

There are some limitations of the study:

- (a) The study is confined to only Natore district in Bangladesh.
- (b) The limitations of time, resources and facilities may be mentioned.

- (c) The researcher has not covered all borrowers, branches and area offices.
- (d) The study based only microcredit activities of GB and BRAC in Natore district.
- (e) The study did not consider other programs of GB and BRAC introduced in rural areas of Bangladesh.

1.9 Organization of the Study

Chapter One: Introductory Issues

This chapter contains the Introduction, Statement of the Problem, Objectives, Review of Related Literature, Rationale, Hypothesis, Scope and Limitation of the Study.

Chapter Two: Methodological Aspects and Conceptual Framework

In this chapter the conceptual issues, Selection of the Study Area, Selection of Samples Nature and Sources of Data, Techniques of Data Collection and Processing, Necessary Statistical Tools of analyzing the data have been discussed.

Chapter Three: Scenario of Micro Finance Industry in Bangladesh

In the third chapter Rural Financial Market Scenario of Bangladesh has been shown. The status of GB and BRAC in MFIs in Bangladesh has also been analyzed.

Chapter Four: Methods and Procedures of Rural Financing of GB and BRAC

In the fourth chapter methods and Procedures of Rural Financing of GB and BRAC has been enlighten. Background of GB and BRAC and their programs have also been examined.

Chapter Five: Progress of Rural Credit Activities of GB and BRAC

In this chapter Progress of GB's and BRAC's financing in Bangladesh since their inception is highlighted.

Chapter Six: Micro Finance Activities of GB and BRAC in Natore District

In this chapter micro credit activities of selected branches of GB and selected area offices of BRAC in Natore District have been shown.

Chapter Seven: Evaluation of Socio-economic Condition of the Borrowers of GB and BRAC

In this Chapter, attempts have been made to assess the socio-economic condition of the borrowers of GB and BRAC in Natore District before and after participation in micro credit program of GB and BRAC.

Chapter Eight: Causes of Dropout of the Borrowers.

In this chapter the causes of dropout and the socio-economic condition of the dropout borrowers of GB and BRAC have been analyzed.

Chapter Nine: Major Features of GB's and BRAC's achievement of rural financing programs

In this chapter an attempt has been made to identify the major features of rural financing programmes of these two organizations.

Chapter Ten: Major Findings, Conclusions and Recommendations

In the final chapter the analytical findings of the study have summarized and conclusions have been made. The recommendations for implication the policies for further development have also been made.

Table-1.1

Poverty incidence by Administrative Divisions

Residence	Head-count ratio %	Poverty gap (%)	Squared poverty gap
National	42.1	10.9	3.9
Rural	43.3	10.9	3.8
Urban	37.9	11.1	4.5
Division			
Barisal	39.3	11.1	4.3
Chittagong	36.3	8.1	2.7
Dhaka	33.0	7.7	2.6
Khulna	46.4	11.5	4.1
Rajshahi	61.6	18.1	6.9
Sylhet	28.4	8.0	2.9

Source: BER,2005, 186

Table-1.2

Percentage share of Income of household by deciles group.

Deciles of household (Household income scale)	National		Rural		Urban	
	2000	1995-96	2000	1995-96	2000	1995-96
Total	100.0	100.00	100.0	100.00	100.0	100.00
Lowest 5%	0.67	0.88	0.75	1.00	0.63	0.74
Decile-1	1.84	2.24	2.08	2.56	1.70	1.92
Decile-2	3.13	3.47	3.55	3.93	2.81	3.20
Decile-3	3.96	4.46	4.45	4.97	3.60	4.06
Decile-4	4.77	5.37	5.34	5.97	4.46	4.98
Decile-5	5.68	6.35	6.23	6.98	5.37	5.97
Decile-6	6.84	7.53	7.42	8.16	6.43	7.20
Decile-7	8.32	9.15	8.87	9.75	7.86	8.98
Decile-8	10.40	11.35	10.88	11.87	10.06	11.35
Decile-9	14.30	15.40	14.50	15.58	14.10	16.29
Decile-10	40.72	34.68	36.62	30.23	43.56	36.05
Top 5%	30.66	23.62	26.74	19.73	33.64	24.30
Gini Co-efficient	0.472	0.432	0.430	0.384	0.497	0.444

Source: BER, 2003, 152

1.10 Conclusion

One of the main reason for undertaking this study is to examine and analyze the micro-credit programs of GB and BRAC in order to find out over all impact of the programs on the socio-economic condition of the rural poor people of Bangladesh basically the rural disadvantaged poor women. It is expected that through comparative analysis of this two organizations some valuable experience and lessons could be drawn for future planning and implementation of rural financing program of Bangladesh.

Finally, some policy recommendations can also be pointed out from this study which might be very useful for policy planners, development practitioners, multinational donors, NGO professionals and other micro-credit institutions of the country.

Chapter Two

METHODOLOGICAL ASPECTS AND CONCEPTUAL FRAMEWORK

2.1 Introduction

The main purpose of this chapter is to discuss the methodology of conducting the study i.e., selection of the study area, selection of sample and sampling technique, sources of data, technique of data analysis and some important terms and concepts related to this study. This study mainly evaluated the impact of rural financing programs of GB and BRAC on their respective borrowers' socio-economic condition in the rural areas of Bangladesh. In this study rural financing means the micro-credit activities which have been introduced by GB and BRAC in the rural areas of Bangladesh for alleviation of poverty and empowerment of the rural poor. Different terms and concepts related with this study like, rural finance, village organizations, rural credit market, borrower, dropout and inactive borrower, poverty, rural poor etc. have been discussed in this chapter.

2.2 Methodological Aspects

2.2.1 Selection of the Study Area: In the present research the study area has been selected with a great care so that fruitful results emerge. In analyzing the study Natore District has been selected purposively for getting actual picture of GB's and BRAC's micro-credit activities.

2.2.2 Selection of the Branches and Area Offices: For indepth study and analysis, a total of four branches of GB such as Hatiandah, Nazirpur, Walia and Kafuria and Four area offices of BRAC such as Singra, Gurudaspur, Hoybatpur and Bonpara have been selected.

2.2.3 Selection of Respondents: As the study is a socio-economic research, selection of respondents is the most significant part. For the purpose of the present study, respondents are selected in such a way that unbiased and authentic results can be obtained as to the effect of GB's and BRAC's expanding program on the poor borrowers. A total of 400 borrowers from among the GB borrowers and 400 borrowers from the BRAC borrowers have been selected randomly, and all of them were female borrowers.

50 borrowers from GB and 50 borrowers from BRAC, who dropped out from the micro-credit pipeline of GB and BRAC have been selected for the purpose of our study.

2.2.4 Nature and Sources of Data: Both the primary and secondary data have been collected to meet the fundamental needs of the present study. The nature and sources of data, which have been used in the present study, are mentioned below:

2.2.4.1 Primary Data: The primary data have been collected over the study period through the structure question in method. The active borrowers, Dropped-out borrowers and the GB and BRAC officials of Natore district have been interviewed by separate sets of questionnaire.

2.2.4.2 Secondary Data: In addition to collecting data from primary sources, the secondary sources have also been used for fulfilment of the objectives of the study. The major sources of secondary data are the annual reports of various printing and web page materials of GB and BRAC, Publications of Ministry of Finance, Ministry of Planning, Bangladesh Bank Bulletin, Bank Parikrama, Dhaka University Journals, Rajshahi University Journals and other related Institutions like BIDS, ADAB and MIDAS etc.

2.2.5 Sampling: In this study two types of sampling (i) the random sampling and (ii) the purposive sampling have been used for the collection of primary data from the field level member borrowers of GB and BRAC.

2.2.5.1 Random Sampling: The primary data have been collected randomly from the active borrowers of GB and BRAC under the selected branches and area offices of GB and BRAC.

2.2.5.2 Purposive Sampling: To select the branches and area offices of GB and BRAC the method of purposive sampling has been applied in the present study. The purposive mode has also been applied in the case of collecting the primary data from the dropped out borrowers of GB and BRAC.

2.2.6 Method of Data Collection: For collecting data the following methods have been applied in the present study.

2.2.6.1 Interview Method: Three sets of Questionnaire were prepared for three types of respondents separately (Active borrowers, Dropout borrowers, and the Officials of GB and BRAC) for conducting interview. These were prepared with great care so that accurate results could be achieved for the purpose of the study. The respondents were interviewed in a very cordial atmosphere of their own Houses, Centers, VOs, and Offices respectively.

2.2.6.2 Observation Method: Data were collected through observation which, are related to the objectives of our study, Information that could not be collected through interview method was collected by observation method. This was done through visiting the houses of the borrowers as well as their neighbours and maintaining the record regularly.

2.2.6.3 Library Work Method: At the very initial stage of the study, a lot of published and unpublished literatures, regarding the micro-credit operation of GB and BRAC and their significance in the context in Bangladesh were reviewed. For that purpose the libraries of GB and BRAC, BIDS, IBS, DUL, RUL, Bangladesh Bank, CDF, PKSF, CIRDAP, MIDAS and many other micro-finance institutions were intensively used.

2.2.7 Tools and Softwares Used: In this study the following Statistical tools have been used for data analysis.

2.2.7.1 Statistical Tools: In order to analyze and interpret the data obtained from the branches and area offices of GB and BRAC and the data collected by interviewing the borrowers different statistical tools and techniques are used in this study. Different statistical tools, which have been used in this study are:

Mean: The most popular and widely used measure for representing the entire data by one is mean value, what most laymen call an 'average' and what the statisticians call the arithmetic mean. The mean value is obtained by adding together all the observations and by dividing this total by the number of observations.

The arithmetic mean, often simply referred to as mean, is the total of the values of a set of observations divided by their total number of observations. It is calculated by applying the formula.

$$\bar{X} = \frac{\sum X}{N}$$

Where,

$\bar{X}$ = Arithmetic Mean

$\sum X$ = Value of observations

N = Number of observations

Standard Deviation: It is by far the most important and widely used measure for the study of dispersion. It satisfies most of the properties of a good measure of dispersion. Standard deviation is also known as the root-mean square deviation. The square of the standard deviation is called the variance. It is conventionally symbolized by δ (sigma). The formula for standard deviation for ungrouped and grouped data by direct and short cut methods are given below:

$$\delta = \sqrt{\frac{\sum (x - A)^2}{n} - \left\{ \frac{\sum (x - A)}{n} \right\}^2}$$

Where,

δ = Standard deviation.

A = Mid-value of class interval.

X = The individual value.

n = Number of observation.

For frequency distribution with unequal size class interval the formula by short-cut method is given below:

$$\delta = \sqrt{\frac{\sum f(x - A)^2}{n} - \left\{ \frac{\sum f(x - A)}{n} \right\}^2}$$

Where,

A = Assumed mean

f = Class frequency

x = Mid – value

n = Total frequency.

Co-efficient of Variation: It is one of the important relative measures of dispersion.

$$C.V = \frac{\delta}{x} \times 100$$

Where,

C.V = Co-efficient of variation

δ = Standard deviation

x = Mean value

T- test: It is the technique to test the hypotheses for comparison of means of normal population.

$$t = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{S_1^2}{n_1} + \frac{S_2^2}{n_2}}}$$

Where,

n = Number of sample size

$\bar{X}_1$ = Mean of 1st sample

$\bar{X}_2$ = Mean of 2nd sample

S_1 = Standard deviation of 1st sample

S_2 = Standard deviation of 2nd sample

Correlation: To evaluate the inter-relationship between various variables under the study Correlation Coefficient has been used. The formula used to calculate the correlation coefficient of any two variables is:

$$R = \text{Cov}_{(x,y)} / N\sigma_x \sigma_y$$

Where,

R = Correlation co-efficient,

$\text{Cov}_{(x,y)}$ = Co-variance of x, y,

σ_x = Standard deviation of x,

σ_y = Standard deviation of y,

N = Number of Pairs of Observations of x and y

Multiple Regression Equation: In order to estimate the degree and extent of linear – relationship between a dependent variable and the number of independent variables, multiple linear regression equation is used. In our study, Multiple regression equation is

used to find out the degree and extent of relationship of one variable with respect to other variables. The following is the multiple regression equation, which is used to determine the relationships:

$$Y_i = \alpha + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_n X_n + \mu$$

Where,

Y_i = Dependent Variable

X_i = Independent Variables.

Where, $i = 1, \dots, n$ indicating different socio-economic variables, which data were collected through interviewing the GB and BRAC borrowers.

$X_1, \dots, X_n$ = Various variables are used as independent variables.

α = Constant (Intercept).

$\beta_1, \dots, \beta_n$ = Coefficient of respective variables.

The multiple regression equation used to find out the degree and extent of relationship among different variables is as follows:

$$Y = a + b_1 X_1 + b_2 X_2 + e$$

Where,

Y = Dependent Variable

$X_1, \dots, X_2$ = Different independent variables.

a = Constant

b_1, b_2 = Beta values (degree of relationship).

e = Error.

The overall variance and regression coefficients calculated using the above equation are tested with student 't' values and the goodness of fit of the estimated equation is worked out with the help of R^2 and its significance level is tested with 'F' ratios.

Chi-square Test:

$$\chi^2 = \sum \frac{(f_o - f_e)^2}{f_e}$$

Where,

χ^2 = Chi-square (Chi is a Greek letter)

f_o = Observed Frequency

f_e = Expected Frequency

Calculation of Expected Frequency is as follows:

$$f_e = \frac{RT \times CT}{n}$$

Where,

f_e = Expected Frequency in a given cell

RT = Row total for the row containing that cell

CT = Column total for the column containing that cell

n = Total number of observations

2.2.7.2 Computer Software: In the present study the softwares of computer has been used to obtain the results correctly and properly. The renditions of computer as (i) MS Word; (ii) MS Excel; and (iii) SPSS have been used.

2.2.8 Reliability of Data: The accuracy of the outcome of the study depends on the reliability of the data. The reliability of data depends upon the actual observation and proper analysis. In social research there are some limitations almost in all methods of study because of the inclusion of irrelevant information. The data, which are collected from the individuals of the society, may sometimes deviate from ideal situation because of difference of socio-cultural values, norms and attitude of the persons interviewed. The measure of reliability also varies from observation to observation and also from time to time. From the very outset the researcher has been careful about the reliability of the data, which have been collected and used for the purpose of the study, so as not to be affected adversely by the problems mentioned above.

2.2.9 Technique of Analysis

- i. Division wise Poverty Level, Income Level of the population and Micro-Finance Scenario of Bangladesh are focused using tabular method and chart.
- ii. Socio-economic condition of the borrowers of these two Financial Institutions comprising Land Ownership Pattern, Occupational Pattern, Level of Education and Family Size, Level of Income, Loan Size, Age of Membership and Training Programs for comparing the Methods and Procedures of Rural Financing

introduced by these two Institutions are explained through extensive uses of Secondary data and Primary data including interview schedules prepared for borrowers and executives of these two Financial Institutions.

- iii. We have used the Tabular form and Percentages to trace out the Progress of GB and BRAC since their inception in Bangladesh through Secondary and Primary data.
- iv. We have analysed the Operational Performance of GB and BRAC indepthly in Natore District through Interview Schedules and other necessary Statistical tools.
- v. The impact of micro-credit of these two Financial Institutions on their borrowers has been tested by Mean, SD, CV, T-test, Chi-square test, Multiple Correlation, and Multiple Regression analysis etc.
- vi. Socio-economic condition of the dropout borrowers of GB & BRAC and the causes of dropout has also been explained through tabular form and percentages.

2.3 Concepts

In the course of study on the basis of secondary sources, which are mentioned in References, the following relative concepts are used;

Financing: Financing may be defined as the money matter and its management. It includes within its scope the assessment of needs, sanctioning disbursement and utilization of capital as well as supervision and repayment of loans. Financing helps an activity in a better way and creates purchasing power in the hands of the loanies. Financing also transfer the purchasing power from lenders to loanies. Financing may be of three types, (a) short term (b) medium term and (c) long term. GB and BRAC generally deal with the first types; only house building loans are on a long-term basis.

Rural Finance: Rural finance encompasses the financial side of almost all economic process in rural areas, it means various types of finance disbursed to the rural people basically to the rural poor, i.e. financial works in the village area to finance agriculture sector, rural industry, poultry, farming, self employment and other farm and non-farm activities. In other words, it means the wide scale participation of rural people in their

self-employment program and improvement of their socio-economic condition. The rural finance includes various types of activities, which involves savings, financing and the insurance of financial risks. Firstly, the term rural emphasizes the existence of variety of off farm and non-farm activities and income sources, such as small scale and micro enterprises, small traders and vendors, labourers employees, etc. Secondly, the term finance encompasses 'savings' and 'credit'. The rural financial market system can be broken down into two subsystems; the deposit and credit market. There is difference between credit and financing. Credit refers to loan financing which may be grant / aid in addition to loan. Moreover, the farmers may do it from their own resources as well as those of family members. Credit is always to be received from somebody else. It may be individuals or institutions. Finance means total investment including the credit (William G. Murray, 1956, Cited from Roy Provasch Chandra, 1997,2).

Village Organizations (VOs): VO is a place where the members of BRAC meet every week and discuss their various problems, rules and regulations of EDP (former RDP) of BRAC and conduct their business with the BRAC personnel. Vo is the nucleus of EDP activities of BRAC. According to BRAC, the main thrust of EDP is to develop a viable Vo for the landless at the grass-roots level to make them critically aware of the environment, in which they live, and to initiate measures of change to improve the conditions of their life and work. Vo developed by the POs of BRAC, helping mobilization of target men and women in a given locality. A VO comprises of approximately 30 to 40 members with eight to ten small groups of five or less, members must have no or less than fifty decimals of land, and the age bar is between 18-54 years (Saifullah, 2001, 136). The VOs are the main vehicle of BRAC intervention in rural development. A VO has become mature through a long process, such as organizing the landless into groups, development of VOs, imparting functional education to the group members, holding group meetings, encouraging savings, and group fund formation, and training. Initially, separate VOs were formed for both men and women. However, since the early 90's BRAC has been forming only women's VOs and currently 95% of the VO members are women (Khan 2000, 114, MES, Head Office, BRAC).

Centers: A center is a place where the members of GB meet in every week and discuss about their various problems, rules and regulations of the bank and conduct banking business with bank worker. A number of groups from the same village are federated into a center, and all the banking transactions held in the center meeting. All members are

bound to participate the center meeting in early in the morning in every week. The number of groups that form an ideal center is six. Therefore, a center usually comprised of 30 members (5×6). The center is the nucleus of GB activities. The members of the groups elect a group chairperson. The group chairperson elects a center chief and deputy center chief who hold office for one year. Center chiefs ensure attendance of members at the weekly meetings, payment of loan installments and overall discipline and conduct the program of the meeting. Bank business is conducted openly in the center meetings in front of the members.

Rural credit market: It refers to the area of the credit market in rural areas of the country, in which the rural dwellers are dealing with money matters. At present according to the Government Statistics the rural credit market of Bangladesh consists of two sources (a) formal source: the scheduled and specialized banks, GB and other micro credit institutions including MF NGO's and (b) informal source: individual moneylenders friends and relatives, etc. All the formal and informal sources are performing financial intermediation among the rural dwellers in different manners.

Borrower: It has been defined as those persons who join any MFIS including the GB, BRAC and take loan at least for a single period.

Dropout Members: Dropout members are those who are no more functionally related with the credit program of GB and EDP of BRAC, and have completed the repayment of the credit installment. At present they are not the members of GB and BRAC program at all.

Inactive Members: Inactive members are those who are no more functionally related with the credit program of GB & EDP of BRAC, but have not yet completed the repayment of credit installment of GB & BRAC.

Borrower Household: The household in which the borrower lives with his or her spouse, children and other relatives has been considered as the borrower household in the present study.

Dropout Borrower: The borrowers who have been forcefully driven away or willingly stopped borrowing GB and BRAC loan have been defined as the dropout borrowers in the present study.

Overlapping Borrower: In the present study overlapping borrower has been defined as the situation when a borrower borrows from more than one source on interest.

Rural Unemployment: A situation, where the rural people seek a job but can't get it. In the present study the voluntary unemployment is excluded at the time of analyzing the rural unemployment situation.

Easy Loan: All loans except house and education loan treated as easy loan. GB has introduced easy loan for its regular member dated from 13.2.2001. Amount of each easy loan will be selected by consultation with the particular loanee and bank worker, and its installments are also fixed by the joint consultation of loanee and bank worker.

Contract Loan: Loan is treated as contract loan if a borrower failed to repay loan in due time for unavoidable circumstances like flood disasters and so on, but to repay the loan a new contract is made with the borrower with easy terms and condition. Installment of such loan may small.

House Loan: House loan is that, when a loan sanctioned to a borrower for construct a house. It is a long-term loan. Installments of such loan are flexible. A borrower can get such loan from Tk. 5000 to Tk. 20000 as demand. Interest of this loan is 8 percent.

Others Loans: A loan is treated as others loan when it is not easy, house and contract loan. Education loan is one of others loan. It is also a long-term loan.

Poverty: Poverty consists in the lack of certain basic capabilities of the human beings the capabilities to live a healthy active life free of avoidable morbidity and premature mortality, the capability to live with dignity, with adequate clothing and shelter, etc. This definition of poverty speaks of a complex multi-dimensional approach to the understanding of poverty, as opposed to uni-dimensional approach which views poverty simply as matter of income deprivation or nutritional deprivation program for alleviation of poverty must consider a range of quality of life variables such as nutrition, health and sanitation, housing, personal security, access to state distribution system, participation and institutional capability, crisis-coping capacity etc. Various dimensions of poverty are by no means reducible to any single indicator of poverty. The most commonly used measure of poverty known as the head count ratios related available income to the cost of a minimum diet necessary to maintain. Based on calorie intake the Bangladesh

Bureau of Statistics has measured poverty and those taking less than 2122 k. calories of food per day has been considered as poor living below poverty line.

Rural Poor: All those who have levels of income inadequate to ensure a minimum diet are defined as poor. A poor man is he who is living a life below the living standard of the poverty line. Martin Ravallion, (1990,135-53), the World Bank economist, suggests that a person is judged to be poor if (and only if) he or she resides in a household whose income does not permit attainment of a predetermined consumption bundle, as judged necessary or the fulfillment of certain basic consumption needs, most importantly (in this context) adequate nutrition. According to the GB, a rural poor is one who owns less than 0.5 acres of cultivable land or the total value of whose entire assets does not exceed the value of one acre of cultivable land of medium quality in that area or a person who sales her/his labours minimum 100 days a year. BKB considers farmers cultivating not more than 0.5 acres as small farmers and farmers cultivating land up to 2.5 acres are classified as small farmers by Bangladesh bureau of statistics.

Hard Core Poor: This is a concept developed by researchers to distinguish the poor from the destitute. According to Robert Hunter (1970) in his book poverty. The pauper must be clearly distinguished from the poor. He is destitute not only of the necessities for maintaining physical efficiency, but also of the necessities for sustaining life, and must depend upon relief, in a legal sense a pauper is one who depends upon public charity for support. The "Hard core poor" forms the poorest group in the society and they are those who do not have any reliable means for attaining the basic necessities for life sustenance. They depend on charity and have the lowest standard of living in society. The presence of the "Hard core poor" is often due to particular national situations where there are sharp social and economic differences because the society is severely divided along class lines. In such a context, the group, which is at the lowest level of the socio-economic strata, is known as the poorest group. When caught in a situation of dire poverty, they become the "Hard core poor" or the "paupers". According to Bangladesh Bureau of statistics those who takes less than 1805 k.cals of food treated as hard-core poor.

Rural Development: Rural development according to the World Bank is a strategy designed to improve the economic and social life of specific group of people of the rural poor. It involves extending the benefits of development to the poorest, among those who

seek a livelihood in the rural areas. The group includes small-scale farmers, tenants and the landless (Ahmed, and et.al 1982). Poverty, malnutrition, un-employment and illiteracy are the characteristics of our rural poor, wide spread landlessness, unemployment and under employment are the manifestations of this poverty (Barman, 1982). In the present day world, there is global emphasis on agriculture and rural development, FAO, which is one of the oldest international organizations, assigns high priority to the agricultural sector and to rural development. International fund for agricultural development (IFAD) a new comer in the seen is focusing exclusively and assisting in the production of more food and improving the nutritional level of the poorest countries.

Governmental Organization (GO): It refers to the use of legitimate authority exercised in the application of state power and in the management of public affairs. It is embodied in institutional arrangements, consultative mechanisms, policy-making processes and the nature and style of leadership in a political system. Good government implies a high level of organizational effectiveness in relation to policy formulation especially in the conduct of economic policy and its contribution to growth, stability and popular welfare through democracy, accountability, transparency, participation and coupled with the rule of law (Healey Robinson, 1992, 163, Cited from Khan, 2000, 31). In the context of Bangladesh Government includes Ministries, directorates and other public sector organizations owned by the state. For example, BRDB is a directorate of the Ministry of Local Government and Rural Development of Bangladesh.

Non-Governmental organization (NGO): It is a general term which covers almost any organization sectors and political parties regardless of how they relate to the Government and whether they work for or against in Poor (Farrington & et.al, 1993, 20, Cited from Khan, 2000, 32). In this study, it is treated as an NGO, which contains some basic elements and criteria.

- # They are private with an institutional autonomy of their own;
- # Staffed by (semi) professionals with full time paid jobs;
- # Participate in the designing, implementation and evaluation of programs;

- # Work for the poor and their organizations for mobilizing the potential and resources of the poor themselves, and promoting their self reliance and autonomy; and
- # Mostly funded by the Non-government agencies.

According to pardons NGO is formed by individuals who receive payments for their duties, and they are private, not for profit, and operate within a legal framework. They work through development projects (or program) to benefit people other than their own members and their financing comes from sources out side the NGO". In Bangladesh an NGO will be treated which established by the order and registered by the ministry of social welfare and works for the service to the poor people, not to earn profit (Pardon, 1987, 71).

Specialized Financial Institutions (SFIs): Though some economists treated GB as QGO's but according to Government statistics, GB included in Specialized Financial Institutions group with BRDB and PKSf. Special Features of GB are Formation of groups by borrowers of homogeneous background, Simple, readily understood procedures, Effective screening mechanisms, Basic loans for income generation only, Loans for economic activities chosen by borrowers, transparency of credit operation, Credit transactions conducted in-group meetings, Compulsory savings, Frequent small repayments and Ongoing access to credit.

The members of the GB are the 93 percent of shareholders and out of them 95 Percent are women.

Micro Finance Industry (MFI): This industry necessarily dealing with micro finance and included all micro finance institutions engaged with rural poor.

Impact Assessment: Impact assessment involves the analysis of changes, which have occurred due to program interventions, and an understanding of the causal relationships among variables.

Poverty Alleviation: NGO's poverty alleviation intervention is two pronged: institution building and economic activities. These are complementary and involve a third dimension of capacity development which is part of institution building. It is a process constituting mobilization of the poor and integration of socio-economic processes.

Institution Building: This is the process that never ends. It begins with mobilization of the poor through direct contact, meetings etc. Motivation is followed by consciousness raising exercises in participatory group discussions and by functional education classes. These culminate in group formation for men and women separately; the process of conscientisation continues through higher level training, group action, economic actions, and collective existence.

Capacity Development: It involves human development and occupational skill development. Leadership development and management capacity building at grassroots, is aimed at equipping the members with skills to plan, manage and operate their own organization and economic projects. Occupational skill development focuses on traditional and new skills to enhance their income earning capacity. The areas of skill include crop cultivation, horticulture, silkworm rearing, operation of irrigation equipment, as well as extension areas of livestock and fishery.

Economic Activities: An important tool in economic actions is credit provided by NGO's. This is collateral free, at institutional rates to reduce dependency on usurious money lenders. Income and employment generation is the objective of economic actions, through enterprise development in such areas as textile weaving, livestock rearing, social forestry etc. rural trading and transport activities are important employment generating activities.

Asset Ownership: The opportunities available for the poor to undertake income earning enterprises, is limited. One possibility is to create or assist in the process of asset accumulation by the poor. The case of minor irrigation owned by the landless is an example. Other assets owned by them include power tillers, brick fields, large water bodies for aquaculture, forest land for agro forestry, etc. A change in the ownership of means of production in favour of the poor is both poverty alleviating and empowering, e.g. all GB members are the owners of this Financial Institutions and contributed about 93 percent of total share.

Women's Rights: Women in Bangladesh—symbolically the 'birds in a cage', are discriminated against in all spheres of life, even in the laws of inheritance and family. NGOs have concentrated on enhancing women's consciousness and installing in them a

sense of self-confidence. As a concrete action, most NGOs are emphasizing women in their activities like credit and house based skill development.

Education: NGOs perceive education as integral and indispensable part of democracy and development, and consider it to be a basic human right. The current education system is discriminatory, inappropriate and unaccommodative of practical, social and economic needs. NGOs have concentrated their efforts on eradicating illiteracy through functional education for adult men and women. They have given particular attention to children's education programs, experimenting with the means and methods of making school appearing and useful for the poor. The drop-out is thus kept at the very minimum.

Health and Family Planning: NGOs consider health to be a basic human right. Majority of people in Bangladesh is deprived of such right. Health facilities are concentrated in the urban areas and are prohibitive for the poor. Needless to say, children are the worst victims of diseases through malnutrition, unhygienic condition, unsafe drinking water, etc. A significant contribution of NGOs is the motivation and education of urban and rural mothers on the means to treat diarrhoea through the home-made solutions made of *lobon* (salt) and *gur* (unrefined sugar). NGOs have also made remarkable contributions in the nationwide immunization programme to combat the high incidences of infant and child mortality, complementing and supplementing the efforts of the Government.

Environment: Bangladesh, once known as an ecologically sound belt, is today considered to be an environmentally endangered region. The programmatic foci of NGOs have been on the major problems of deforestation, water and sanitation, and aquaculture. NGO group members have raised nurseries to increase the supply of seedlings and saplings for plantation by the target members and others. NGOs have also conclusively demonstrated that the poor can protect and afforest Government reserved forests and unused land, if opportunities are provided. Besides afforestation, NGOs have made contributions in providing sanitation facilities and safe drinking water. Activities in this regard include distributing water-sealed latrines and tube wells among members, and training in installment and maintenance of such latrines and tube wells.

2.4 Conclusion

From the forgoing discussions it is evident that, in this study, the researcher has followed the appropriate methodology to obtain the necessary primary and secondary data and analyze them in the light of the desired objectives of the study. Both the primary and secondary data are used for the purpose of the study. As to the choice of the study area Natore District has been selected. The survey area has been confined to four branches of GB and four area offices of BRAC considering time and resource constraints. During the collection of primary data the interview method has been emphasized while keeping close observation on the respondents. The secondary data have been obtained from the different sources, like Annual Reports of GB and BRAC and other MFIs, various Journals, Government Statistics, Various Books and Various Research Reports in order to make the analysis more objectives. To analyze the collected data some of the statistical tools have been used. These are percentages, Mean, SD, CV, T-test, X^2 test, Multiple Correlation and Multiple Regression analysis etc. Some of the concepts raised in different stages have also been discussed in this chapter.

Chapter Three

SCENARIO OF MICRO FINANCE INDUSTRY IN BANGLADESH

3.1 Introduction

The goal of GB and BRAC is to give the financial facilities, particularly micro-credit facilities to the rural poor people of Bangladesh. Therefore, we have to know the rural financial market scenario of Bangladesh and the position of GB and BRAC in micro finance industry. In this chapter of the thesis we have mainly introduced the current rural financial market situation of Bangladesh and the position of GB and BRAC in micro finance industry, which are working in rural areas of Bangladesh.

3.2 Status of GB and BRAC in Micro Finance Industry

The emergence of micro finance industry in Bangladesh presents a tremendous opportunity to extend financial services to the vast majority of the poor people. In the last twenty years or so, the MFIs have greatly modified the GB's methodology and devised appropriate financial service technologies to serve the poor people. Among them, a few organizations demonstrated splendid success and have become known worldwide.

According to Government statistics, the micro-finance industry has been classified in four categories i.e. Government Administrative Departments, Nationalized Commercial Banks, Specialized Financial Institutions and NGOs. GB is one of the Specialized Financial Institution. The status of micro-finance disbursement by GB is seen in Table-3.1 (Page-58). By the end of the financial year 2003-04 GBs credit stood at 52.23 percent of total credit disbursement (by Government Administrative Department, Nationalized Commercial Bank, three Specialized Financial Institution) and 75.70 percent of three Specialized Financial Institutions. But by the financial year 1997-98, it was 41.17 percent of total credit and 80.09 percent of three Specialized Financial Institutions' credit disbursed.

Upto December 2004 the amount of credit disbursement by all NGOs' stood at Tk. 338635.60 million in cumulative figure and at the same time Tk. 110074.8(cum) million was disbursed by BRAC and it was 32.51 percent of all NGOs' credit disbursement

(BER, 2005, 205). During the financial year 1997-98, a total of Tk. 53544.00 million was disbursed by all NGOs' and by the same period Tk. 25601.00 million was disbursed by BRAC, which was 47.81 percent of total NGOs' disbursement (Table-3.1, page - 58).

According to the CDF statistics, up to December 2004 as many as 721 NGOs' are operating micro-credit program in Bangladesh (BER. 2005, 205). Each and every NGO has taken up micro-finance as a core activity. The NGO led market consists of segmented markets and is seemingly characterized with monopolistic competition with a few large actors having preponderance. In essence, these are captive markets as the buyers of services remain in the domain of a particular NGO and find it difficult to exercise their free choices due to methodological reasons. Many people maintain that there is a need to review whether micro-finance programs should be separated from other development programs and conducted independently. Again, if we critically look at the supply side, we see that the donors grant money is on the wane. Banks are moving at very snails pace though a little bit faster than in the past. PKSF being a major funding agency does not also find it easy sailing with the small MFIs. In fact, the savers deposit is playing a considerable role in augmenting the volume of credit. It is proven that the poor people are willing to save more and are indeed saving in a number of ways. But what has been lacking as of now is the opportunity to allow the micro-clients to save in a way that will help them to meet their current needs and at the same time to save for tomorrow. Savings is growing over time and clearly there is a huge savings potential. But the clients need quality saving services and dependable organizations to save with. On the other hand, demand for money to provide as credit is also increasing. Against this backdrop, many MFIs having been mature, will eventually feel the need to enter the formal financial system to fund their growth and provide diversified financial services as demanded by their target markets.

The Bangladesh Rural Development Board (BRDB) and the Ministry of Youth sponsored programs have outstanding loans of Tk. 2337 million. The GB clients have accumulated savings of Tk. 9676 million and have outstanding loans of Tk. 13724 million. While the aggregate picture shows that micro-savings constitutes 3% of the total sectoral savings and microcredit contributes to 6% of total sectoral advances made in the financial sector (Rahman, 2, Web Page). It is gathered that huge overlapping is occurring, particularly among the big micro finance institutions. Overlapping is said to occur, when an NGO client receives loan from more than one source. No one really knows its extent. There

are a number of factors why it occurs. Inadequacy of loans is learnt to be a significant factor that compels a client to go beyond the periphery of an institution for hunting larger or more loans. Who is to blame? Have we ever seriously thought over this issue? One of the reasons may mean that the financial needs of the clients and the capacity of the creditors is a mismatch and is, therefore, resulting in a gap. Overlapping, therefore, may have inflated the outreach figure so high. In reality, the coverage of poor households will be much less.

There are no remarkable promotional measures for boosting micro-finance, efforts are seen ever stronger than in the past in mobilizing local resources by bringing in various savings and credit products. The savings products of NGOs now include daily savings, mandatory savings, voluntary savings, forced savings, contractual savings and time deposits. The NGOs are also trying to become more responsive to the demand for credit facilities. Over time, the credit products have been diversified. Today there exists more than 15 credit products including daily credit, leasing loans, housing loans etc. Normally, the loan ranges from Tk. 1000-15000 for one year. The average loan size is Tk. 3500 (\$70). Organizations providing loans above Tk. 3000 is very few (Rahman, 2, web page). Only a handful of organizations can adequately support the real needs of their clients. The clients opine that the money that is given as credit falls far short of the actual need. This means that the market can absorb more. Micro-finance is supposed to play an upbeat role by undertaking various income generating activities. Field experience, however, suggests that 30-40% of loans given for income generating activities are not used for actual purposes rather these were used for consumption needs. It transpires that micro-finance tends to play the role of traditional financial service instead of being an effective tool of poverty alleviation. This may be substantiated by the findings of a recent study (a sample of 1798 households) that 1% of the population can lift itself from poverty each year through micro-finance programs (Rahman, 2, web page). Insurance product is also available in the market that appears in various names and has different mode of applications. According to a sample of 524 NGOs surveyed shows that 15% NGOs have some kind of insurance practices (Rahman, 2, web page).

Given the present circumstances, what is imperative is that the market has to be expanded in terms of business volume by bringing a larger number of people within its fold through competitive services. Mere increase in the number of MFIs will only bring about throat-cut competition among them, who will plausibly lead to sharing of the limited

market. This may not be, however, a desirable situation. While the focus of so many institutions has always been to give loans and get them back, very little circumspect effort has been put into this subject. Social mission of MFIs also means, they will go to the doorstep of the poor people with appropriate financial services with a view to eradicating poverty. While doing these, they will have to pursue commercial strategy meaning covering full cost recovery with a desired capitalization. However, unless there is any fair competition, delivery of financial services will never improve and the needs of the poor clients will always remain unmet.

As things stand today, micro-finance NGOs seem to be driven by mere social commitment to combat poverty and generally they overlook the necessity to develop a progressive financial sector. Their philosophy seems to be deep rooted in traditions of social mobilization. Despite this fact, the scale and performance of the micro-finance sector is slowly approaching the banking system. It therefore, necessitates these institutions to be looked at in a more market-oriented perspective. Everybody knows that banks charge interest on declining method, which generates an interest amount, almost half, compared to the flat method applied by the MFIs for their micro-clients. Nevertheless, if the banks become more enthusiastic in lending to the micro-clients directly (a possibility that cannot be ruled out) through a superior methodology, then the cutting edge of the NGOs may be lost. The bankers after all will not require much time to acquire mastery over micro-finance, if they really choose to do so. Banks have well-established internal controls and administrative and accounting system to track large number of transactions. Bank ownership structures that include private capital tend to encourage sound governance structures, cost-effectiveness and profitability, all of which will lead to sustainability. Bank can rely on their resources of funds, deposits and equity capital and do not have to depend on scarce and volatile donor resource. They can offer a complete line of products, which are in principle attractive to a micro-finance clientele. There is no doubt that the coming days ahead will be tough days for survival, unless prepared beforehand to face the reality. The MFIs will henceforth have to bear in mind that they will not merely compete with themselves but also with other significant actors in the whole industry. None should be afraid of competition. Competitiveness is a pre-requisite to remain in business. Competitors can be a resource rather than a threat. Macro level economic factors viz., high inflation, demographic trends as for instance

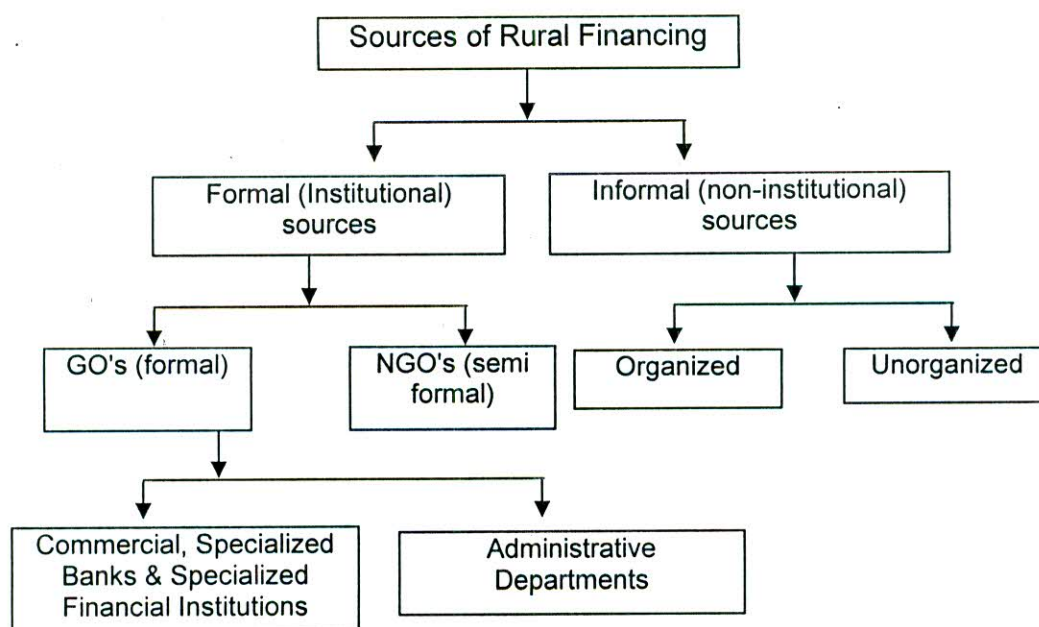
urbanization, environment factors such as natural disasters, and technology change can also create a demand for new products.

The following chart shows the various types of sources of rural financing. The poor people of Bangladesh can't get the benefit of rural financing by formal institutions, due to lack of various obstacles, such as cumbersome procedure, lack of adequate collateral and time constraints. As a result they must have to fall into the informal i.e. non-institutional sources of rural credit. Though various GOs and NGOs are working in the rural areas, but still the informal sources dominating the rural financial markets. Informal sources of finance (money lenders) are exploiting the rural poor people by taking usurious rates of interest.

Many informal lenders know their borrowers personally; they do not require much information on which to make a loan decision. The lack of paper work and information gathering reduce the lenders cost of lending and make it more profitable to extend loans to poor borrowers. Many times these borrowers depend on informal finance, while loan amounts generally small; the amounts in relation to the borrowers income tend to be large. In such as environment, informal lenders are able to reach borrowers that banks do not find profitable (CIPE, 2001,1).

The opportunities provided the smaller savers by informal finance help to ensure funds are used toward productive ends. Money that might have been spent on non-essential consumer goods is instead deposited in informal finance companies or lent directly to borrowers. Farmers, traders and small entrepreneurs use the funds to keep their enterprises going. But formal sources of fund has very little to offer to the poor and the landless and most of the cases no formal credit has reached the rural poor prior to the introduction of schemes and projects specially designed for them. Under this circumstances, rural credit program for the poor without collateral, pioneered by the government of Bangladesh by various programs. But unfortunately most of the programs failed to bring substantial benefits for the rural poor basically for the rural poor women. Infact the wealthy slum of the society has been reaping the benefits of those programs due to some inherent weakness in designing and implementing the same. In this chapter researcher analyze the status of various sources, particularly of GB and BRAC.

Chart – 3.1.



3.3 Institutional and Non-Institutional Sources of Rural Finance

The most significant feature of the financial market is that an overwhelming portion of the credit/capital in this market is supplied by the informal sources. From various studies like Ahsan and Kar, 1993; Akhtar, Shahin, 1996; M. Johirul Hoque and M. Solaiman, 1990; M. Sirajul Haque, 1995; Debapriya Bhattachayrya, 1996 etc. Government statistics like BBS; Report on socio-economic indicators and field survey it is observed that before 1990s 80-85 percent of the credit comes from the non-institutional market and 15-20 percent from institutional sources. Currently it is estimated that only 35-40 percent demand for credit is meet up by the formal credit giving agencies. Again, the coverage of formal sector, particularly Government agencies is skewed towards rich farmers, village leaders, elites and the like. At present, however, the formal institutional sources has extended their services to cover non-farm sectors too but such activities are yet to create significant impact on rural economy. So, by and large, the rural financial market is found to be significantly dominated by informal sources and rural people have been suffering in the term of credit scarcity from formal market and high cost of credit from informal market.

The role of friends and relatives are very limited and insignificant, while the roles of village moneylenders are predominant. The village moneylenders are exploiting the rural

poor by different ways as they have easy access and control to the formal and informal sources of rural power structure. They normally exploit the rural poor by over pricing good supplied on credit to the small traders as well as the rural poor people and another way providing long-term credit, creditors can secure land cultivation rights as per the amount of credit. The interest rate is estimated 25% to 50% per annum. In the case of short-term credit 50% to 120% interest is charged (Fujita, 2002, 1). These village moneylenders are still ruling the village financial market. During taking loan wide variety of securities are offered by the borrowers for loans to the moneylenders, which are labour, household assets, jewellery etc. and very hard and inhuman being by terms and conditions.

The institutional sources of rural finance may be categorized in two ways, viz. Governmental institutions and Nongovernmental Institutions (some one called formal and semiformal). A Governmental or formal institution includes scheduled banks, specialized financial institutions and various government administrative departments, and semiformal institutions include NGO's with micro credit programs.

Bangladesh Samabaya Bank Limited (BSBL) acted as the apex organization. But traditional cooperatives could not achieve sustainability. In 1971 the Government of Bangladesh established Integrated Rural Development Project (IRDP) and it started credit program in 1974. Bangladesh Rural Development Board (BRDB) was established in 1982 by the Government as the successor organization to IRDP. For the last two decades Bangladesh has been drawing attention of the world for its successful micro finance initiatives (Chowdhury, 2001; 6).

The demand side of micro credit program services comprises mostly the rural poor. On the supply side of formal financial institutions undertake micro credit intermediation through various programs. The Government agencies utilize these formal and semiformal institutions for micro credit delivery under their various programs. Rural credit program are in operation in the country for the last three decades. Rural credit programs were initially meant for agricultural development.

After the liberation of Bangladesh, Government paid more attention to the credit requirements of the poor farmers. The BKB was the only bank catering to the needs of the farmers. In order to rehabilitate the war ravaged agricultural sector, special

measures were taken to grant loan to the poor farmers up to a ceiling of Tk. 1000 against personal security. The Special Agriculture Credit Program (SACP) was launched in 1977 with a national target to disburse Tk. 1000 million. In addition to BKB, six NCBs (Nationalized Commercial Banks) participated in the program (Siddiqui, A.Q. and et.al. 1996-97; 3).

Till recently, the major part of agriculture credit to farmers has been channeled by informal sources catering to the needs of short-term credit. Special financial institutions like GB, PKSF and BRDB provide credit for rural poor. Semi formal institutions i.e. NGO's like BRAC, ASA & PROSHIKA etc. also provide target groups credit in the rural areas. The next source of credit is the formal sources comprising the Nationalized Commercial Banks and Agricultural and Specialized Banks, i.e. BKB, RAKUB and BSB. During the fourth five-year plan, the total volume of agricultural credit increased by 150.20 percent. The highest increase being for fishery (831.50%) followed by livestock (341.30%), crop sub sector (214.30%) and others (93.40%). However, in recent years there has been a significant cut in the share of crop sub-sector in the total credit delivery to the agriculture sector from formal sources. The share declined from 46.38 percent in 1994/95 to 42.29 percent in 1996/97. A major reason for this is the serious problem of low repayment due to weak lending and recovery operations, inappropriate use of loans, frequent occurrence of natural calamities and loss of crops and weakening of the public price support policy. (Fifth five-year plan; 241). The proportion of the Governments institutions (administrative department), NGO's and Banks were 3.1 percent, 65.0 percent and 31.9 percent respectively of the total institutional credit supplied to the rural area (Bhattacharya, 1996; 106).

3.4 Micro-Credit Activities of the Government Administrative Department's, Nationalized Commercial Banks, Specialized Banks and Specialized Financial Institutions

In Financial Year 1996-97 the proportion of micro-credit disbursement of the Government Administrative Departments, NCBs and three Specialized Financial Institutions (PKSF, BRDB, GB) were 7.89 percent, 32.38 percent and 59.74 percent respectively (Table-3.1, Page - 58) which stood at 9.70 percent, 21.30 percent and 69 percent respectively by the end of the financial year 2003-2004.

3.4.1 Government Administrative Department's, Activities: The Government of Bangladesh recognizes micro-credit programs as one of the important mechanisms to alleviate the poverty of the country. The Government policy has been positive in development of the micro credit sector. The Government has been utilizing NGO capabilities on mutual consultations, and the Government of Bangladesh is also implementing the rural finance program by its various administrative wings. Agencies under Ministry of Irrigation, Water Development and Flood Control, Ministry of Local Government and Rural Development, Ministry of Fisheries and Livestock, Ministry of Environment and Forests and the Ministry of Disaster Management and Relief are involved in implementation of programs. The Ministry of Youth is also engaged in promoting non-farm employment for the poor (Country Paper, Bangladesh, 1995, 23-24). It is evident from Table-3.2 (Page - 59), that in 1998-99 the Government-disbursed credit to the rural people by Ministry of Finance was cumulative Tk. 398.4 million only. It was Tk. 183.1 million, Tk. 203.2 million, Tk. 233.8 million, Tk. 226.5 million and Tk. 232.3 million respectively by the financial years' 1999-00, 2000-2001, 2001-2002, 2002-03 and 2003-2004 respectively. It is also seen from the same Table that, up to June 1998, the cumulative disbursement of credit was Tk. 13918.4 million, Tk. 1585.1 million, Tk. 3263.9 million, Tk. 96.6 million, Tk. 21.4 million and Tk. 409.1 million respectively by the Ministries of RD and Co-operatives, Women and Children Affairs, Social Welfare, Labour and Manpower, Parliamentary Affairs and Fisheries and Livestock. Which stood at up to December 2004, Tk. 35437.6 million, Tk. 2569.8 million, Tk. 6020.4 million, Tk. 121.9 million by the respective Ministry. On the other hand cumulative credit disbursement up to June 1998 was Tk. 812.5 million, Tk. 257.3 million, Tk. 219.5 million, Tk. 61.7 million, Tk. 2801.7 million and Tk. 22.2 million respectively by the Ministries of Industry, Agriculture, Land, Local, Youth and Sports and Cotton. Which stood at up to December 2004, Tk. 2229.8 million, Tk. 3435.7 million, Tk. 745.8 million, Tk. 569.2 million, Tk. 5699.3 million and Tk. 351.2 million, Tk. 5699.3 million and Tk. 351.4 million respectively by the above mentioned Ministry. Up to June 1998, the total cumulative disbursement of credit to the poor by the Government Administrative Departments were Tk. 23867.8 million, which stood at December 2004, Tk. 60670.8 million. It is evident from the Table-3.2 (Page - 59) that the RD and Co-operative ministry did the highest credit disbursement in every year. Though the position of RD and Co-operative Ministry is in top position compared with other Ministry, but the amount of disbursement is fluctuating over the years. At the same time disbursement of Government Administrative

Departments are also fluctuating. It is also seen from the same Table that up to December 2004 the disbursement of credit by the Ministry of Finance stood at Tk. 1588.3 million. It is very unfortunate that the contribution of the Ministry of Women & Children Affairs, Ministry of Labour and Manpower, Ministry of Parliamentary Affairs, Ministry of Land and Ministry of Cotton in micro-credit disbursement is very low.

3.4.2 Nationalized Commercial and Specialized Banks Performance: After the independent of Bangladesh all Commercial Banks of East Pakistan has been nationalized and they were brought into the arena of agricultural credit in a big way in 1977 through the Tk. 1000 million of SACP by their rural branches. The main objective of that program was to give maximum coverage of agricultural credit facilities through the Nationalized Commercial Banks branches of the country. During that period BKB's number of branches were very limited and it was working with other Nationalized Commercial Banks under lead bank system. Six Commercial Banks namely, Sonali, Janata, Agrani, Pubali, Rupali and Uttara participated in the SACP program and provided crop loans among the farmers, under their allocated areas. Within a short period they had expanded their branches in rural areas. During 1982, 148 branches of Uttara and Pubali Bank were merged with BKB with their area of allocated unions (Siddique and et al. 1997; 6 & 7). Subsequently, these two banks were privatized and from then, virtually they have stopped lending in agriculture sector. After some time, Rupali Bank was privatized and it also stopped agricultural credit. At present, other three nationalized banks, namely, Sonali, Janata and Agrani Banks are actively participating in rural agricultural credit.

Up to June 1994, the cumulative disbursement of credit by NCBs was Tk. 47891.7 million with 88.87 percent rate of recovery. Up to June 2005 the cumulative disbursement of credit of these NCBs stood at Tk. 107658.1 million with 95.69 percent rate of recovery (Table-3.3, Page - 60). It is also evident from the Table-3.3 (Page - 60) that by the end of June 1997. The cumulative disbursement of credit by Sonali Bank, Agrani Bank, Janata Bank, BKB and RAKUB were Tk. 28139.2 million, Tk. 6367.8 million, Tk. 10212.1 million, Tk. 2432.4 million and Tk. 568.4 million respectively. The cumulative disbursement of credit by these above mentioned banks stood up to June 2005, Tk. 54961.6 million, Tk. 18123.9 million, Tk. 21629.4 million, Tk. 10412.4 million and Tk. 2091.2 million respectively. By the financial year 1996-97 the cumulative amount of credit disbursement by Rupali Bank was Tk. 171.8 million and it stood up to June

2005 Tk. 442.3 million. But it was very few amounts to demand. The procedures of sanctioning credit by commercial banks are cumbersome and time consuming like BKB and RAKUB. Moreover, commercial banks failed to play desired role in disbursing rural agricultural credit and small credit as such the rural poor are always out of their lending services. Total number of scheduled banks up to March 2006 were 48 and total branches of that banks were 6412, out of them 2645 (41.25%) were working in the town area and another 3767 (58.75%) were working in the local area, i.e. in village areas. Up to February 2006, a total of Tk. 35308.30 million was disbursed by nationalized Banks, BRDB and BSBL as Agricultural loan for the development of Agriculture to the rural area. At the same period Tk. 25993 million was repaid by the said banks and organizations. GB is financing in the rural area for poverty alleviation and income generation. In 2005-2006 financial year (up to December 2005) GB financed Tk. 27970.31 million, and at that time four Nationalized Commercial Banks, RAKUB, BKB and BRDB with various NGO's distributed Tk. 61069.7 million to the rural areas (Activities of the Banks and Financial Institutions, 2005-2006; ii). It is worthwhile to mention that contribution of Sonali Bank among Nationalized Commercial and Specialized Banks (NCSBs) is too high. But it is very unfortunate that the share of BKB and RAKUB is very low (Table-3.3, Page - 60) .

The Bangladesh Krishi Bank (BKB), with its network of 941 branches and 10503 employees (out of them 4542 persons were officers and 5961 persons were other workers) is the largest and most important specialized financial institutions in Bangladesh (Activities of the Bank and Financial Institutions, 2005-2006, 218).

BKB operates in the rural area to finance for agricultural development with other NCB's under lead banking system. BKB finance deals with only for various agricultural activities. From Table-3.3 (Page - 60), it is evident that by the end of the financial year 1996-97 the BKB disbursed cumulative Tk. 2432.4 million to rural areas of Bangladesh, which was grew up Tk. 10412.4 million in cumulative figure by June 2005. Disbursement of loan by BKB is fluctuating over the years, and after the financial year 2001-2002, it is reducing.

BKB is one of the largest institutions of Bangladesh for rural financing. There are some limitations exists in operations. The major limitation of BKB is that the bank did not define poor as its target group and its loan portfolio is too limited. Large and medium farmers are the major portion credit takers of BKB, though the poorest segment

constitutes the lion portion of the rural society of Bangladesh. Landless rural people, share croppers and women remained totally out side the preview of BKB's lending procedure, which these poor need credit. Moreover, small farmers can't access to BKB's credit due to many factors, such as;

- I. BKB needs land for collateral securities, which the poor can't provide.
- II. BKB prefer for big loan than small loan due to their financial profitability but the poor need small loan.
- III. The small farmers are not interested to enter to bank because they fell hesited to go to the bank.
- IV. BKB's loan sanctioning procedures are time consuming, cumbersome and lengthy which the poor fell it difficult to maintain.

As it is evident from the Table-3.3 (Page - 60), that the contribution of BKB in micro-credit disbursement is not remarkable, i.e. BKB disbursed only 7.15 percent of total NCSBs disbursement in 2003-04 credit to the rural area.

Rajshahi Krishi Unnayan Bank (RAKUB) was established in 15th March 1987, with the successor of BKB, and it consists of same character of BKB and it has been working with in the Rajshahi Division. It has taken all the branches of BKB with all assets and liabilities of Rajshahi Division. RAKUB disburse credit mainly in agriculture sector and agriculture sub sector. Recently RAKUB has taken step to finance landless and near landless farmer in farm and non-farm sector by six special loan schemes like self employment generation and poverty alleviation program.

The credit disbursement by RAKUB to the rural areas of Bangladesh is shown in Table-3.3 (Page - 60). Up to the financial year 1996-97 the cumulative credit disbursement by RAKUB was Tk. 568.4 million. In year 1997-98 the bank delivered credit to the rural areas of Bangladesh Tk. 72.7 million and it stood by the financial year 2003-2004, Tk. 179.7 million. Up to June 2005 the cumulative disbursement of credit by RAKUB stood at Tk. 2091.2 million. The proportion of RAKUB finance is reducing from the year 2001.

RAKUBs finance is also goes to main four categories of borrowers, such as (i) large farmers who are commercially oriented (b) who are net savers and capable to generate more income (c) those who are still below the subsistence level but have adequate

resources and (d) those who are physically fit for generate income. But the first two of the above two categories (a) and (b) usually belong to the traditional power structure of rural Bangladesh and they get the lion share of the RAKUB loan. Because RAKUB loan need collateral. So the rural poor people are still out of the preview of rural credit from RAKUB due to lack of collateral, which they cannot provide. By the 31th March of 2006, RAKUB delivered credit agriculture and fisheries sectors which was Tk. 14513 million and in small and cottage industry was Tk. 2729 million, and for poverty alleviation Tk. 767 million. (Activities of the Bank and Financial Institutions, 2005-2006; 226). But it is very unfortunate that the contribution of RAKUB in micro-credit disbursement is very low, which by the year 2005 was only 1.93 percent of total credit disbursement of NCSBs (Table 3.3, Page - 60).

3.4.3 Performance of Specialized Financial Institutions

GB: GB established in 1983 by the Government Ordinance with the successor of Grameen project, which was started in 1976 in Jobra village of Chittagong District. The bank expanded its program by organizing the asset less rural people and provided credit support to increase income and formation of capital. The purpose and objectives of the bank is to improve the socio-economic condition of the rural poor, basically disadvantaged rural women.

The status of GB in SFIs credit disbursement is seen in Table-3.4 (Page - 61). Up to June 1997, a total of cumulative credit disbursement by GB was Tk. 79092.00 million to its members, which stood to Tk. 235049.2 million up to June 2005. It was 89.52 percent in 1997 and 81.26 percent in 2005 of the total credit disbursement by the three Specialized Financial Institutions. The recovery rate of GB's loan is more than 98 percent. Up to June 1998, the cumulative disbursement of loan was Tk. 79092.00 million and it stood at Tk. 235049.2 million up to the June 2005. The status of credit disbursement by GB among the three Specialized Financial Institutions is seen in Table-3.4 (Page - 61). that the status of GB is in top position among the three Specialized Financial Institutions i.e. more than 70% rural credit delivered by GB among the total disbursement of the three Specialized Financial Institutions. The proportion of GB's credit disbursement is fluctuating. Recently, NGOs are approaching to the rural areas with their increasing micro-credit programs, however, the contribution of GB is remarkable. The researcher will try to make an elaborate discussion on GB in next chapter.

PKSF: Palli Karma – Sahayak Foundation (PKSF), established under government initiatives, is experimenting with a new model of GO-NGO cooperation aiming at helping the poor, the landless and the asset less to enable them to gain access to resources for their productive self-employment by undertaking income generating activities and thereby improving their quality of life. The credit program of PKSF is run through partner Organization for cost-effectiveness and better management at field levels (Bangladesh Aid Group, 1996-97,32).

Established in 1990, PKSF through the partner NGO's has been providing small loans to the target groups who owns less than 0.50 acres of land. The credit programs covers paddy husking, nursery, cane work, cow fattening, poultry rearing, rickshaw and van purchase, small business etc. Up to June 2005, cumulative credit amounting to Tk. 22124.2 million was disbursed among 5494607 members (90% women) in 58 districts through 231 partner organizations (BER, 2005; 131; 2005, 208). Which include small organizations as well as big organizations like BRAC, ASA, Proshika and Anser VDP bank. Recovery rate is 98 percent (BER, 2003, 171). It is evident from the Table-3.4 (Page - 61), that the amount of credit disbursement is increasing each year and proportion of credit is fluctuating compare with other two specialized financial institutions. The volume of amount is not sufficient. The proportion of PKSF in micro-credit disbursement in the financial year 2004-05, was only 7.65 percent of total credit disbursed by the three Specialized Financial Institutions.

BRDB: The Bangladesh Rural Development Board is a statutory body under the jurisdiction of the Ministry of Local Government and Rural Development. The BRDB is a specialized public agency designed to promote rural development and to contribute to the GOB,s programs for alleviating poverty. The center piece of the BRDB,s program is the design and implementation of a series of Integrated Rural Development Projects, in most cases funded by sundry donors. The main projects of the BRDB in recent years have been focused on poverty alleviation.

BRDB has implemented several group based poverty alleviation projects. The Rural Development Project-5 covers 16 thanas, RD-9 covers 26 thanas and the RD-12 covers 139 thanas. A special rural poor co-operative project covers 82 thanas. BRDB,s projects, particularly RD-12, provides credit, skill development training, organizational help and

other human development inputs to the poor. Savings mobilization is an integral part of the RD-12 projects activities (Rahman and et, al, 1995, 430).

BRDB has been operating rural development especially poverty alleviation program through country wide cooperative and non-formal group network with financial and technical support of Bangladesh Government and development partners. First it was started in 1960 named by IRDP to experiment the rural development, which was known by Comilla Model. In 1982 BRDB was established as the successor of IRDP. The model had four components: (a) establishment of Thana Training and Development Center (TTDC) in every thana (b) Rural Works Program (RWP) for construction of road; drainage and embankment; (c) Thana based decentralized small Irrigation Program (TIP); and (d) two tier cooperative system under thana Central Cooperative Association (TCCA). BRDB target groups include small farmers (who owned 0.50 acres of land), asset less women and men. Working on the basis of two-tier cooperatives the initial focus of the BRDB was on formation of primary Krishok Samabaya Samities (KSS) at the village level federated into the Thana Central Cooperative Association. Soon it became clear that KSS, basically cooperatives of owner's farmers, provided only limited access for the marginal farmers and the landless groups. To correct this, BRDB embarked on promoting two additional types of cooperatives: Bittahin Samabaya Samities (BSS) and Mohila Bittahin Samabaya Samities (MBSS). TCCAs federated the village level primary BSS and MBSS (Country Paper Bangladesh, 1995, 24).

Besides the credit and training programs BRDB also include family planning, health and education programs. Since 1990-91 through 2002-03 (upto June 30, 2003), credit support amounting Tk. 24302.9 million has been provided to 1.6 million members under the 58389 samities in 449 upazilas of which tk. 21710.8 million has been recovered (BER 2003, 171). During the period up to June 2005, 2.1 million members under 78278 co-operative societies of 465 Upazilas borrowed Tk. 32071.6 million, of which an amount of Tk. 24424.3 million was recovered. In Financial year 2004-2005, BRDB implemented Rural Livelihood Project in 152 Upazilas, Rural Poverty Alleviation Project in 123 Upazilas and Palli Progati Prakaalpa in one Union of each 465 Upazilas of Bangladesh. Under the revenue budget Integrated Women Development Project in 100 Upazilas, side by self employment Project for Women in 349 Upazilas, Integrated Poverty Alleviation Program in 139 Upazilas and small farmer and share cropper development program in 377 Upazilas has been under implementation (BER, 2005, 208). The status of micro-

credit disbursement by BRDB is seen in Table 3.4 (Page - 41) Up to June 1997, 8.34 percent of the total credit was disbursed by BRDB among the three Specialized Financial Institutions, which stood at 15.71% in the financial year 2004-05. The recovery rate of credit by BRDB is over 90 percent, and highest among the Government departments. Though the proportion of BRDB was highest among the Government departments, but it is not remarkable compared with GB and BRAC.

3.5 Micro-Credit Activities of Major NGOs

NGO's are dominating in micro credit program operations of institutional finance in Bangladesh. The number of institutions, amount of loan disbursement and number of borrowers are increasing day by day. All of MF NGOs are providing group based micro-credit facilities to the rural poor specially the disadvantaged women with the aim of poverty alleviation through the creation of self-employment and self-empowerment of these peoples. Total 85.71% of the institutional credit delivered by NGO's.² In financial year 2001-02 the total number of NGO,s registered with NGO Affairs Bureau for receiving foreign assistance were 1671 and the number of projects were 746. According to CDF (Credit and Development Forum) statistics up to December 2004 a total of 721 NGOs have been operating micro-finance programs. The total number of beneficiaries all of NGOs are 16.2 million with male and female of 2.4 million and 13.8 million respectively. During the period cumulative disbursement among members was Tk. 338635.6 million. Rate of recovery was 98.79 percent. Of the total amount of disbursement 40.61 percent was invested in small business, 14.06 percent in livestock, 10.25 percent in agriculture and 3.63 percent in fisheries (BER, 2005, 205).

The disbursement of loan to the rural area by the big NGO's and specialized financial institutions is seen in Table-3.4 & 3.5 (Pages – 61 & 62). Upto June 2005 cumulative disbursement of loan by big NGO's was Tk. 128844.5 million, Tk. 148643.5 million, 30353.6 million, 4328.40 million, Tk. 235049.2 million, Tk. 22124.2 million by ASA, BRAC, Proshika, Swanivor Bangladesh, GB and PKSf respectively. Upto June 2005 the credit disbursement by BRDB was cumulative Tk. 32071.6 million. The highest delivery of credit was by GB and BRAC was in second position. But still the proportion of institutional credit is not satisfactory. Cumulative figures of membership, disbursement and savings of these four big NGOs and their proportion are also evident from Table-3.6

² Calculated from Table 3.1, Page 58.

(Page - 63) and in details are also shown in NGO wise (individual) discussion. Sources of Micro credit and revolving fund of NGOs is seen in Table-3.7 (Page-63). By the end of June 2002, sources of fund of NGO,s was highest from members savings, that was 25.49 percent of total fund. PKSF was in second position that was 23.64 percent of total fund. Fund supplied by local banks was 8.99 percent. The total amount of NGO,s revolving fund was Tk. 37347.4 million, which was Tk. 32328.3 million in preceding year 2001. The share of foreign donation was highest in the year 1998, but from the year 1999 it was reducing, and it stood at 17.50 percent of total revolving fund in the year 2002. It is also evident from the same table that the NGOs are making their fund more from member's savings. Service charge is also remarkable source of revolving fund. It is worthwhile to mention that the contribution of NGOs in micro-credit disbursement is remarkable compared with GOs.

ASA: ASA is one of the remarkable NGO in Bangladesh. It was established in 1978. Since its inception, it has introduced various development programs designed to improve the socio-economic condition of the rural poor by ensuring more equitable distribution and proper utilization of local resources through skill formation and maintenance of good health hereby helping them to become more self-reliant. The main objectives of the programs are as follows;

- a. To empower the landless people through awareness raising and development of leadership.
- b. To involve the rural poor in various fields of development through a participatory process to build up their own capacity for gainful activity.
- c. To help the poor professional groups with short-term finance for undertaking income generating activities.
- d. To help in identifying and selecting income generating activities at the grass roots level for improving the socio-economic condition of the poor.
- e. To help the poor people in marketing their products in order to ensure a fair price for their products.
- f. To establish women rights at all levels of the society.
- g. To ensure the utilization of local resources.
- h. To encourage grass root communities in society to protect their cultural values through various cultural and social activities (Rahman, 1995, 434).

ASA has been operating micro-credit program since 1992, and gradually shifted its all kinds of development programs into micro-credit programs. Since 1998 it has been doing only micro-credit operation by discarding all other social programs. It is providing group-based micro-credit and is recovering the loan weekly in equal installments with 24 percent rate of interest according to declining balance method (Mojumder, 2002,69). Total cumulative credit disbursement and recovery at the end of June 2005, were Tk. 128844.5 million and Tk. 110519.5 million respectively to the 5543614 million beneficiaries of which 64.38 percent are women. The recovery rate was 85.78 percent (BER, 2005, 206).

It is evident from the Table-3.5 (Page - 62); that by the end of the year 1997 the cumulative credit disbursement was Tk.7362.9 million, which was 20.52 percent of the total credit disbursed by four big NGOs. But by the year 2003 and 2004 it stood 48.27 percent and 48.55 percent respectively. The compulsory reduction from the sanctioned loan, the voluntary savings and the fee collection from passbooks are the main components of the total savings. Up to June 2002, the total savings generated by ASA was tk.2010.1 million, which was 23.78 percent of total savings generated by four big NGOs (Table-3.6, Page - 63). From 1992 to December 2004 total savings derogates stood at Tk. 20390 million, at the same time members savings withdrawn and returned Tk. 17560 million and total savings balance stood at Tk. 2830 million (BER, 2005, 207). In addition to direct disbursement ASA has been providing micro-credit through some of its partner organizations. The revolving fund of ASA is accumulated from different sources, such as, member's savings, loan from PKSf, Internal and external donors, Service charges, own fund and loans from local banks (CDF,1999). It is mention that the contribution of ASA in micro-credit disbursement is remarkable considering with other three big NGOs.

BRAC: BRAC is a national private development organization, set up for resettle the war affected people of Bangladesh. Later, BRAC redirected its focus to the issue of poverty alleviation and empowerment of the poor, especially women, in Bangladesh's rural area. BRAC diagnoses poverty as human terms. Women with social, cultural, technological and structural constraints have been able to transform themselves as contributors not only to their families well being, but also to national production and development by increasing their access to economic and social resources with BRACs assistance. Currently, BRAC promotes income generation and social development of the poor,

mostly landless rural people of Bangladesh through micro-credit, health, education and training programs.

Up to June 2005, cumulative credit amounting of Tk. 148643.5 million was disbursed by BRAC to the rural poor people of Bangladesh. The disbursement of credit to the rural poor by BRAC is seen in Table-3.5 (Page - 62), Up to 1997 the credit amount disbursed by BRAC Tk. 21598.00 million in cumulative figure. By the end of the year 1998 the credit disbursement was Tk. 8451.00 million, which was Tk. 15099.8 million in 2001. By the year 2002, BRAC, disbursed Tk. 17065.9 million to about 3.6 million beneficiaries of whom 99 percent are women. The BRAC covers 460 upazilas of 64 districts with the recovery rate of 99.27 percent (BER, 2003; 170). The amount of savings of the beneficiary groups is Tk. 5294.00 million up to December 2002. The status of BRAC in micro-credit operation of some big NGOs is seen in Table-3.5 (Page - 62). By the end of the year 1998, the credit disbursement was Tk. 8451.0 million which stood Tk. 25901.5 million in 2004 it was 60.20 percent and 45.51 percent of total credit disbursement by the four big NGOs in the respective year. Though the volume of amount is increasing but the proportion of BRAC credit is decreasing gradually. The number of beneficiaries and savings generated by the beneficiaries of BRAC is seen in Table-3.6 (Page-63). It is evident from the table that, up to June 2002, four Big NGOs of Bangladesh (according to Government Statistics) covers 8.86 million beneficiaries, out of them 3.51 million covered by BRAC, which is 39.58 percent of the total. At that time i.e. up to June-2002, BRAC made a total savings of Tk. 4614.6 million by its member beneficiaries, which is 54.61 percent of total savings made by the big four NGOs. Though the share of BRAC's finance is decreasing compared with major four NGOs, but the contribution of micro-credit disbursement is remarkable. Other big NGOs are also coming out with several financial programs and coverage of their program is increasing rapidly. Later the researcher will try to make an elaborate discussion on BRAC.

PROSHIKA: PROSHIKA is one of the largest Non-Governmental organizations in Bangladesh. It was established in 1976 with the aim and objective of promoting sustainable development, improving the socio-economic and cultural empowerment of the poor, improving their human and material capacity so as to reduce poverty. It started credit programs from the beginning, its main activities centered round the human resource development through giving the poorest people (its target groups) various types of development support and services through the following broad based programs;

- a. Organization building among the poor
- b. Development education which includes:
 - (i) Human development training, (ii) Practical skill development training, (iii) Peoples theatre
- c. Universal education
- d. Integrated multi-sectoral women's development
- e. Employment and income generating activities which includes:
 - i. Agriculture, ii. Irrigation, iii. Fisheries & livestock development, iv. Sericulture development, v. Housing, vi. Social forestry, vii. Small and cottage industry
- f. Health education and infrastructure development program
- g. Natural protection and enhancement of environmental quality
- h. Disaster preparedness management program
- i. Relief and rehabilitation.

From the mid nineties it has shifted its major development activities into micro-credit operations considering it as a powerful tool of poverty alleviation and empowering the rural poor (Mojumder, 2002, 70). It is working mainly for the purpose of non-farm activity. Proshika provides group-based loans to the rural landless, marginal, small farmers and illiterate poor people in general and disadvantaged women, in particular. Women's are the lion share of Proshika members. A total of Tk. 30353.6 million has disbursed as credit up to June 2005 to 2.7 million members in 2347 villages and 2101 slums under 57 districts. The recovery rate is 93 percent (BER, 2005, 207). To provide credit, Proshika builds groups separately for men and women and trains them on the credit recovery system before sanctioning loan. The sources of Proshika's fund consist of grants, member's savings and long-term loans from the GOB and Commercial Banks. It provides collateral free loans to its members. It also recovers the loan weekly in equal installments with 18 percent rate of interest according to reducing balance method. Status of credit disbursement of Proshika is seen in Table-3.5 (Page - 62). By the end of the year 1998, the total credit disbursement was Tk. 2773.6 million, which stood at Tk. 4067.6 million in 2001. It was 17.66 percent and 13.40 percent of total loan disbursement by four big NGOs in the respective years. By the end of the year 2004, the disbursement of credit was Tk. 2770.7 million, which was Tk. 2773.6 million in 1998. It is seen from Table that the disbursement of credit is declining from the year 2002. Though

the volume of credit amount was increasing but the proportion of Proshika is decreasing considering other four big NGOs. But the contribution of Proshika in micro-credit disbursement is remarkable compared with Swanirvor Bangladesh. Savings mobilization is an integral part of Proshika. It is evident from the Table-3.6 (Page - 63) that up to June 2002, it has mobilized a total of Tk. 1640 million as savings from the member borrowers and it was 19.41 percent of total out of four major NGOs in Bangladesh.

Swanirvar Bangladesh: Swanirvar Bangladesh, a movement for self-reliance in economic and social life, was launched in 1975. Its main thrust has been to motivate people at the grass root level in order to make them self-reliant by identifying their problems and finding their own solutions. Employment generation and poverty alleviation is the main important objectives of this organization. At the beginning, emphasis was given on mobilization of support from political leaders, bureaucrats' local leaders and the target groups for strengthening the movement. With aims to conscientise the small farmers, landless women and social workers a phase wise local level training program was launched. Voluntary mass participation schemes, family planning programs, literacy program etc. were also under taken leading to gradual focus on specific program in selected areas of the country. Over time, SB has gained organizational strength by reaching the rural poor through its credit program. Under SB credit program, a target group is organized with members who own no more than 0.40 acres of land or whose yearly income does not exceed Tk. 6000. There are separate groups for men and women and each group consists of five members (Country Paper Bangladesh, 1995, 29). The main point of departure of the Swanirvar credit program from similar programs of other NGOs is that it does not depend on foreign funds to under write its programs. It instead uses the local commercial banks to provide credit and limits to its role to mediating the relations between the poor borrowers and the bank branches, which provide the loans. The maximum loan size per head is usually Tk. 5000. The loan bears a nominal interest rate of 13 percent compound annually to provide for some autonomous income generation for the program. The loan, along with the interest and other dues such as compulsory savings and contribution to the Swanirvar workers trust fund, is repayable in 52 weekly installments (Rahman & Sen, 1995, 433). By the end of the year 2002, its activities have been expanded to 13051 villages of 170 upazilas, and a total of Tk. 2933.2 million has been disbursed to 0.81 million borrowers of which about 0.61 million (75 percent) are women. The rate of recovery is 86.99 percent (BER,

2003,170). It is evident from the Table-3.5 (Page - 62) that, a cumulative credit disbursement by Swanirvar Bangladesh was Tk. 1501.4 million up to the year 1997, and it stood at Tk. 4328.4 million up to June 2005. The volume of credit amount increasing slowly, and proportion is also increasing gradually. It is evident from the Table-3.6 (Page - 63), that up to June 2002; a total of Tk. 186 million mobilizes as savings from the members, which was 1.55 percent share of total savings mobilization by four major NGOs in Bangladesh. But it is unfortunate to mention that the contribution of Swanirvor Bangladesh in micro-credit disbursement is very negligible.

Table-3.1
Status of GB and BRAC in Mirco-Finance Industry.

(In million)

Name of Institutions in MFI	1996-97 (cum.)	1997-98	1998-99	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004
Gov. Administrative Department	11665.9 (7.89)	16561.4 (35.73)	5440.8 (14.08)	5400.4 (17.66)	4996.0 (16.00)	5215.1 (16.70)	6530.8 (16.70)	4337.3 (9.70)
Nationalized Commercial Banks	47891.7 (32.38)	5962.2 (12.86)	7601.6 (19.68)	5541.4 (18.12)	5969.2 (22.32)	6332.3 (20.27)	7186.4 (18.38)	9527.1 (21.30)
Three specialized financial institutions (PKSF, BRDB, GB)	88360.6 (59.74)	23821.8 (51.40)	2559 (66.24)	19646.2 (64.23)	19253.9 (61.67)	19686.5 (63.03)	25389.5 (64.92)	30854.8 (69.00)
Total	147918.2 (100)	46345.4 (100)	38632.4 (100)	30588.0 (100)	31219.1 (100)	31233.9 (100)	39106.7 (100)	44719.2 (100)
GB	79092.0 (53.47)	19079.1 (41.17)	18553.5 (48.03)	14316.2 (46.80)	16007.9 (51.28)	14362.5 (45.98)	18798.1 (48.05)	23356.2 (52.23)
All NGOs	NA	53544.0 (100)	NA	NA	143983.2 (100)	187339.2 (100)	NA	338635.6** * (100)
BRAC	NA	25601.0 (47.81)	NA	NA	61736.5 (42.88)	77593.8 (41.42)	82443**	110074.8* (32.51)

Figures in parenthesis indicate share in percentage.

Source: Formulated by Author from BER, 1999, 115; 2001, 129; 2003, 168-173; 2005, 205.

* Figure up to December, 2004. ** Figure up to December, 2004. *** Figure Up to, December, 2004.

Table-3.2
Micro-credit Scenario of Administrative Departments

(In million)

Ministry/ Departments	Cumulative up to June- 1998	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Cum. up to Dec. '04
Ministry of finance	398.4 (1.67)	183.1 (3.39)	203.2 (4.38)	233.8 (4.38)	226.5 (3.47)	232.3 (5.36)	112.2 (2.62)	1588.3 (2.62)
RD & cooperatives	13918.4 (58.31)	3171.7 (57.99)	2293.8 (45.92)	2882.5 (53.94)	3643.1 (55.78)	4178.0 (52.98)	2788.6 (65.21)	35437.6 (58.41)
Women & children affairs	1585.1 (6.64)	202.2 (3.74)	233.6 (4.88)	116.0 (2.17)	141.1 (2.16)	117.9 (1.50)	163.9 (3.83)	2569.8 (4.24)
Social welfare	3263.9 (13.67)	476.8 (8.83)	511.7 (10.24)	479.3 (8.97)	460.00 (7.03)	566.9 (7.19)	261.8 (6.12)	6020.4 (9.92)
Labour & manpower	96.6 (0.40)	21.5 (0.40)	3.8 (0.08)	00 (00)	00 (00)	00 (00)	00 (00)	121.9 (0.20)
Parliament affairs	21.4 (0.09)	6.4 (0.12)	12.7 (0.25)	27.8 (0.52)	21.6 (0.33)	00 (00)	00 (00)	89.9 (0.15)
Fisheries & livestock	409.1 (1.72)	288.1 (5.33)	190.5 (3.81)	235.4 (6.81)	169.2 (2.59)	525.3 (6.66)	152.6 (3.57)	1970.2 (3.25)
Ministry of industry	812.5 (3.41)	170.2 (3.15)	200.5 (4.02)	243.5 (4.56)	314 (4.81)	358.4 (4.55)	130.7 (3.06)	2229.8 (3.68)
Agriculture ministry	257.3 (1.08)	109.4 (2.02)	162.2 (3.30)	340.9 (6.38)	751.2 (11.50)	1477.2 (18.73)	334.8 (7.83)	3435.7 (5.66)
Ministry of land	219.5 (0.92)	7.32 (1.36)	66.5 (1.33)	89.9 (1.68)	96 (1.47)	00 (00)	61.2 (1.43)	745.8 (1.23)
Local ministry	61.7 (0.26)	32.9 (0.61)	189.1 (3.79)	135 (2.53)	129.8 (1.99)	13.3 (0.17)	7.4 (0.17)	569.2 (0.94)
Ministry of youth & sports	2801.7 (11.74)	687.5 (12.73)	866.6 (17.35)	359.9 (6.74)	522.2 (8)	346.5 (4.39)	236.5 (5.53)	5699.3 (9.39)
Cotton ministry	22.2 (0.09)	17.4 (0.32)	49.1 (0.98)	71 (1.33)	56.1 (0.86)	80.7 (1.02)	54.9 (1.28)	351.4 (0.58)
Total	23867.8 (100)	5400.4 (100)	4996.0 (100)	5215.1 (100)	6530.8 (100)	7885.4 (100)	4276.2 (100)	60670.8 (100)
Recovery	18967.7	4716.2	4066.7	4699.0	5947.4	6114.5	3187.8	50044.1
Rate of recovery %	79.47	87.33	81.40	90.10	91.07	77.54	74.55	82.48

Figures in parenthesis indicate share in percentage.

Source: BER, 2003, 175; 2005, 213

Table-3.3

Status of Micro-credit Disbursement of Nationalized Commercial and Specialized Banks
(In million tk.)

Bank	1996-97 cum.	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Cum. up to June 2005
Sonali Bank										
Disbursement	28139.3	2949.3	2554.8	1674.5	3304.3	3075.7	3615.7	4601.8	5046.3	54961.6
Rate of recovery	88.45	93.62	48.38	145.67	104.56	141.87	120.23	119.04	84.23	102.35
Share %	58.76	49.47	33.61	30.22	47.41	48.57	50.31	48.30	47.40	51.05
Agrani Bank										
Disbursement	6367.8	1001.8	1957.5	1290.4	913.4	1023.9	1215.1	1737.6	2616.4	18123.9
Rate of recovery	101.34	86.89	72.41	96.95	124.52	110.14	106.55	128.99	79.62	98.65
Share%	13.30	16.80	25.75	23.29	13.11	16.17	16.91	18.24	24.58	16.83
Janata Bank										
Disbursement	10212.1	950.6	1422.1	1119.2	1319.3	1132.9	1261	2274.7	1937.5	21629.4
Rate of recovery	87.46	111.95	55.07	104.44	96.50	105.51	95.88	71.89	55.00	85.00
Share%	21.32	15.94	18.71	20.20	18.93	17.89	17.55	23.88	18.20	20.09
Rupali Bank										
Disbursement	171.8	4.8	8.6	9.1	10.5	16	22.4	51.7	152.8	442.3
Rate of recovery	92.84	137.50	63.95	90.11	104.76	102.83	236.61	39.65	34.49	64.00
Share%	0.36	0.08	0.11	0.16	0.15	0.25	0.31	0.54	1.44	0.41
BKB										
Disbursement	2432.4	983.0	1444.3	1233.9	1203.6	909.2	935.80	681.60	588.60	10412.4
Rate of recovery	68.88	77.76	70.51	95.77	98.19	111.57	104.72	68.37	63.32	83.12
Share%	5.08	16.49	19.00	22.27	17.27	14.36	13.02	7.15	5.53	9.67
RAKUB										
Disbursement	568.4	72.7	214.3	214.3	218.1	180.0	136.4	179.7	307.3	2091.2
Rate of recovery	79.64	81.98	38.57	68.64	78.22	99.11	98.75	69.39	47	72
Share%	1.19	1.22	2.82	3.87	3.13	2.84	1.90	1.89	2.89	1.94
Total										
Disbursement	47891.7	5962.2	7601.6	5541.4	6969.2	6332.3	7186.4	9527.1	10649	107658.1
Rate of recovery	88.87	92.69	59.80	111.82	103.73	124.29	110.99	104.60	74.84	95.69

Source: BER, 2003, 173; 2005, 211.

Table-3.4
Micro-credit Programs of Three Specialized Financial Institutions

(In million Tk.)

Institutions	Cum. Up to June '97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Cum. up to June '05
GB										
Disbursement	79092.00	19079.1	18553.5	14316.2	16007.9	14362.5	18798.1	23356.2	31483.7	235049.2
Recovery	66348.00	16905.00	18368.6	16263.2	16012.2	15295.5	16763.3	19801.5	25815.4	211572.8
Rate of recovery%	94.04	92.28	88.77	89.18	98.29	99.00	99.00	99.96	98.95	98.95
Share%	89.52	80.09	78.65	72.87	83.14	72.96	75.17	75.70	75.53	81.26
PKSF										
Disbursement	1891.6	1786.1	1987.00	2272.3	1048.00	2538.8	3030.4	3405.6	3649	22124.2
Recovery	670.8	398.5	468.3	560.7	662.7	266.8	1593.8	2430	3421.2	11442.2
Rate of recovery%	97.82	98.03	98.21	98.17	98.30	99.57	98.35	98.17	97	97
Share%	2.14	7.50	8.42	11.57	5.44	12.90	12.12	11.04	8.75	7.65
BRDB										
Disbursement	7367.00	2956.6	3049.5	3057.7	2198.00	2785.2	3177.7	4093	6548.6	32071.6
Recovery	6213.6	2057.6	2669.3	2710.3	2054.4	2431.9	2797.00	3196.6	4950.8	24424.3
Rate of recovery%	85.59	88.91	96.00	90.17	93.47	92	93	94	90	94
Share%	8.34	12.41	12.93	15.56	11.42	14.15	12.71	13.27	15.71	11.09
Total	88350.6	23821.8	23590	19646.2	19253.9	19686.5	25006.2	30854.8	41681.3	289245

Source: Formulated by Author from BER, 1999, 131; 2003, 172; 2005, 210.

Table-3.5
Micro-credit Scenario of Big Four NGOs

(In million Tk)

Name of NGO	Cum. Up to Dec.97	1998	1999	2000	2001	2002	2003	2004	2005	Cum. up to June '05
ASA										
Disbursement	7362.9	4328.1	6619.3	7782.3	9966.7	18343.2	23025.56	27631.8	18769.7	128844.5
Recovery	5694.4	3785.7	5135.9	7491.4	8576.3	15205.3	20797.17	25371.5	14221.6	110519.5
Rate of recovery	99.93	99.96	99.93	99.90	99.93	82.89	90.32	91.82	75.77	85.78
Share %	20.52	27.55	31.86	31.25	33.89	46.01	48.27	48.55	52.17	41.27
BRAC										
Disbursement	21598.00	8451.00	10843.00	13546.00	15099.8	17065.9	20700	25901.5	15431.8	148643.5
Recovery	17888.6	7113.9	9164.3	12539.2	14574.7	16147.8	18380.03	22690.6	13487.5	132207.6
Rate of recovery	98.30	98.20	98.40	98.60	98.85	99.27	88.79	87.60	87.40	88.94
Share %	60.20	53.80	52.20	54.40	51.35	42.80	43.39	45.51	42.89	47.62
PROSHIKA										
Disbursement	5411.9	2773.6	3120.9	3279.5	3941.00	4067.6	3574	2770.7	1397.6	30353.6
Recovery	3929.6	2348.2	2914.0	3302.00	3600.7	4284.00	3712.1	3506.1	1436	28178
Rate of recovery	97	96	97	95	93	93	103.86	126.54	102.75	92.83
Share %	15.09	17.66	15.02	13.17	13.40	10.15	7.49	4.87	3.88	9.72
Swanirvar Bangladesh										
Disbursement	1501.4	154.6	190.4	293.6	398.6	394.6	406.6	607.5	381.1	4328.40
Recovery	1212.6	65.9	131.00	213.1	317.2	333.2	345.8	433.8	300.2	3352.8
Rate of recovery	90.50	82.62	91.54	83.24	95.65	98.64	85.05	71.41	78.77	77.46
Share %	4.19	0.98	0.91	1.18	1.36	0.99	0.85	1.07	1.06	1.39
Total distribution	35874.2	15707.3	20773.6	24931.4	29406.1	39871.3	47706.16	56911.5	35980.2	312170

Source: Formulated by Author from BER, 2002, 130; 2003, 169; 2005, 206.

Table-3.6

Micro-credit Disbursement Program of Big NGOs (Up to June 2002)

(In million tk.)

Name of NGOs	Member up to June-02	Percent of total	Cumulative disbursement	Percent of total	Savings	Percent of total
BRAC	3.505	39.58	77593.8	53.68	4614.6	54.61
PROSHIKA	2.636	29.77	20611.9	14.26	1640	19.41
ASA	1.981	22.37	43704.2	30.24	2010.1	23.78
Swanirvar Bangladesh	0.733	8.28	2631.4	1.82	186	2.20
Total	8.855	100	144541.3	100	8450.7	100

Source: BER, 2003, Page-168.

Table-3.7

Sources of Micro Credit and Revolving Loan Fund of NGO,s.

Sources	June '98		June '99		June '00		June '01		June'02	
	FUND	%	FUND	%	Fund	%	Fund	%	Fund	%
PKSF	288.08	18.97	478.40	23.48	659.77	24.03	759.87	23.50	882.98	23.64
Local banks	183.36	12.07	234.30	11.50	310.00	11.29	295.96	9.51	335.92	8.99
Foreign donation	395.29	25.96	415.70	20.41	464.82	16.93	563.30	17.43	616.00	17.50
Members savings	302.02	19.89	481.30	23.63	694.35	25.29	832.19	25.74	951.81	25.49
Service charge	227.53	14.98	233.80	11.48	386.21	14.06	556.33	17.21	619.49	16.59
Others	123.55	8.13	193.60	9.50	230.90	8.40	225.18	6.97	328.54	7.79
Total	1518.8	100.0	2037.1	100.0	2746.0	100.0	3232.83	100.0	3734.74	100.0

Source: BER, 2003, page-168.

3.6 Conclusion

GB (GB) and Bangladesh Rural Advancement Committee (BRAC) are the leading micro finance institution in micro finance industry in Bangladesh. Bangladesh is now teeming with more than 1000 micro finance NGO's. GB and BRAC introduced credit to the poor people of Bangladesh for the uplift of their socioeconomic condition. By the end of the financial year 2003-2004, GB disbursed 52.23 percent of total credit disbursement of Administrative Departments, Nationalized Commercial Banks and three Specialized Financial Institutions. On the other hand, by the same period BRAC disbursed 32.51 percent of all NGOs' credit disbursement. Presently GB and BRAC are giving priority to give micro-credit facilities to the poor women in the rural areas of Bangladesh, and working especially for their improvement. Now a days GB and BRAC are recognized world wide and have been replicated in many countries of the world.

Chapter Four

METHODS AND PROCEDURES OF RURAL FINANCING OF GB AND BRAC

4.1 Introduction

GB and BRAC are the pioneer organizations and the largest micro-finance institutions in Bangladesh. Methods and procedures of financing of these two organizations are not same. In this chapter an attempt has been made to discuss about the methods and procedures of rural financing program of GB and BRAC introduced to their borrowers. With this connection background of GB and BRAC, Objectives, various Programs introduced by these two organizations have been discussed. Credit delivery and recovery mechanisms of these two organizations have also been analyzed.

4.2 Methods and Procedures of Rural Financing of GB

4.2.1 Origin of GB: The GB was started in 1976 by Mohammad Yunus, an Economics Professor, Chittagong University in Bangladesh, as an experimental project to combat rural poverty by providing credit to the poor in a village called Jobra, near Chittagong University. The project aimed to test the hypothesis that if financial resources are made available to the poor at reasonable terms and conditions, they can generate productive self-employment without external assistance. But the poor lacked access to commercial credit due to absence of collateral, Yunus perceived, the poor were being exploited in traditional credit markets, as a result they often become caught in spirals of increasing indebtedness, forced sales of assets and increasing destitution. The professor had observed that a large proportion of the extremely poor households in the village, Jobra, were engaged in various non-farm activities with a meager amount of capital borrowed from informal sources. The small size of the loans and the high rate of interest (10 percent a month) did not enable the poor to improve their living standard and accumulate capital of their own. The professor tried to convince the nationalized bank personnel to provide credit facilities to the poor people. The bank at first refused to provide credit to the poor people due to lack of collateral. After much persuasion, the bank agreed to provide loans to the poor, but the professor had to guarantee of

recovery. From this experience came the idea of the action research project and development of an appropriate mechanism for ensuring timely recovery of loans.

To convince the bankers that it was safe to extend credit to the poor without collateral, the professor proposed to the managing director of the BKB that the professor be given the responsibility of operating a branch under the director's guidance. A sub-office of a branch was set up in March 1978 to allow the professor to experiment with this idea about the appropriate mechanism for delivery of credit to the poor. This pilot experiment was successful, and with financial assistance from the Bangladesh Bank, the GB project was launched in June 1979 to see whether the experiment could be replicated in a wider area. The project was successful with recovery rate of 98% (Hossain, 1988, 23). Therefore, in September 1983 the project was transformed into the GB by a Government ordinance, as a specialized financial institution for the rural poor. Now the members of the GB are the 94% shareholders (Yunus, 2005, 1; GB, 2002, 1).

4.2.2 Purpose and Objectives of GB: The purpose of the GB is to improve the socio-economic condition of the rural poor in general, and the landless and near landless as well as the disadvantaged rural women in particular, by way of providing credit facilities for income generating activities. In view of the limitation of the institutional credit facilities for the disadvantaged rural poor people, GB was started for giving credit facilities to the rural poor with some specific objectives (Barua, 2000, 2, Web Page, GB, 2002, 1 Web Page). Those objectives are:

- (i) To extend banking facilities to poor men and women;
- (ii) To eliminate exploitation of the money lenders;
- (iii) To create opportunities for self-employment for the unutilized and underutilized manpower resources;
- (iv) To bring the disadvantaged people within the folds of some organizational format which they can understand and operate, and can find socio political and economic strength in it through mutual support, and
- (v) To reverse the age old vicious circle of poverty "low income-low savings-low investment-low income" into an expanding system of "low-income -credit – investment -more income -more credit -more investment – more income."

4.2.3 Mode of Operation of GB: The GB now follows standard operational procedures that evolved during 1976-1983 in a process of continuous interaction with the poor. A GB branch normally covers an area of about 15 to 22 villages located in a union, or at most two unions. The branch is headed by a branch manager and includes six bank workers, an accountant, and one or two bank assistants. When the GB decides to open a branch, the first task of the branch manager is to prepare a socio economic report covering the geography, economy, demography, transport and communication infrastructure, and political power structure of the area. As because most members of the target group are illiterate and are shy about coming to banks, the banking services are brought to their doorsteps. The size of the branch and the area covered is determined by the bank workers daily travel to maintain contact with the target group. In most cases, because of underdeveloped roads and transport facilities, the bank workers have to walk. When the head office approves the report, the manager arranges a general public information meeting, inviting all classes of people in the locality. At the meeting the manager introduces bank officials and explains the GB's purpose, rules, and programs. The local elites realize that the initiative is for the benefit of the poor only, and the poor understand that in order to receive loans they will have to organize themselves in groups and associations and interact with each other. The bank's operation starts after the meeting. A person from a household that owns less than 0.5 acre of cultivated land, or assets with a value equivalent to less than 1.0 acre of medium quality of land in that area is eligible to receive a loan (Hossain, 1988, 25; GB, 2002, 2, Web Page; Barua, 2000, 2, Web Page).

In accordance with the socio cultural norms of rural Bangladesh, individuals take the first step in the banking process by organizing themselves into groups of five, men and women from separate groups. Members in a particular group is strictly limited to people who do not own more than half an acre of land, are not members of the same family or household, have similar economic resources and therefore, equal bargaining strength, enjoy mutual trust and confidence with in the same village. Each group elects a Chairperson and a Secretary, and these positions rotate among members on a yearly basis, so that all members have the learning experience that accompanies the responsibilities of these positions. The Chairperson is responsible for discipline in the group and for supervision of loan utilization by the members. Members conduct business with a bank worker, through the Chairperson. A number of groups from the same village

are federated into a center and the weekly meetings are held at the center level. Members have weekly meetings where they practice, learn and discuss the rules of the GB and other group activities. The group Chairpersons elect a center chief and a deputy center chief, who hold office for one year only. Center chiefs ensure attendance at the weekly meetings, payment of the loan installments, and overall discipline and conduct the program of the meetings. The bank worker attends the center meetings, and all sort of bank business are conducted openly in the meeting in front of the members (Yunus, 1992b: 7-8, Barua, 2000, 3, Web Page).

Two to three weeks after the formation of groups, during which all group members make small savings deposits (before 2001 it was Tk. 1 per week and after 2001 it is Tk. 5 per week) and are trained by GB employees, credit is issued to individual group members if they conform to the discipline of the GB (according to GB Officials). Initially, two members of a group are given credit and observed for one or two months. If they pay their weekly installments and maintain group discipline, new loans are given to the next two members. The group leader is customarily the last to receive credit (Khandker, et al. 1995, 10; GB, 2002, 3, Web Page). Loans are given to the individuals for a maximum of Tk. 15000 without any collateral. GB's loans are small (about Tk. 2000 with an upper limit of Tk. 15,000). A borrower may use the credit in any productive activity, but the loan has to be used immediately and to be repaid in 46 weekly installments. Previously the number of installments was 52. If any member defaults, the whole group becomes ineligible to receive additional loans from the GB. The group functions as an institution to ensure mutual accountability. The individual is kept in line by a considerable amount of pressure from other members of the group. The existence of the group thus acts as the collateral for the bank loans. Thus, although credit is given to an individual member, the group is ultimately responsible for repaying loans, as well as for maintaining financial and social discipline. So groups sometimes decide to fine or to expel a member who fails to attend the meeting and fully defaults on payment of installment. Other members of the group also extend financial support to a member in time of genuine difficulty when the member cannot pay the installment. A member may leave the group when the loan is fully repaid; if a member leaves earlier, the responsibility for paying the balance fall to the remaining group members. For this, though loans are given to individual member for activities selected and identified by each member, members are expected to guide one another. Selections are discussed at group meetings and at meetings of centers,

typically composed of five to eight groups and led by an elected Center Chairperson and Secretary. Each center is assisted by a GB employee, who visits several on a weekly basis. When an entire group defaults, the responsibility of repayment falls to the center (Hossain, 1988, 26; GB, AR, 1986, 17; GB, 2002, 2, Web Page). Presently there are no forms of joint liability, i.e. group members are not responsible to pay on behalf of a defaulting member. The group is not required to give any guarantee for a loan to its member. Repayment responsibility solely rests on the individual borrower, while the group and the center oversee that every one behaves in a responsible way and none gets into repayment problem (Yunus, 2005, 1).

4.2.4 Procedures of Loan Approval, Supervision and Utilization: Disbursement of loan is not a simple matter. When a group is formed, it is kept under close observation for a month by the bank worker needs to see whether members of the group are conforming to the discipline of the GB. The prospective borrowers are obliged to participate in a group-training program for a minimum of seven days of continuous instruction by the bank worker. The training is intended to make the members thoroughly conversant with the rules and regulations of the bank. This includes understanding the purpose of the various bank procedures; the responsibilities of the group chairperson and center chief; the group savings program; health, children's education, and other social development programs; and learning to make signatures. The group is accorded formal recognition when all members are found to be well versed in the rules and procedures.

After formation of a group, members of the group in the weekly center meetings discuss investment alternatives. When the group members and bank worker are convinced of the viability of a potential loan, the center chief initiates the loan approval process by filling in a loan proposal form, by signing it, and giving it to the bank worker, who makes a recommendation on the loan and passes it to the branch manager. The branch manager consolidates the individual loan proposals into a single proposal and submits it, to the program officer in the area office. The area manager gives the final authorization necessary for releasing a loan, with the recommendation of program officer of area office, which is then disburse by the bank worker in the center meeting. The whole process normally takes about one to two weeks from group discussion of an individual loan proposal to disbursement of the loan. The borrower does not have to deal with the bank staff for the loan, as would be required in other banks. (Khan, 2000: 79).

Once a loan is approved, the branch manager issues the money along with a loan passbook. The GB deducts Tk. 5% during credit delivery as group fund, group tax from the sanction money and then recovers Tk. 24 per thousand as weekly repayment installments of which Tk. 22 is the principle and Tk. 2 is interest. Every borrowers is obliged to deposit Tk. 5 to GB fund as weekly savings with the repayment installments. The amount of installments varies with the size of the loan. GB also collects Tk. 2 per day from each of the members during the training period. Previously GB used to collect many types of contribution as emergency fund, children fund etc (Mojumder, 2002, 54-55). The bank worker collects the weekly installments in center meetings, which take place early in the morning a fixed day each week, and records the installment in the loan passbook of the member. The rate of interest on the loan is 20 percent a year (Yunus, 2004, 2 Web Page).

4.2.5 Features of the GB's Finance: The unique features of the GB's experiment is that although its targeted beneficiary group is the rural poor in general, in actual operation, the rural destitute women account for almost three fourths of the borrowers. It is said that, a complex inter related features contribute to the Grameen systems effectiveness in reaching the rural poor (M. Hashmi and Schuler, 1997, 9 & 8). These features are:

- I. Formation of groups by borrowers of homogeneous background.
- II. Simple, readily understood procedures.
- III. Effective screening mechanisms
- IV. Basic loans for income generation only.
- V. Loans for economic activities chosen by borrowers.
- VI. Transparency of credit operation.
- VII. Credit transactions conducted in-group meetings.
- VIII. Compulsory savings.
- IX. Frequent small repayments and
- X. Ongoing access to credit.

4.2.6 Types of Loan Disbursed by the GB: The annual reports (2001 and 2002) of the GB show that about 463 types of activities for which the loan is extended. These activities can be grouped under 7 broad sectors, such as;

- I. Processing and manufacturing.
- II. Agriculture and Forestry.
- III. Livestock and fisheries.
- IV. Services.
- V. Trading.
- VI. Peddling and
- VII. Shop keeping.

The share of different sectors in total loans disbursed up to 31st December, 2002 respectively.

<u>Sectors</u>	<u>Percentage of total loan.</u>
1. Livestock and Fisheries	36.3%
2. Trading	18.4%
3. Processing and Manufacturing	17.9%
4. Agriculture and Forestry	13.5%
5. Shop Keeping	10.2%
6. Services	2.4%
7. Peddling	1.4%

Cumulative disbursement of loans during 1992-2002 was Tk. 1.69,974 million made at a 20 percent rate of interest where the housing loan was only Tk. 7,688 million at an annual rate of interest is 8 percent (GB, A.R. 2002, 14-15). Members of GB are eligible for several types of loans such as:

General Loan: With in a few weeks of joining, most members receive the basic one-year, collateral free general loan of about Tk. 2000 to Tk. 5000 and the upper limit is 15000/-. As an additional screening mechanism, initial loans are disbursed first to two members of a group of five, who must pay installments for two weeks or more, whereupon two more members are given loans. Assuming repayments are being made on schedule, finally the fifth member the chairperson of the group receives a loan. GB data shows that branch profitability is correlated with branches having a high proportion of income from general and collective loans but from the year 2001 general loan is converted into easy loan (according to GB's Officials Opinion).

Seasonal Loan: Seasonal loans are available for seasonal cultivation at an interest of 20 percent per annum. Members are given these loans during the cultivation of crops and the loans are repaid at the time of harvest, or within a period not exceeding six months. To maintain discipline, however, one or two percent of the loan capital is paid per week according to the capacity of the borrower. This credit disbursed not more than Tk. 15000. Currently there is no form of seasonal loan, from the year 2001, it is also converted into easy loan (according to GB's Officials Opinion).

Currently members of GB are getting the following types of loans.

Easy Loan: Within a few weeks of joining all borrowers start with a collateral free easy or basic loan (in Bengoli Sohoj Reen) of about Tk. 2000 to Tk. 5000 and the upper limit is Tk. 15,000 at an interest of 20 percent per annum. Interest of easy loan is simple interest, calculated on declining balance method (Yunus, 2002, p. 3). From the year 2001, there are no form of general loan and seasonal loan. All income generating loans treated as easy or basic loan (according to GB's Officials Opinion).

Contract Loan: An easy loan borrower facing repayment difficulties can convert her/his overdue amount into a flexible or contract loan. Contract loan is not an independent loan. It is only a detour from the basic loan. A borrower can negotiate the repayment schedule according to her capacity to pay. Fifty percent provisioning will be made for the outstanding amount under the flexible loan, even if the repayment rate is 100 percent according to the new agreed schedule. If a borrower fails to repay the flexible loan according to the agreed schedule, the loan becomes overdue and hundred percent provisioning will be made for the overdue loan. The borrower will again have the option to re-negotiate the loan and convert it into a flexible or contract loan (Yunus, 2002, 6-10).

Housing Loan: Since 1984 the bank has also started a house building loan program which enables the borrowers to either construct new houses or repair old ones. Generally Tk. 15000 to Tk. 18,000 with the maximum amount of Tk. 25,000 are disbursed to individual borrowers for construction or repair for a period of ten years. The loan is contingent upon building a sanitary latrine by the borrower and sets an example for other members of the importance of sanitation and good health, in line with GB's social development program. The rate of interest of house building loan is 8 percent per annum (Yunus, 2004, web page). To qualify for this loan, a woman must have the title to the

homestead land in her name; a requirement intended both to protect the female borrowers and to ensure accountability for the loan. In addition, a member must have received and repaid at least two general loans to be eligible for the housing loan. She must have an excellent payment record, and have utilized her loans for the purposes specified on her applications. In the year 2004 Tk. 282.05 million had been disbursed in housing loans, and a total of 607415 houses had been built. (Yunus, M, 2005, 35).

Education Loan: In 1997, GB introduced the higher education loan program, in an effort to provide new opportunities for talented children of its borrowers to receive higher education. Children of borrowers who enrol in medical school, engineering, honours and masters degree program, agricultural colleges, textile engineering and other higher education programs, are eligible to receive financing from this loan window. The loans are intended to cover all expenses incurred by students from the beginning of their respective courses until completion, including admission fees, course fees, required stationary, food and accommodation and other necessary expenses. Until the end of the year 2005, 5773 students from various disciplines have so far received loans under this program (GB, AR, 2002, 10-11; 2005, 8).

Micro-enterprise Loans: GB provides larger loans, called micro-enterprise loans, for these fast moving members. There is no restriction on the loan size. So far 395,612 members took micro-enterprise loans. A total of Tk. 8.60 billion (US \$ 143.60 million) has been disbursed under this category of loans. Average loan size is Tk. 21738 (US \$ 343), maximum loan taken so far is Tk. 1.2 million (US \$ 19897). This was used in purchasing a truck which is operated by the husband of the borrower. Power tiller, irrigation pump, transport vehicle, and river craft for transportation and fishing are popular items for micro enterprise loans (Yunus, M. April, 2005, 7-8).

Technology Loan: Technology loans have been recorded separately since 1988. Prior to that they were recorded as collective loans which have been phased out. They provide funding for relatively large projects and involves larger amount of credit. The loan size does not exceed Tk. 12,000 and is normally repaid over a period of 1 to 5 years. GB currently disbursing loans to purchase mobile phone also. (GB, AR, 2001, 33)

Group Fund: The group fund is a compulsory saving scheme. The GB, unlike many other development financial institutions, considers savings mobilization to be an integral

part of lending.³ Each member is required to save or contribute at least 1 taka every week, which is deposited in the center meeting. The borrowers also have to contribute five percent of the loan amount to the group fund. Members can borrow from this fund for any need, however, the borrower to have consent of the group members and is bound by the terms and conditions set by them, normally these loans are interest free.

Further, a borrower is also required to contribute 25 percent of the total interest due on the principal to the "Emergency fund". The GB manages this fund for use as insurance against potential default due to death, disability or other misfortune. Recently GB decided to merge the emergency fund and other specialized funds into the group funds to simplify their management and to make these funds easier for individual members to access. By December 1998, these funds had accumulated Tk. 8142.70 million. And in 2001, it stood Tk. 12002.70 million and that time the balance of group fund was tk. 1481.37 million (GB, AR, 2001, 33). But from the year 2001 group fund replaced to personal saving account, special savings account and deposit pension scheme (according to GB's Officials Opinion).

Beggars as Members: Presently GB has taken up a special program called Struggling Members Program to reach out to the beggars. It is a very exceptional unique program. Begging is the last resort for survival for a person, unless he/she turns into crime or other forms of illegal activities. Among the beggars there are disabled, blind and retarded people as well as old people with ill health. About 42000 beggars have already joined the program Total amount disbursed stands at TK. 25.42 million. Of that amount of TK. 10.54 million has already been paid off. Basic features of the program;

- 1) Existing rules of GB do not apply to beggar members; they make up their own rules.
- 2) All loans are interest free. Loans can be for very long term, to make repayment installments very small. For example, for a loan to buy a quilt or a mosquito-net, or an umbrella, many borrowers are paying TK. 2.00 (3.4 cents US) per week.
- 3) Beggar members are covered under life insurance and insurance programs without paying any cost.
- 4) Groups and centers are encouraged to become patrons of the beggar members.

- 5) Each member receives an identity badge with GB logo. She can display this as she goes about her daily life, to let everybody know that she is a GB member and this national institution stands behind her.
- 6) Members are not required to give up beggar, but are encouraged to take up an additional income- generating activity like selling popular items door to door, or at the place of beggar.

Objectives of the program is to provide financial services to the beggars to help them find a dignified livelihood, send their children to school and graduate into becoming regular GB members. GB wish to make sure that no one in the GB villages has to beg for survival (Yunus, M., 2005, 5-7).

4.2.7 The Social Development Program: The bank introduced beginning in 1984, a social development program called "sixteen decisions" to imbue members with discipline, unity and hard work and to improve their living standard. Because the GB leadership realized that in addition to high recovery rates and financial viability, borrowers must receive social benefits. To that end the GB developed a comprehensive social development program to promote social and financial discipline among the rural poor. These decisions include certain codes of conduct that members are encouraged to follow in their daily life, such as production of fruits and vegetables in kitchen gardens, investment for improvement of housing and education of children, use of latrines and safe drinking water for better health and rejection of dowry in marriage etc. in details are given in annex-1.

The GB has deliberately targeted women, realizing that their participation in social development is necessary for economic development because of their primary role in providing health, education and nutrition. Historically, women have been neglected by development projects, removing them from the growth and development process. Because women are poorer than men, the GB actively promotes their membership out of concern for equity. Moreover, over time GB has observed that women are better credit risks and repay than men and are more eager to properly use of bank loans.

With the introduction of "Sixteen decision" the GB has moved into an overall development program for the poor. The managing director, however, emphasizes the bank's interest in the social development program. In the long run, better housing and

sanitation, and increased consumption of vegetables and fruits improve the health of the borrower, increase his productivity and income, and hence ensure better recovery of loans. Development of kitchen gardens provides a regular source of income from which the borrower can partly finance the weekly installment.

Dowry constitutes the greatest risk of default in repaying loans, as the poor borrower is under compulsion to use capital to finance it. The bank is working hard to do away with this social ill and the attendant economic burden on its members.

GB training is simple but tough and rigorous. It is simple because the bulk of it is self-teaching. There are no books to read. We find that the villages of Bangladesh teach young people more things about life than the pages of books.

Selected candidates are asked to report to the training institute. The training institute gives them a two-day briefing on the format of the training and sends them off to various branches to remain attached to these branches for six months. They are asked to discover their own GB by watching others run a GB branch. They are free to criticise, modify or improve GB's work procedures and bring these ideas to their colleagues to convince them that if their proposals are accepted and introduced, GB would function better. During these six months each batch of trainees meets three times, after each two monthly segment, for a duration of one week each time at the training institute at Dhaka. They are asked to go back to their branches to find answers to their questions. They are told that they have to put their experience together to find answers to their questions; the more they can understand GB as a whole, the easier it will be for them to find correct answers. When the young man gets the opportunity to set up a branch he wants to do his best. He wants to be remembered as the founder of the branch. He never had an opportunity to do anything on his own. Now he has it. He feels a sense of adventure in him. His training has prepared him to climb a difficult mountain; now he wants to conquer the highest peak. He knows that nothing is impossible.

GB offers the young men and women in Bangladesh a job which is perfectly in tune with their inherent sense of social responsibility. The job is almost like the adventurous things they always wanted to do, but never had an opportunity to do. It allows them a large amount of responsibility with a lot of flexibility. They are asked to be a teacher. A teacher is defined in GB as a person who helps another person to unfold his potential, to

discover his strength, to push his horizon of capability further out. In GB they can use all their knowledge, all their imagination, all their experience to become a true teacher. This is an exciting responsibility. It is no wonder that not too many branch managers want to leave GB when an opportunity comes. If a manager ever leaves GB it is always with tears in his eyes as he says good bye to his friends and group members.

Getting a job is no joke. It needs a lot of praying to Allah, lots of expenses in making applications in all directions, lots of luck and finally, lots of hard cash to bribe officials. In GB they can start clean. They don't have to bribe anybody. They don't need recommendations from high officials and political leaders. If she/he get a job as a Bank Worker, she/he immediately become an important person to many people. She/he is their teacher. They give her/him all the respect a teacher can command.

Girls enjoy their work in GB. A job creates such a difference in their lives. All of a sudden a girl becomes an important person in her family, and village. People discover a new person in her and become impressed. Everybody realises that she is an educated person, unlike most of the girls in the village. The girls enjoy the opportunity to leaving home every morning to go to work. It is a great relief for girls to get out of the house where everybody is ordering her around, and to go somewhere where she is an important and respected person.

4.2.8 Training and Workshop: An important factor behind the success of the GB is its intensive field oriented training to the bank staff and the members. Training to the members is a one of the important work of the Bank. Training is imparted to foster skill among the unskilled women to help promote better utilization of credit. Credit supported by training is expected to accelerate the income generating activities of the members.

On the other hand, extensive training program held for the bank staffs, which helps the staff to work in the rural village area with rural poor people. Training is a part of job of the bank employees. The objectives of the training is to provide the trainee with

- ◆ An understanding of the social and economic milieu and the constraints within which the GB has to operate;
- ◆ The capacity to identify the target clientele group, organize and motivate them is prepare them to receive the bank's services;

- ◆ An understanding of how to process loan application and assist center chiefs in conducting meetings, collecting various dues, and preparing source vouchers for bank accounts; and
- ◆ The ability to manage branch administration and accounts and to supervise loan recovery.

Training: It is well known that micro-credit as a new technology and as a new approach to financing the poor, needs a professional staff. The staff should be skilled, well trained and well motivated. In order to help build professional staff, GT has designed and developed training programs on different aspects of the GB Approach for its partner projects. Upto December 2003, 1254 trainees from 3327 organizations working in 100 countries attended GT organized training on Grameen (Table-4.1)

Training Materials: The training and workshop materials developed and used by GT include topics like Grameen basics, targeting, credit discipline, financial management, auditing, reporting, planning, monitoring and evaluation, viability, financial self-sufficiency, business planning, customizing loan products, Grameen Generalised System, analyzing and maintaining loan portfolio quality; Grameen software. In the experiences of GT, the development of user friendly training materials and conducting effective training programs are some of the toughest jobs in the industry. It requires the special skill of preparing and presenting materials in a language, style and format that can be followed by trainees with different educational and cultural backgrounds. GT finds level experience and exposure very useful in this respect. GT has always followed the participatory method of learning and encourages the process of learning by doing.

Workshop: Grameen Trust has developed workshop materials on different aspects of micro finance, including the latest developments to update the staff and upgrade their skill. GT encourages the participants to share their learning_and skill with their colleagues so that the impacts of the training and workshop program is maximized. It organizes such programs with GB in Bangladesh, successful GBRPs, as well as national and regional Grameen networks in other countries. GT has so far organized 37 workshops on different topics for the senior management staff of MFIs. A total of 888 participants from replication organizations took part in these workshops (Table 4.2)

Table -4.1 : Training Program (Upto December 2003)

Sl.No.	Particulars	Total
1	Number of trainees	1254
2	Organizations	327
3	Countries	100

Table -4.2 : Workshop Program (Up to December 2003)

Sl.No.	Particulars	Total
1	No. of Workshops	37
2	No. of Participants	888
3	No. of Topics	21

Table - 4.3 : Main Features of
Grameen Generalized System : GB II

- One prime loan product: Basic Loan-Grameen micro-credit highway
- Flexible or renegotiated loan for those who have difficulties in repaying basic loan- diversion road, detour, slower speed
- Repayment according to income
- Loan ceiling as per repayment record and deposits
- Group fund is replaced
- weekly savings vary with loan size
- Fresh loan after every six months to top up the existing loan
- Full repayment possible at any time
- Loan period : any duration
- Loan disbursement as per schedule
- Interest is paid simultaneously with principle
- Pension Fund
- Many saving products to choose from
- Bridge loan any time

- Increasing savings entitles to larger size of loan
- Overdue loans are routinely written off
- Generous loan loss provisioning
- Loan insurance fund
- Gold Members
- Destitute members
- "Stars" to indicate achievements
- Tension-free micro-credit

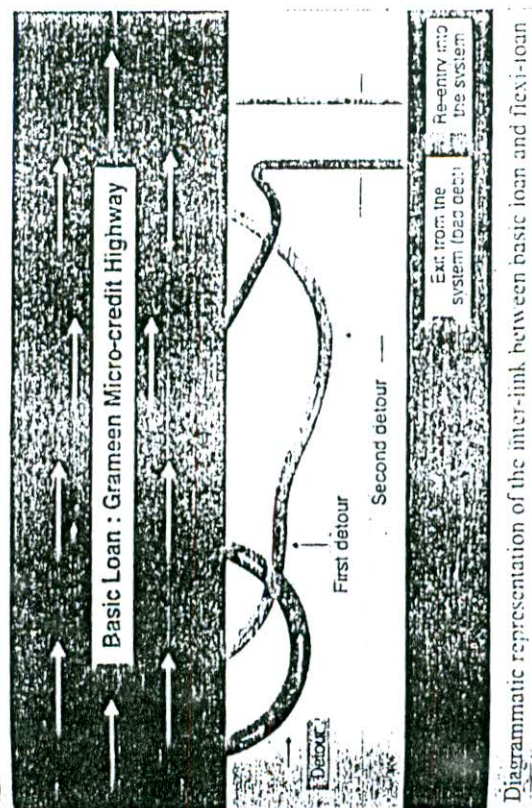


Table - 4.4 : Monitoring, Evaluation,
Technical Assistance and Audit

Sl.No.	Particulars	Total
1	Monitoring & Evaluation visits	215
2	Technical Assistance to projects	30
3	Audit work	20

Grameen Generalized System (GGS): GT organized special workshops on GB-II or the Grameen Generalized System (GGS). This was held in September 2002 in Dhaka. Chief Executives or their deputies from 17-partner -organizations attended this very important workshop in Bangladesh, Indonesia, Nepal, Philippines, Tanzania and Vietnam.

GGS is designed to open new possibilities for micro credit industry. It offers a tension free system. It has redesigned loan and saving products. It is based on the experiences of GB for quarter a century and its accumulated knowledge overtime. The system is Primarily developed around one prime loan product known as 'Basic Loan'. It provides exit options and alternative routes to the borrower to get back to the highway in case she fails as a basic loanee. Grameen is already enjoying the fruits of this change.

The Grameen Generalized system has diversified the saving product and introduced 'Pension Fund' and 'Loan Insurance' scheme. The introduction of 'Gold Member' and 'Five Star Branch' measures in the system have been very exciting for all. It has made the system more competitive and rewarding. The salient features of the system may be seen in (Table 4.3).

Monitoring: Grameen Trust has developed a database for monitoring the performance of its partner projects. It conducts both offsite and onsite monitoring, and receives monthly and quarterly reports from the partners. it compares and consolidated the reports, examines and analyses the data. It then publishes a consolidated statement of performance indicators like members, borrower, groups, centers, branches, loan disbursement, repayment and outstanding, percentage of women borrowers, portfolio at risk and savings. Its quarterly report includes some more information such as aging status, loan loss and loan rescheduling rates, income and expenses including adjustments. It prepares analytical reports every month. Monthly statements are in circulation regularly since January 1994. GT updates its reporting formats on a regular basis keeping in view the new developments in the industry. It considers performance indicators set by CGAP, USAID and others while updating its formats.

Evaluation: GT conducts evaluation studies of partner projects and provides technical assistance if necessary. The evaluation is intended to evaluate the performance of the project and to examine its impact on the lives of its borrowers. GT engages resource persons form GB and GBRPs for these Jobs. GT monitoring and evaluation reports reveal that many of the partners need more capacity building in order to keep pace with

the latest industry standards, as well as to be able to prepare a realistic business plan and implement it. They need more funds to increase their outreach. Some of them sometimes fall victim of their own ambitious plans of following a fast track approach without having adequate funding. GT has so far conducted 215 evaluation studies of its partner projects (Table 4.4).

Technical Assistance: GT provides technical assistance to its partners and encourages them to be innovative and self-reliant. The assistance is given in the fields of training, monitoring troubleshooting, accounting, auditing, and business planning management information system and impact assessment. GT has so far provided technical assistance to 30 partners operating in Bangladesh, India, Indonesia, Malaysia, Philippines, Nepal, Nigeria, Lesotho, Vietnam and Togo (Table 4.4).

4.2.9 The GB's Approach to Poverty Alleviation: The GB has initiated a credit based poverty alleviation program for the rural poor, who largely depend on their own labour as a means of support. In the past, a large number of experimental projects were implemented in Bangladesh in an attempt to find a viable antipoverty scheme. It is, therefore, important to examine how the GB approach originated and where this model falls in the spectrum of poverty alleviation scheme.

Basically Bangladesh is a predominantly rural economy whose labour force grows by 2.4 percent annually but whose agriculture, industry and service sectors can accommodate an annual growth rate of only 1.7 percent. Since the agriculture sector supplies 78 percent of rural employment and is unable to absorb additional labour, increasing the productivity of the poor through self employment and human capital development may be the only available way to alleviate poverty (Khandker & et. al., 1995, 13). From NGO experience, there is a strong belief that making credit available to the poor is a more sustainable means of generating income and employment and reducing poverty than a targeted non-credit program such as food for works programs (Holtsberg 1990; Statistical Pocket Book, 2001, 155).

GB evolved from a model that targeted the rural poor, incorporating the notion that the poor, like the rich, must have access to formal credit although the bank's initial plan was to alleviate poverty through credit, it soon realized that credit alone was not enough. The

poor lacked social and financial discipline, so the GB began providing social development inputs to help the poor become more productive.

The GB differs from other NGOs in its approach to poverty alleviation; it believes that the most immediate need of the poor is credit to create self-employment opportunities. Unlike some NGOs, such as the BRAC which provide skill training and other organizational inputs before distributing credit, the GB disburses credit before providing these inputs. Another notable difference is that the GB has deliberately targeted poor women more than poor men.

The GB approach to poverty alleviation may be an effective tool for rural poverty reduction, since it supplies credit to improve the physical productive capacities of the poor and human development inputs to improve their overall productive capacities. According to a recent internal survey of GB, 51.09 percent of GB borrowers families have crossed the poverty line and the remaining families are moving steadily towards the poverty line from below (Yunus, 2002, 7).

4.2.10 GB's Target Group and Reaching to them: The main objective of the GB is to extend credit facilities to poor men and women for creating opportunities for self-employment for the vast unutilized and under utilized manpower resources. Thus the GB is a credit program targeted to the poor for improvement of their economic condition. Generally recognized that under existing socio-economic conditions, it is difficult to reach to the poor with resources for development. Traditional moneylenders target clientele from their neighbourhoods or select borrowers based on patron-client relationship, having near perfect information on the activities of potential borrowers. On the other hand, commercial bank's or other development financial institutions lend, by government mandate, on the basis of asset ownership to avoid adverse selection of borrowers. The GB targets the landless; whose own not more than 0.5 acre of cultivable land & low-income strata of the rural population, those are willing to bear the costs of group formation and training and monitor each other's activities. Since these people often lack alternative sources of credit at low rates of interest, the GB has created a market niche or franchise (Von Pischke 1992). Most GB members are extremely land poor. It could be argued that ownership of cultivated land is not the proper criteria for identifying the poor. A borrower may have non-cultivable land, such as fishponds, orchards, or homestead, and can also rent income.

According to Mainuddin (2000) GB has been successful in providing its services to rural poor as measured by their income position. But according to Mojumder (2002) GB could not reduce the dependence of the rural poor on informal money lenders. There are several factors behind the success of GB in reaching its target group. Perhaps the most important one is the selection of the extreme poor as the bank's target. Although accurate information about the land ownership status of a household can be concealed, the target group is so poor that its members can be easily identified by such characteristics as their appearance and clothing.

Second, the formation of groups and their compulsory weekly meetings have helped the bank to keep out of its domain the economically better off. The relatively affluent would feel ashamed to mix with the extreme poor on a regular basis.

Third, crop production is usually the major source of income for households that own more than 0.5 acre of cultivated land, and this generates income for the household only after the crop is harvested. With the seasonal flow of agricultural income, it is difficult to maintain repayment of a loan in weekly installments as required by the bank. This seasonal income also check the tendency on the part of the non-target group, whose main occupation is farming, to apply for GB loans, which they would take mainly for purpose of crop cultivation.

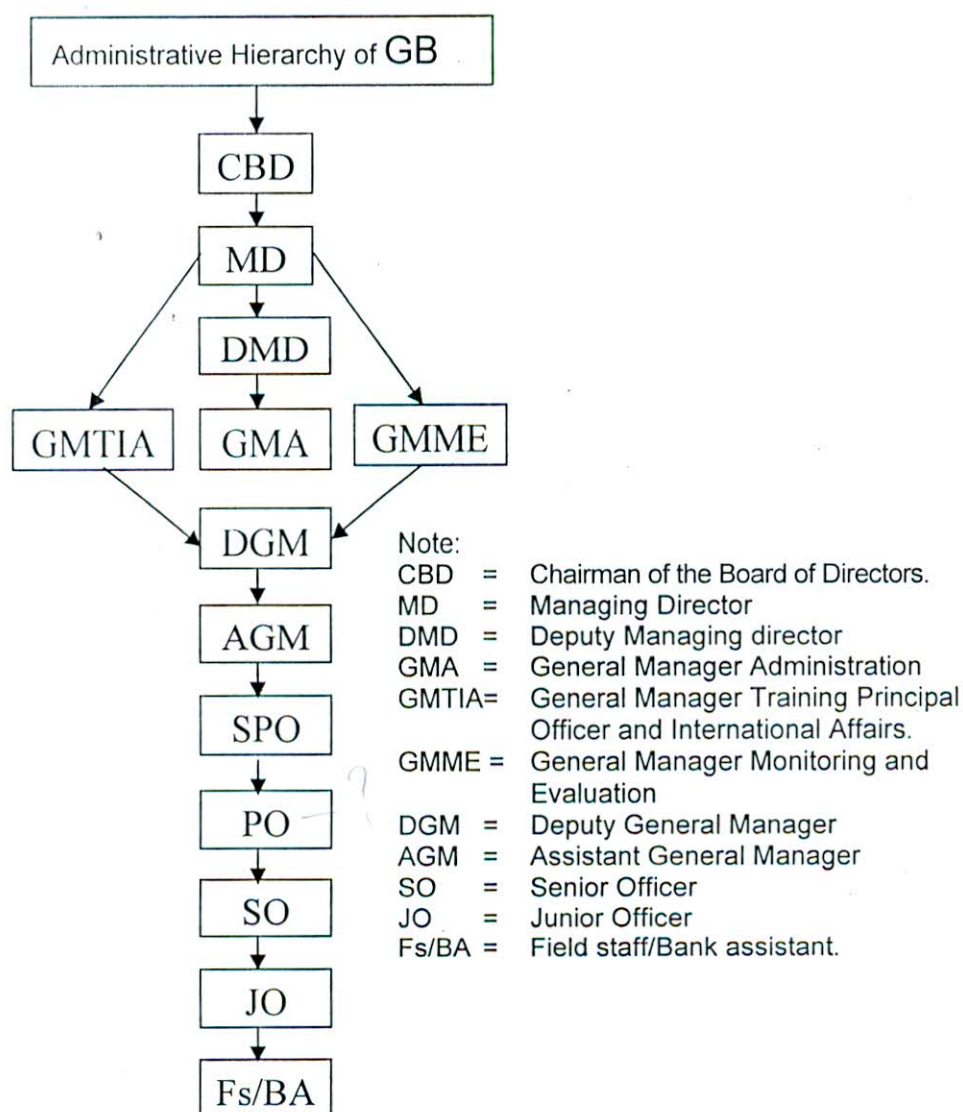
There is no evidence suggesting that the bulk of Grameen loans did not reach the target group. The Managing Director acknowledges that the bank may not always reach the very poorest, the bottom ten percent, but suggests that they are reaching the middle of those (estimated at 70 percent of the population) who are below the poverty line. (Yunus, 1995, 52).

4.2.11 Specialties of GB: By nature the Commercial Banks create fund and make profit by lending at higher rates of interest relative to the deposit and borrowing rates. The demand and supply of funds in free markets usually determine the rates of interest. The GB also maintains this principle of fund accumulation and profit creation. The Commercial Banks of Bangladesh are regulated by the Bank Companies Act and are obliged to follow the directions and guidelines of the central bank. But the GB is operating under its own ordinance. The GB by its ordinance enjoying full autonomy. The Commercial Banks secure collateral against lending but the GB is lending without any

visible collateral. Unlike other banks, GB do not provide loan to an individual. It forms group of borrowers before loan sanction. GB is fundamentally a group based lending institution designed specially to work with the rural poor and unlike many other financial institutions; it covers the lending weekly in equal installments with interest. It collects different types of compulsory savings from the group members, through which capital accumulates.

4.2.12 Administrative Hierarchy of GB: The Administrative Hierarchy of GB is shown in the Following Diagram.

Chart-4.1



The managing director is the chief executive of the bank. The GB ordinance (1983) stipulates a board of governors composed of the chairman, the managing director, and nine other members, five members appointed by the Government and four members appointed by the borrower shareholders. The amendment of the Ordinance, 1986 provides for 13 members of the board, of which 9 members are to be selected from the borrower shareholders. The board approves the policies of the bank and serves as the link between the bank, the ministry of Finance, and other Government organization (Barua, 2000, 2, web page).

The Field Staff / Bank Assistant is the lowest and field level administrative unit of the GB, which has the most contact with the members and is considered the profit responsibility unit and center is the key place for banking business. The amount of profit earned is an important criterion for evaluation the performance of the branch staff. An area manager supervised by an area office, which is usually located in a small town, heads about 10 to 15 branches. The area manager is the final authority for approval of loans and supervises loan utilization and recovery with the help of a number of program officers. The area offices are accountable to the zonal office located in a district town. The zonal manager is responsible for handling accounts and managing funds. The zonal manager works in close contact with the area manager. Zonal manager is responsible for conducting monthly meetings in every month with the area managers in the zone office. The head office located in Dhaka is the control unit of the GB, basically maintain liaison with the Government and provides feedback to lower level office. The head office arranges the training program for the bank staff. The head office headed by a managing director, assisted by deputy managing director, three general managers, nine deputy general manager and over 400 other staff members (according to GB's officials opinion).

4.2.13 GB II: By the beginning of 2001 the GB introduces the new system called "The Grameen Generalized System" or GGS, and the transition is completed by the year 2002. The last branch (branches) of GB switched over to GB II on August 2002. According to GB, the new GB II is now a real and functioning institution.

In the GB II, gone are the general loans, seasonal loans, family loans, and more than a dozen other types of loans; gone is the group fund; gone is the branch wise, zone-wise loan ceiling; gone is the fixed size weekly installment; gone is the rule of borrow every time for one whole year, even when the borrower needed the loan only for three months;

gone is the high level tension among the staff and the borrowers trying to steer away from a dreadful event of a borrower turning into a "defaulter", even when she is still repaying; and gone are many other familiar features of Grameen classic system (Yunus 2002, 3 & 4).

The GGS: GGS has been built around one prime loan product called basic loan. In addition, there are two other loan products; (i) the housing loan, and (ii) the higher education loan which ran parallel to the basic loan. All borrowers start with a basic loan (in Bangla we call 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. If a borrower fall into serious problems and faces difficulties and problem along the cycles of loans, in repaying the basic loan according to its repayment schedule. For her GGS has a very convenient arrangement. 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 Bengoli it is called "chukti" i.e. Contract" or renegotiated loan. Flexible loan is simply a rescheduled basic loan, with its own set of separate rules (Yunus; 2002, 6).

By providing exit route for borrowers GGS has changed the situation dramatically. Now both the bank and the borrower can be free from all tension. In against of GCS, GGS allows a staff to be creative. He can design his loan product to make it a best fit for his client in terms of duration, timing of the loan, scheduling the installments, etc (Yunus, 2002, 11). In this system group fund replaced by three obligatory savings (a) Personal savings account, (b) Special Savings accounts and (c) Pension deposit account (obligatory only for borrowers borrowing above Tk. 8000) (Yunus, 2002, 13). The new pension fund has become an important savings instrument. Inclusion of loan insurance program in GGS has made borrower very happy and this has become another popular feature of GGS. In this method the ceiling is fixed on the basis of the total amount of the savings (excluding personal savings). Earlier it was worked out on the basis of performance (regularly in repayment, attendance in weekly meeting etc.) of the borrower, her group and center. Introducing color-coded five star branches is a good idea and effective for enhancing enthusiasm and energy. Under GGS a branch earns a colour-coded star for one poarticular achievement. If a branch has 100 percent repayment record it is awarded a star – a green star (1). Eligible staff of a star-winning

branch can put on a badge displaying this star on his dress. If a branch earns profit, it is awarded a blue star (2). A branch having more in deposits than their outstanding loans, gets a violet star (3). If all the children of the borrowers are in school or completed at-least primary school, the branch gets a brown star (4). If all borrowers of a branch cross over the poverty line, the branch gets a red star (5). Each staff can earn his stars even when the branch is yet to receive any star, by simply fulfilling the same conditions for the centers for which he is responsible (Yunus, 2002, 21).

4.3 Methods and Procedures of Rural Financing of BRAC

4.3.1 Origin of BRAC: Bangladesh Rural Advancement Committee (BRAC) is one of the pioneers in NGO activities in Bangladesh. Probably it is the largest NGO in Bangladesh, as well as in the world. It was established in 1972, by Mr. Fazle Hasan Abed initially as a relief organization, to afford relief and assistance to resettle refugees returning to Bangladesh from India after Bangladesh Liberation War, of Sulla in Sylhet district is one of the remote areas in Bangladesh. The immediate task of relief and rehabilitation over, BRAC turned its focus on the long-term issue of poverty alleviation and empowerment of the poor, especially women, in the rural areas of Bangladesh. From its modest beginning in 1972, BRAC, initially the acronym for Bangladesh Rural Advancement Committee and subsequently known only by its acronym, is now a multifaceted organization. BRAC has been characterized as a learning institution, learning from experience and through a responsive and inductive process. After several years of learning and many changes in approach, BRAC expanded from north-eastern Bangladesh into other parts of the country.

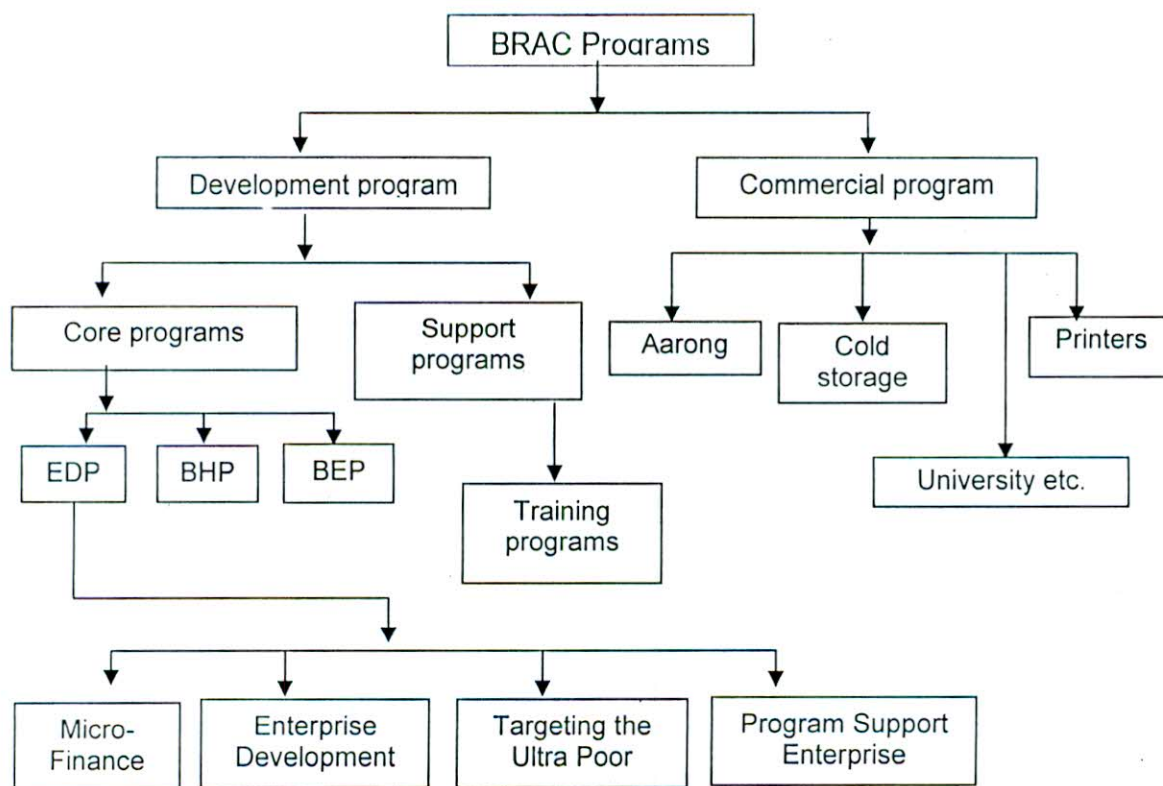
4.3.2 Objectives and Strategies of BRAC: The name of BRAC itself tells what type of organization it is. The two words rural and advancement are the key words in understanding the mission and objectives of BRAC. BRAC is working to achieve two goals, (1) Alleviation of poverty and (2) Empowerment of the rural poor, who dominate the rural areas of Bangladesh, specially for women. In trying to achieve these goals, BRAC has experimented with various targeted approaches in order to develop a program model, which can be replicated on a wide scale. BRAC believes that, developing the capability of the poor and empowering them can only bring changes in the conditions of the rural poor. BRAC believes that, the rural poor can be economically active and can improve their economic situation, if they are given access to credit and

made them aware of their status in the society (BRAC, AR. 2003, 9). Poverty and empowerment are two core elements of the BRAC's development strategy. As such main features of BRAC strategy is to operate as capacity initiators, by (a) making the target groups aware of their own problems; (b) giving them the tools of organize in homogeneous groups; and (c) increasing the capability to secure themselves and to enable them to enjoy their legitimate share of the service and supplies provided by the state (BRAC, 1997, 9, 1990, 7, BRAC, 2002, 9). The BRAC's strategy calls for both direct and indirect interventions. Direct interventions include providing functional education, skill development training, and credit to the rural poor. Indirect interventions include providing primary education for the children of target household and regulating the behavior of the members in accordance with the seventeen decisions that are recited in weekly meetings. (Khandker & Khalily, 1995,143)

4.3.3 BRAC's Programs: BRAC has developed a different approach in development thinking with no written theory of development. It is believed that there is no blue print approach to poverty alleviation and what BRAC is following just learning by doing. In this way some principles guide BRAC, but it is always guided by some perception developed in the way of working that's learning by doing. That may be the reason David Korten called BRAC as a learning organization. BRAC's programs primarily categorized in two types, (a) Development programme (Chart-4.2) and (b) Commercial program. Development program may be categorized in two types; i.e. one is core program and another is support program. BRAC's development effort conducted with three core programs, (i) Economic Development Program, (ii) Education Program and (iii) Health Program. The EDP is the largest and central program of BRAC, which organizes the poorest of the poor into men's and women's groups at the village level as instruments for conscientization and empowerment, for income generating activities facilitated by credit and for implementation various special programs. EDP consists with four components i.e. micro-finance, enterprise development, targeting the ultra poor and program support enterprise. According to the objectives of the study, the researcher discussed about micro-finance program of EDP. BRAC's Health Program, which focus on women and children and emphasize preventive health and improving services of the government rural health system; BRAC Education Program (BEP), i.e. Non Formal Primary Education (NFPE), a major primary education program designed for the poorest children who have never attended school and various support programs like-training and

management development program. This programs gives training to the staff and beneficiaries of the BRAC.

Chart-4.2

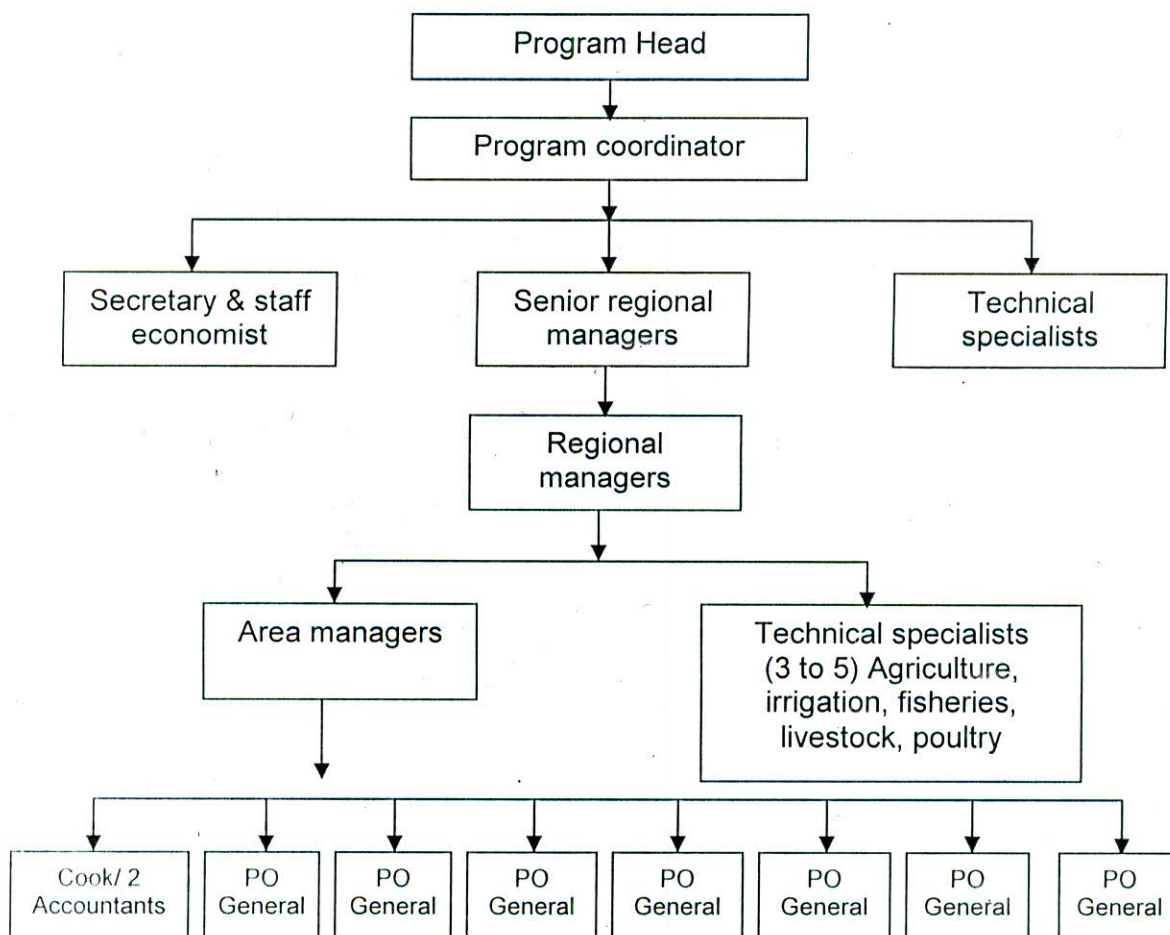


4.3.4 EDP (Economic Development Program): In 2002, EDP has been established as the successor of BDP. The economic development program (EDP) works with and for the disadvantaged rural people of Bangladesh, especially women, and it has a compelling vision of a society where the poor and disadvantaged will be able to achieve sustainable improvement in their livelihoods, attain a high degree of self reliance and manage their own affairs with dignity and freedom. In 2001 BDP was established by abolishing RDP. RDP was established in 1986 to provide a comprehensive service to the poorest rural population incorporating awareness building, training, savings generation, credit disbursement and income generating activities. EDP (Previously RDP and BDP) is the largest of the BRAC's programs and is the core of all works. It was established by merging the out reach program and the RCTP that were both launched in 1979. Since the inception of BRAC in 1972, had experimented several approaches to find out a viable model of development for the rural poor. The outreach and the RCTP

were two such experimental ventures. The out reach program organized landless poor and helped them re-negotiate their position in the society through social mobilization. On the other hand, RCTP provided credit and training to the poorest women and men and helped them initiated activities for generating additional income for their families. By 1985, BRAC's experience from these two programs showed that incorporating elements of social mobilization and awareness building with adequate financial and technical assistance was the most effective approach in eradicating poverty, which led BRAC to commence its current EDP which was previously BDP and RDP. EDP has been rapidly expanding since its inception and by the end of 2003, it was serving more than 4.07 million households in 65,020 villages of 480 thanas out of 504 thanas in all of the 64 districts of the country (about 97% of the VO members are women) with the following strategic directions. (BRAC, AR, 1997, 15; 1999, 6; 2003, 6)

- ◆ Develop appropriate, effective and functional organizations of participating households;
- ◆ Develop self-sustaining credit entities;
- ◆ Increase employment and income generation in poultry, livestock, fisheries, sericulture, social forestry, vegetables production, etc;
- ◆ Increase knowledge and action by villagers with respect to their legal and human rights;
- ◆ Increase income for the poorest women in the poverty group;
- ◆ Improve health of participating households;
- ◆ Improve organizational capacity of BRAC;
- ◆ Improve efficiency of partner organizations.

4.3.5 Management of EDP: The EDP is the largest of the BRAC's programs and is the core of all its works. Chart-4.3 shows how EDP is organized. As the organogram shows, there are three levels between area manager and program head, like regional manager, senior regional manager and program co-ordinator. A program head, heads of EDP. The key management personnel, and the village level staff are delegated responsibility to implement the EDP's activities ((according to BRAC's officials opinion).

Chart-4.3**Organogram of the EDP of BRAC Structure**

4.3.6 Main Activities of EDP: The EDP involves with some major activities, such as:

- a. Institution Building;
- b. Credit Operation;
- c. Employment and Income Generating Activities;
- d. Social Development;
- e. Support Services, etc.

According to BRAC, the main thrust of EDP is to develop a viable VO for the landless at the grassroots level to make them critically aware of the environment, in which they live, and to initiate measures of change to improve the conditions of their life and work. These organizations are the main vehicle of BRAC intervention in rural development. A VO has become mature through a long process, such as, organizing the landless into groups,

development of VOs, imparting functional education to the group members, holding group meetings, encouraging savings and group fund formation, and training. In this way institutionalization has occurred, which BRAC deems very important.

BRAC believes that women must be aware of their legal rights to protect themselves from being discriminated and exploited and that the socio-political relationships and power structures within village communities need to be changed. Poor women need encouragement to take action when their human rights are infringed. To take such a step women often need external assistance, such as the help of a lawyer or the police. BRAC feels that it can assist poor women obtain access to these services, either through legal aid clinics or by helping women report cases at the local police station or when seeking medical care like the case of acid victims. BRAC's social development program was broadened in 1998 to incorporate issue-based meeting, polli shomaz, popular theatre as forums for empowering the VOs. In details the socio-economic activities of BRAC are evident from the 17 decisions, which are given in Annex-2.

The micro-finance program of BRAC is a tool for poverty alleviation and empowering the poor. Lack of access to the formal banking system deprives them of the facilities to borrow, save and invest in productive activities, and this is a major reason why poor people remain poor. The formal banking sector also requires collateral. Making credit available to the rural poor enables them to become involved in different income generating activities which, in turn, allow them to become economically self reliant. Through this process BRAC's micro-finance program works to create a self sustaining and reliable financial services program for the poor (BRAC, 2004, Web page, 1-7).

The major activities of EDP shortly in box are given below

No.	Components	Activities
1.	Village organizations	Organization development, weekly meetings, issue based meetings
2.	Credit operations	Savings, loan disbursement
3.	Income generation	Poultry, livestock, sericulture, fisheries, social forestry, agriculture irrigation.
4.	Education	Human rights and legal education
5.	Health	Essential health care

No.	Components	Activities
6.	Special programs	Vulnerable group development program
7.	Training	Orientation course for VO members, staff training
8.	Support services	Monitoring and research.

4.3.7 The BRAC's Operation Model: The BRAC's operation model integrates credit provision, social programs, and group organization. The EDP mobilizes and organizes rural targeted households. In addition to providing credit to beneficiaries, it emphasizes human resource and social development. Each EDP office, an area office, generally houses an area manager; seven to thirteen program organizers, one accountant and one cook. The PO organize target households and monitor the services delivered to members. Achieving sustainability has been a part of the BRAC's development strategy. The mobilization of target households is the first step in the BRAC's operational model. The process of mobilizing poor households begins with identifying target households. The PO then discuss the causes of poverty with these households, motivating them to form small, cohesive, self selected groups, generally called solidarity groups of five to seven members. Groups are formed separately for men and women, although no men's group can be formed without a counterpart women's group. Each VO is formed separately for women and men, and should have between 30-40 members (BRAC, AR, 2003, 9). Each small group elects a secretary for two years. The secretary basic responsibilities include initiating loan proposals at the monthly VO meetings monitoring loan operations, and conducting the VO meeting. Each VO is run by a managing committee of seven to ten members selected from the secretaries of the small groups. The committee has a chairperson, a secretary and a cashier. The managing committee is responsible for the overall management of the VO and its programs, including reviewing loan applications and monitoring loans and other economic services. There are generally 120 VO's under each area office with an average membership of 6000 (Khandker *et al.*, 1995, 150).

All group members are required to complete a functional education course before they can receive BRAC's loan. One of the basic objectives of functional education is to increase the member's social awareness and to motivate them to use their abilities, through an environment of mutual and self help. The functional education course consists of two parts; social awareness and literacy.

4.3.8 The BRAC's Credit Delivery Model: Credit is generally disbursed between three and six months after a VO is formed, providing sufficient time for new members to complete their functional education class, to establish solidarity, to gain a sense of their efficiency, and to establish a savings discipline. After completion of the functional education course, members must contribute Taka five in savings accounts every week. The BRAC's lending process begins with the solidarity group. Members of the group review loan application in a meeting chaired by the secretary. In the second step, the secretary of each solidarity group makes recommendations in the weekly VO meetings. Three factors generally enter into the decision making process; economic profitability, social profitability, and the applicants management ability. The management committee and the PO evaluate these aspects. In the third step, the PO makes a recommendation to the area manager at the area level meeting. The regional manager makes the final decision within fifteen to thirty days.

Savings mobilization is an integral part of the lending process. In addition to depositing taka five per week as individual savings, when VO members take loans, it is mandatory that they deposit 5% of the loan amount into their savings account. The interest rate for the savings is 6%. Normally borrowers can withdraw 25% of the accumulated savings after five years and 50% of after 10 years. However, there is a special provision for withdrawing 50% from the savings account at the time of unforeseen circumstances. Current account savings that bear no interest but allow the group members to make unlimited withdrawals (BRAC, AR, 2003, 13)

The BRAC's loans are collateral free. The loans are provided 15 percent (flat) of interest rate and are repayable in weekly installments in 46 installments. There are certain rules which act as guidelines for granting loans. Guidelines for access to EDP credit include that

- A borrower must be a member of VO.
- A borrower must have completed social awareness education.
- A borrower must have a record of regular attendance at the weekly meetings and regular savings deposit.
- A borrower must have clear knowledge of the 17 promises of BRAC.
- A borrower must have savings deposit equivalent to the minimum required for each loan.

Loan proposals are screened and approved by the group during their weekly meetings. To have a loan proposal approved by the group, two-third of the members must be present. The loan amount is disbursed to the borrower in cash in presence of the management committee of the respective group. Loan size varies from Tk. 1000 to Tk. 10000. A member can receive more than one loan at a time for different schemes. The loan may be short term, medium term and long term with their respective repayment periods of one, two and three years

4.3.9 BRAC's Education Program: In 1985, twenty-two one-room schools were started as a pilot project to make education accessible to children who lacked educational opportunities due to poverty and gender basis (BRAC, AR, 1999, 30). The Non-formal primary Education program provides education for the children of those women, whose empowerment is the mission of BRAC. Development of human resources through education and training underlies all BRAC's programs and philosophies. Girls are a special focus of BRAC's NFPE program. BRAC believes that some basic education is necessary to prepare the people for participation in development.

BRAC started its BEP program placing special importance on the educational needs of the girls. There are two primary school models in the BRAC's Education Program. The education intervention of BRAC is divided into two distant programs. NFPE for children's age between 8 and 10 and the Basic Education for older children (BEOC) for adolescents between 11 and 14 years of age. According to BRAC, NFPE complements the Universal Primary Education Program of the Government by providing the basic education of the poorest children of the country (BRAC, AR, 2003, 32). The NFPE model has been successful in terms of high attendance, low dropout, positive gender ration and low teacher student ratio. The Basic Education for older children or the kishor-kishori school initiated in 1987. Both the NFPE and BEOC schools are provided with books and other materials free of charge. Approximately, 65% students in both the NFPE and BEOC schools are girls (BRAC, AR, 2002, 10).

One important feature in BEP is that BRAC organizes parents meetings once a month for each school, where the parents discuss their children's progress, attendance, cleanliness, and other relevant matters. To support similar programs by other NGO's the Education Support Program (ESP) of BRAC offers training, counseling and provides

financial and material assistance. BRAC also organize school libraries where the current students, ex-students have an opportunity to borrow books (Saifullah, 2001, 140-141).

4.3.10 BRAC's Health Programs: The first health program of BRAC, begun in 1972, was essentially curative. A Health and population program is aimed at addressing the health and nutritional status of women and children at the community and national level. Health programs of BRAC have provided some important health services to the poor people in Bangladesh. Through its different interventions, the health program addresses issues such as reduction of maternal and infant mortality, treatment and cure of tuberculosis and other respiratory diseases, health education, and preventive and curative health care (BRAC, AR, 2003, 9). Health interventions have been important aspects of BRAC, since the days of Sullah, Where BRAC provided some curative health services to the refugees who returned home after the war of independence of Bangladesh.

Since its inception BRAC has been concerned about the health problem of the poor people. Its Experimental Health Care (1973-75) Scheme was aimed at providing community/village based family planning services. The Integrated Health Care (1975-79) was an attempt to integrate health services with economic programs directed to BRAC's target group (Abul, A.K.M. Saifullah, 2001, 141) By Experimental Health Care Services, BRAC covered approximately 2,00,000 peoples. The expansion of BRAC health intervention was perceived when oral therapy extension program from 1980 to 1990 made some impression at the national level. In 1980, BRAC launched a nation wide campaign to teach the rural communities how to make the lobongur saline, which is a simple yet effective solution against diahorea, and now saving hundreds of lives. By 1990, 1200 BRAC Oral Dehydration (ORS) workers had taught 12 million households how to make this oral saline covering a large portion of rural Bangladesh previously thought unreachable (BRAC, AR, 1997, 39; 2003, 25). BRAC is currently serving more than 31 million people through its comprehensive and multi-dimensional health program.

BRAC's research department in collaboration with EPI, carried out surveys on different areas to estimate the coverage of vaccination. In the early nineties, BRAC integrated its diverse experiences in health areas to establish the Women Health and Development program (WHDP). The objective of the program was to develop and implement

interventions, which would address the reproductive needs of women's including safe mother hood diseases and promoting the use of safe water and sanitation practices.

The Reproductive Health and Disease Control (RHDC) program offers comprehensive integrated services to the poor and marginalized population, for reproductive health and control of infections diseases. Nearly 2.98 million people are covered under reproductive health and disease control (BRAC, AR, 1997, 41).

The Essential Health Care (EHC) program deals with the issue that poses hazards to public health, but is easily manageable through the framework of a rural development program. EHC provides an "essential package of health services" mainly through the shastho shebikas or the village health volunteers. BRAC is also involved as a partner in the implementation of Bangladesh Integrated Nutrition Program, which is being implemented with an ultimate goal of significantly reducing malnutrition in Bangladesh (BRAC, AR, 2003, 26).

4.3.11 Support Programs: BRAC, being a large organization with multidimensional intervention in alleviating poverty in Bangladesh is of course well supported by some other programs working behind the scene. For the smooth running of all the programs BRAC has developed a wide range of support services, both administrative and technical. The massive expansion has been possible due to the highly developed support system of BRAC. The major support system includes: Training, Research and Evaluation, Monitoring, Public Affairs and communication, Publications and Commercial projects.

To link the poor rural producers with the expanding urban markets. BRAC has undertaken some commercial projects, such as Aarong (retail handicraft stores chain) which links artisans with the market. Such ventures also serve to fund its core development programs. BARC dairy was commissioned in 1998. It is the second largest liquid milk plant in Bangladesh and has an integrated system of milk procurement from rural dairy farmers to the production of quality dairy products. Six Poultry Farms and three poultry feed mills have been set up to meet the increasing demand for healthy chicks and quality feed in rural areas as well as provide supply access to women trained in a variety of aspects of poultry rearing. BRAC printers, a cold storage, 15 grainage and reeling centres (sericulture), 12 fish and prawn hatcheries and a bull station are also among its program support enterprises.

4.4 Conclusion

GB was established in 1983 by a special Government order to achieve some objectives like to extend banking facilities to the poor rural people basically disadvantaged rural poor women of Bangladesh and to eliminate exploitation of the money lenders, as well as to alleviate poverty by creating self employment. GB is a group based lending institution and it works with the people who have less than 0.5 acres of cultivable land. GB gives several types of loans like easy loan, contract loan, housing loan, education loan and micro-enterprise loan etc. in 463 types of activities with seven broad categories without any collateral against loan which the commercial banks needed. GB has a social development program called sixteen decisions. Some of the researchers opined that the GB is successful to providing its services to rural poor as measured by their income position, but some of the researchers opined that the GB could not reduce the dependence of the rural poor on informal money lenders. Now a days GB is giving credit facilities to the beggar members.

On the other hand BRAC was established as a relief organization to rehabilitate the war affected people of Bangladesh to achieve two goals i.e., one is alleviation of poverty and another is empowerment of the rural poor, who dominate the rural areas of Bangladesh, basically rural poor women. BRAC is a learning organization. According to BRAC the poor can be economically active and can improve their financial condition if they have access to the credit facilities and get proper training. Poverty and empowerment are two core elements of BRAC's development strategy. The BRAC's strategy calls for both direct and indirect interventions with some programs. BRAC's programs are primarily two types i.e. one is development program and another is commercial program. EDP is the largest and central program of BRAC, which organize the poorest of the poor. It was first introduced in 1986 as RDP. Like GB, BRAC is also a group based lending organization and it gives credit facilities to its members without any collateral. Like GB, savings mobilization is compulsory for the BRAC's members. The main activities of EDP of BRAC are institution building, social development and employment generation by giving credit facilities to the poor. BRAC also have a social development program called seventeen promises. Education program, health program and support program is the other three core program.

Chapter Five

PROGRESS OF RURAL CREDIT ACTIVITIES OF GB AND BRAC

5.1 Introduction

In this chapter an attempt has been made to trace out the progress of operation as well as progress of financing made by GB and BRAC since their inceptions. The progress has been discussed in various aspects; such as progress of branch/area offices, number of villages covered, number of members, amount of general loan disbursement, amount of house loan disbursement and savings made by the members etc. for GB and BRAC individually.

5.2 Progress of GB Operation

5.2.1 Progress of Branches, Villages, Groups, Centers, Members and Borrowers of GB in Bangladesh: GB is the first financial organization to break away from the traditional banking practices and provides credit to rural poor specially to the destitute rural women without collateral. The most important feature of the bank is that it goes to the people, rather than the people going to the GB. The GB has started its operation as a GB Project in 1976. When it started its operation with only one branch and its working area was within a village. At that time the total membership was only 10, out of them 8 were males and 2 were females, and all of them were borrowers. Firstly the bank disbursed only Tk.0.008 million as general loan. The loan amount repaid in that year was Tk. 0.003 million (GB, AR, 2001, 33). Later the GB began its operation as a specialized financial institution in October, 1983 with 86 branches in only 1249 villages out of 68000 villages in Bangladesh.¹ The progress of branches, number of villages covered, number of groups, number of members, number of borrowers and distribution by sex of the borrowers is seen in Table-5.1.

¹ Presently it is 87319 counted by the Govt. of Bangladesh, Statistical Pocket Book, Bangladesh, 2004, 83.

Table-5.1

Progress of Branches, Villages, Groups, Members and Borrowers of GB during 1983-2002

Year	Number of Branches	Number of Villages	Number of Groups			Number of Members			Number of Borrowers			Distribution of Borrowers by Sex (%)	
			Male	Female	Total	Male	Female	Total *	Male	Female	Total	Male	Female
1983	86	1249	--	--	11667	31782	26538	58320	25964	20991	46955	55.31	44.69
1984	152 (66)	2268 (1019)	10602	13609	24211 (12544)	53069 (21287)	68045 (41507)	121114 (62794)	47229 (21265)	59714 (38723)	106943 (59988)	44.16 (-11.15)	55.84 (11.15)
1985	226 (74)	3666 (1398)	11852 (1250)	22473 (8864)	34324 (10113)	59260 (6200)	112362 (44327)	171622 (50508)	53131 (5902)	99332 (39618)	152463 (45520)	34.85 (-9.31)	65.15 (9.31)
1986	295 (69)	5170 (1504)	12092 (240)	34778 (12305)	46870 (12545)	60458 (1198)	173885 (61523)	234343 (62721)	54325 (1194)	155142 (55810)	209467 (57004)	25.93 (-8.92)	74.07 (8.92)
1987	396 (101)	7502 (2332)	12712 (620)	55121 (20343)	67833 (20962)	63556 (3098)	275600 (101715)	339156 (104813)	83142 (28817)	265415 (110273)	328557 (119090)	25.31 (-0.62)	74.69 (0.62)
1988	501 (105)	10552 (30501)	13881 (1169)	83194 (28073)	98075 (30242)	69398 (5842)	420965 (145365)	490363 (151207)	68805 (-14337)	403625 (138210)	472430 (143873)	14.56 (-10.75)	85.44 (10.75)
1989	641 (140)	15073 (4521)	14694 (813)	117762 (34568)	132456 (34379)	73461 (4063)	588802 (167837)	662263 (171900)	73150 (4345)	575117 (171492)	648467 (176037)	11.28 (-3.28)	88.72 (3.28)
1990	781 (140)	19536 (4463)	15588 (894)	158323 (40561)	173911 (41455)	77932 (4471)	791606 (202804)	869538 (207275)	77075 (3925)	775547 (200430)	852522 (189108)	9.04 (-2.16)	90.96 (2.16)
1991	915 (134)	25248 (5712)	16011 (423)	197275 (38952)	213286 (39379)	80053 (2121)	986373 (194767)	1066426 (166888)	79482 (2407)	962148 (186601)	1041630 (134274)	7.63 (-1.41)	92.37 (1.41)
1992	1015 (100)	30619 (5371)	18022 (2011)	266857 (69582)	284889 (71603)	90110 (10057)	1334285 (347912)	1424395 (357969)	88766 (9284)	1296558 (334410)	1385324 (1281194)	6.41 (-1.22)	93.59 (1.22)
1993	1040 (25)	33667 (3048)	22266 (4244)	350032 (83175)	372298 (87409)	107361 (17251)	1707555 (373270)	1814916 (390521)	97431 (8665)	1585483 (288925)	1682114 (296790)	5.79 (-0.62)	94.21 (0.62)
1994	1045 (05)	34913 (1246)	34321 (12055)	387824 (37792)	412145 (39847)	120843 (13482)	1892287 (184732)	2013130 (198214)	108899 (11468)	1751775 (166292)	1860674 (178570)	5.85 (0.06)	94.15 (-0.06)
1995	1055 (10)	35533 (620)	N.A	N.A	424993 (12848)	123297 (2454)	1942364 (50077)	2065661 (52531)	107723 (-1176)	1762648 (10873)	1870371 (9697)	5.76 (-0.09)	94.24 (0.09)

Contd.P/101

Year	Number of Branches	Number of Villages	Number of Groups			Number of Members/Beneficiaries			Number of Borrowers			Distribution of Borrowers by Sex (%)	
			Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
1996	1079 (24)	36420 (887)	N.A	N.A	433791 (8798)	122162 (-1135)	1937348 (-5016)	2059510 (-6151)	99471 (-8252)	1684489 (-78159)	1783960 (-86411)	5.58 (-0.18)	94.42 (0.18)
1997	1055 (26)	37937 (1517)	N.A	N.A	465384 (31593)	123659 (1497)	2148844 (211496)	2272503 (212993)	109177 (9706)	1989027 (304538)	2098204 (314244)	5.20 (-0.38)	94.80 (0.38)
1998	1137 (32)	39045 (1108)	N.A	N.A	486870 (21486)	124621 (962)	2243726 (94882)	2368347 (95844)	108985 (-192)	2090023 (100996)	2199008 (100804)	4.69 (-0.24)	95.04 (0.24)
1999	1149 (12)	39706 (661)	25396	468648	494044 (7174)	122902 (-1719)	2234181 (-9545)	2357083 (-11264)	101763 (-7222)	1964087 (-125936)	2065850 (-133158)	4.93 (-0.03)	95.07 (0.03)
2000	1160 (11)	40225 (519)	25335 (-61)	477666 (9018)	503001 (8957)	122657 (-245)	225569 (21518)	237835 (21273)	99318 (-2445)	1957518 (-6569)	2056836 (-9014)	4.83 (-0.1)	95.17 (0.1)
2001	1173 (13)	40447 (222)	n.a.	n.a.	504651 (1650)	121589 (-1068)	2257012 (1313)	2378601 (245)	92103 (-7215)	788284 (169234)	1880347 (-176449)	4.9 (0.07)	95.10 (-0.07)
2002	1178 (05)	41636 (1189)	n.a.	n.a.	513141 (8090)	119194 (-2395)	2363812 (106800)	2483006 (104405)	99318 (7215)	1957518 (1692234)	2056836 (176489)	4.83 (-0.071)	95.17 (0.07)

Source: Annual Reports of GB 1997-2002..

Figures of parenthesis indicates the increment from preceding year

From the Table-5.1, we observe that by the end of the year 1984 the number of branches reached to 152, i.e. 66 branches more than the preceding year 1983 and it stood at 1178 branches in the year 2002. The maximum yearly increases in number of branches were 140 in 1989 and same numbers were in the year 1990. The lowest increases of branches were only 05 branches in the year 1994 and 2002. It is revealed from the Table-5.1, that the increases of branches were faster from the year 1984-1992 than from the 1993-2002. The number of branches did not increase equally in every year, because increases of branches depend upon some factors. Such as Government or Bangladesh bank's permission is needed to setup a new branch, and additional manpower is also needed. GB generally opened a new branch by some new bank's personnel. But the bank did not recruit new personnel every year. (According to GB officials).

By the end of the year 2002, the GB covered 41636 villages of the country out of 87319 villages (GB, AR, 2002, 11), which was only 1249 villages in 1983. The increase of villages covered by GB by the end of the year 1985 was 1398 villages from the preceding year 1984. The maximum increase in number of villages was in the year 1991, and minimum increases of villages were in the year 2001 and it was 5712 and 222 villages from the preceding year 1990 and 2000 respectively. It is also revealed that the coverage of villages increased faster from the period 1983 to 1993 than the period 1994-2002. The GB started its operation in 1983 with a membership of 58320. Out of them 31782 were males and 26538 were females with a total of 11667 groups. By the end of the year 1984 the number of members stood at 121114 of which 53069 were males and 68045 were females. The number of members exceeded by 62794 than the preceding year (males 21287 and females 41507) 1983 with 24211 groups which was 12544 groups more than the preceding year. The total number of member stood at 2483006 by the end of the year 2002, out of them 1191194 were males and 2363812 were females. This total number exceeded by 104405 than that of the preceding year 2001. The number of female member increased faster than the male member. It can be revealed that the GB prefers to deal with female members than the male members, because it is observed from the experience that GB female members are obedient and regular payers than male members. The female members attended the weekly meetings and they honour the bank's rules and regulations properly than male members. On the other hand, women are doubled poor in Bangladesh, they can't generate self employment and

reduce their poverty due to lack of financial assistance, So for these causes GB prefers to deal with women member than the male members..

The yearly increase of members was highest in the year 1993 and lowest in the year 2001, it was 390521 members and 245 members respectively. The number of members showed an increasing trend from 1983 to 1995 gradually but in 1996 a total number of 6151 members decreased, out of them 1135 were males and the rest were females. The researcher identified some causes of fluctuations such as, migration of members to the town area, flood and other natural calamities, competition with other big NGO's, death of the members and self sufficiency of the members. By the end of the year 1997 total number of members increased but in 1999 the number of members decreased.

By the end of the year 2002, the number of borrowers stood at 2.06 million which was .05 million in 1983. By the end of the year 1984 the number of borrowers reached to 0.11 million, which was 0.06 million higher than the preceding year. Number of borrowers increased gradually from the year 1983 to 1995, but at the end of the year 1996, a total number of 0.09 million borrowers decreased from the preceding year. The decreases of borrowers were highest in the year 1999 and it was 0.13 million borrowers. The increase in number of borrowers were highest in 1992, that was 1.3 million borrowers more from the preceding year, and in that year the total number of borrowers were 1385324, which was 1.04 million borrowers in preceding year. The causes of decrease of members has already been discussed earlier. Proportion of borrowers by sex can be shown in Table-5.1. By the end of the year 2002, the proportions of male and female borrowers were 4.83 percent and 95.17 percent respectively. But it was 55.31 percent and 44.69 percent respectively in the year 1983 and in 1984 it stood at 44.16 percent and 55.84 percent respectively which was 11.15 percent lower than the female borrowers. It is evident from the features that the proportion of male and female borrowers fluctuates over the years for earlier mentioned causes, particularly, the GB prefers to deal with female members than male members, because the female member are the regular payer than male members.

Table-5.2

Centers Coverage of GB from 1984 to 2002.

(Tk. in million)

Performance indicator	1984	1985	1986	1987	1988	1989	1990	1991	1992
Male	1972	2254 (114)	2363 (109)	2542 (179)	2746 (204)	2960 (214)	3156 (196)	3300 (144)	3513 (213)
Female	2791	4956 (178)	7916 (2960)	11848 (3932)	16917 (5069)	2406 (7099)	31050 (7034)	39451 (8401)	47854 (8403)
Total	4763	7210 (2447)	10279 (3069)	14390 (4111)	19663 (5273)	26976 (9313)	34206 (7230)	42751 (8545)	51367 (8616)

Performance indicator	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Male	3770 (257)	3866 (96)	3953 (87)	4052 (99)	N.A	3822	3780 (-42)	3727 (-53)	N.A	N.A
Female	53879 (6025)	56055 (2176)	57203 (1148)	58629 (1426)	N.A	62890	63911 (1021)	64740 (829)	N.A	N.A
Total	57649 (6282)	59921 (2272)	61156 (1235)	62681 (1525)	N.A	66712	67691 (979)	68467 (776)	68591	70928

1. Figures in parenthesis indicate yearly increase of figures.

2. Source: GB, Annual Report and monthly update report from 1993-2002.

The progress of centers with annual increment is seen in Table-5.2. By the end of 1984, the number of centers was 4763, of which 1972 were male members' centers and 2791 were female member's centers. By the end of the year 1985 the number of centers stood at 7210, which were 2447 centers higher than the preceding year, and in that year the male members' center were 2254 and 4956 respectively, which were 282 and 2165 centers respectively more than the preceding year. By the end of 2002, the total number of centers stood at 70928. The increase was more in number of centers in 1989 and minimum increase in centers were in 2002, which were 9313 and 776 centers respectively.

5.2.2 Micro-credit Activities of GB: Table-5.3 shows the remarkable increase of general loan disbursement of GB. When the GB started as a specialized financial institution in 1983, its total disbursement was only Tk. 99.34 million. But the general loan disbursement stood at Tk. 304.36 million in next year, which was Tk. 205.02 million higher than the preceding year. General loans are provided for 46 weeks term to a group member at an interest rate of 20 percent (16 percent until 1991). Borrowers do not need any collateral for any kind of loans, such as manufacturing and processing, agriculture and forestry, livestock and fisheries, trading, peddling and shop keeping. General loan is the core of GB operation. By the end of the year 2002, the total amount of disbursement stood at Tk. 15748.04 million which was Tk. 195.06 million lower than the previous year 2001. The upward trend of disbursement of general loan was observed from the year 1983 to 1994. But by the year 1995, the disbursement of general loan decreased to Tk. 248.9 million from the previous year 1994. The yearly decrease in amount of general loan was maximum (yearly) in 1999 and it was Tk. 3421.5 million lower than the preceding year. The disbursement of general loan decreased in the year 1995, 1996, 1999, 2000 and 2002 respectively from the preceding years. The researcher attempted to know the causes of decreases of general loan disbursement and also the repayment feature (failure). The researchers identified some causes, such as:

1. Competition with other NGO's which are working in the rural areas.
2. Flood, drought and other natural calamities.
3. Leaving of old members and joining of new members
4. Political instability e.g., political strikes of 1996 affected disbursement and repayment.
5. Migration of the members to the town area.
6. Shortage of donor funds etc.

The repayment of general loan was Tk. 58.90 million in the year 1983. From the Table-5.3, it can be stated that the total amount of general loan repayment by the year 2002 was Tk. 12038.89 million which was Tk. 3402.8 million lower than the previous year. The general loan repayment decreased in the year 1996, 1999, 2000 and 2002 due to some reasons which mentioned earlier.

From the Table-5.3, it can also be stated that the total amount of house loan was disbursed by the year 2002 was Tk. 120.62 million, which showed a remarkable increase from the year 1984, when the house loan started. The GB started house loan in 1984 to help the poor people to build house as their shelter, as part of its social development program. In this case women get preferential treatment, because GB feels every one need minimum standard house to reside themselves. The interest rate of house loan is 8 percent (until 1991) per annum and it was also weekly repayable within 10 years. The revealing feature is that this loan had an upward trend till 1993, there after a declining trend was set in. By the end of the year 1984, the total house loan disbursed Tk. 3.6 million, of which Tk. 0.09 million, which stood Tk.533041 million by the end of the year 2002. The house loan repayment was Tk. 498.21 million by the year 2002 which was Tk.32.51 million higher than the previous year. The house loan repayment decreased more in the year 1996 and it amounted to Tk. 351.1 million. Table-5.3 also shows the group fund savings and balance of group fund. One of the regulations of the GB is that each member must save one taka every week besides 5 percent of the loan amount, which is kept a side at the time of disbursement. The savings are accumulated in the group fund and it is managed by the group. By the end of the year 1983 the group fund savings was Tk. 15.98 million which stood Tk. 12002.70 million in 2002 and in that year the balance of group fund was Tk. 148.37 million which was Tk. 2917.2 million lower than the preceding year 2002. The amount of group fund balance was highest in 1999 and it was Tk. 5801.59 million which was Tk. 11.22 million in 1983. The increase in amount of group fund was more in 2000 and it was Tk. 11258.60 million, which was Tk. 1582.84 million higher than the preceding year. But the balance of group fund decreased in that year. But from the year 2002 the group fund replaced to personal savings account. The GB shows the group fund as deposit balance in their balance sheet and historical data series.

Table-5.3
Major Achievements of GB during 1983-2002

(Tk. in million)

Performance indicator	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
General loan amount disbursement	99.34	304.36 (205.02)	428.45 (124.09)	541.73 (113.28)	810.03 (268.3)	1280.43 (470.4)	1768.28 (487.85)	2262.47 (494.19)	2639.60 (377.13)	5203.70 (2564.1)
General loan amount repaid	58.90	199.40 (140.5)	379.80 (180.4)	465.90 (86.1)	653.80 (187.9)	1014.30 (360.5)	1495.20 (480.9)	1988.60 (493.4)	2325.00 (336.4)	3620.20 (1295.2)
Amount of house loan disbursement	-	3.60	17.2 (13.6)	5.70 (-11.5)	140.70 (135)	170.40 (29.7)	236.30 (65.9)	224.60 (-11.7)	301.90 (77.3)	559.30 (257.4)
Amount of house loan repaid	-	0.09	1.81 (1.72)	3.20 (1.39)	7.9 (4.7)	36.40 (28.5)	66.30 (29.9)	103.20 (36.9)	116.80 (13.6)	170.30 (53.5)
Number of house built	-	317	1581 (1264)	2042 (461)	23408 (21366)	44556 (21148)	67841 (23285)	91157 (23316)	118717 (27560)	157334 (38617)
Amount of group fund savings	15.98	37.94 (21.96)	71.42 (33.48)	114.54 (43.12)	186.33 (71.79)	297.36 (111.03)	450.99 (153.63)	649.60 (198.61)	891.90 (242.3)	1307.80 (415.9)
Balance amount of group fund	11.22	26.65 (15.43)	49.16 (22.51)	75.01 (25.85)	113.35 (38.34)	165.47 (52.12)	226.73 (61.26)	294.85 (68.12)	614.35 (319.5)	904.01 (289.66)
Performance indicator	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
General loan disbursement	10622.10 (5418.4)	13912.40 (3290.3)	13663.5 (-248.9)	11877.80 (-1785.7)	16270.60 (4392.80)	19119.40 (2848.8)	15697.90 (-3421.5)	13951.40 (-1736.5)	15979.10 (2017.7)	15748.04 (-195.06)
General loan repaid	7623.70 (4003.5)	12186.00 (4562.3)	1331.80 (1131.8)	11556.50 (-1761.3)	14380.30 (2823.8)	17481.50 (3101.2)	16999.30 (-482.2)	14578.40 (-2420.9)	15441.70 (863.3)	15470.64 (28.94)
House loan disbursement	1673.00 (1113.7)	1338.60 (-334.4)	713.00 (-625.6)	168.70 (-544.3)	687.70 (519)	973.90 (286.2)	222.70 (-751.2)	73.29 (-149.41)	56.30 (-16.99)	120.62 (64.32)
House loan repaid	258.00 (87.7)	574.40 (316.4)	715.70 (141.3)	364.60 (-351.1)	643.30 (278.7)	684.80 (41.5)	753.30 (68.5)	575.11 (178.18)	465.70 (-109.41)	498.21 (32.51)
Number of house built	258194 (100860)	295702 (37508)	331201 (35499)	329040 (-2161)	402747 (73707)	506680 (103433)	511583 (4903)	533041 (21458)	545121 (12080)	558055 (12934)
Group fund savings	2117.40 (809.6)	3147.40 (1030)	4216.40 (1069)	5255.50 (1039.1)	6595.80 (1340.30)	8142.70 (1546.9)	9675.76 (1533.06)	11258.60 (1582.84)	12002.70 (744.1)	-
Balance of group fund	1630.20 (726.19)	2444.55 (814.35)	3058.74 (618.19)	3458.79 (400.05)	4131.69 (672.9)	4362.40 (230.71)	5801.59 (1439.91)	4398.57 (-1403.02)	1481.37 (-2917.2)	-

Source: GB, AR, 1993-2002; Yunus, 2005, 34-35.

Table – 5.4
High Lights of GB's Activities at December 2004

Number of Members	:	4059632
Number of Centers	:	685083
Number of Villages Covered	:	48472
Number of Branches	:	1358
Amount Disbursed	:	25591.43 (Million Taka)
Amount of Loans Outstanding	:	21882.73 (Million Taka)
Balance of Deposits:		
Members	:	13793.14 (Million Taka)
Non-members	:	20717.79 (Million Taka)

Source: Yunus M., GB at a Glance, April, 2005.

A basic principle of the GB is that the bank should go to the poor people, since it is difficult for the poor to come to the bank.

At the end of December 2004, the bank, through its 1358 branches was serving over 4.05 million members (Table–5.4). It had disbursed Tk. 25591.43 million during this year. GB members and total members deposit balance stood at about Tk. 43793.14 million and Tk. 20717.79 million respectively. The bank's operation reached 48472 villages out of about 87000 in the country. The bank also provides housing loans for the poor. Homestead is also often the workplace for the rural poor. A bank member can borrow up to Tk. 15000 for constructing a simple tin-shed house. The interest rate for housing loans is 8 percent (Yunus, M. 2005, 7).

Table – 5.5
Progress of GB during 2003-04

(Tk. in million)

Statements	2003	2004
Authorized Capital	500	500
Paid up capital	291	318
Reserve Fund	7943	7329
Total Deposit	13435	20834
Loans & Advances	16017	20008
Investment	5335	7226
Total Assets	27143	33175
Total Income	3577	4696
Total Expenses	3220	4230
Total Manpower	11307	12289
Branches	1195	1357

Source: Bank and Financial Institutions Activities, 2004-05, GOB.

Table-5.5 shows the progress of GB during 2003-04. It has been found that total assets of GB increased from Tk. 27143 million in 2003 to Tk. 33175 million in 2004. Reserved fund decreased to Tk.7329 million in 2004, which was Tk. 79.43 million in 2003. The Table also reveals that loans & advances, investment, total income, total expenses, total manpower and total branches of GB increased in 2004 compared to the previous year. So, the progress of GB activities is satisfactory during this period.

Table – 5.6
Progress of Credit Disbursement and Recovery of GB

(Tk. in million)

Types of Loan		2003	2004
Easy Loan	Disbursement	20761	24407
	Recovery	15995	20628
	Rate %	77.04	84.52
Contract loan	Disbursement	473	1103
	Recovery	1610	699
	Rate %	340.38	63.37
Housing loan	Disbursement	178	282
	Recovery	433	542
	Rate %	243.26	192.20
Other loan	Disbursement	55	82
	Recovery	45	14
	Rate %	81.82	17.07
Total	Disbursement	21467	25874
	Recovery	18083	21883
	Rate %	84.24	84.58

Source: Bank and Financial Institutions Activities, 2004-05, GOB.

Table-5.6 shows the progress in credit disbursement and recovery of GB during 2003-04. The Table indicates that the total credit disbursement and recovery were Tk.21467 million and Tk.18083 million in 2003, which increased to Tk.25874 million and Tk.21883 million in 2004 respectively. The rate of recovery was 84.24 percent in the year 2003, which increased slightly to 84.58 percent in 2004. The rate of recovery increased in case of easy loan during the period, but in case of contract loan, housing loan and other loan, the recovery rates decreased partially during the period.

5.3 Progress of BRAC's Operation

5.3.1 Progress of Area Offices, Villages, VOs and Borrowers of BRAC in Bangladesh:

BRAC is one of the largest organizations working in Bangladesh. It is also remarkable in micro-credit arena. After establishment of BRAC as a relief organization in 1972 after the liberation war of Bangladesh, over the years it has gradually evolved into a large and multifaceted development organization with the object of poverty alleviation and empowering of the rural poor. The BRAC has introduced four core programs; EDP is one of the programs. To achieve the objective of tracing out the progress of financing made by GB and BRAC of this study the researcher attempted to analyze the progress of EDP. The EDP successor of RDP and BDP was established in 1986 to provide a comprehensive service to the poorest rural population incorporating them in various activities. RDP was established by merging the out reach program and the Rural Credit and Training Program (RCTP) that were both launched in 1979. By the year 1986 the two programs, out reach and RCTP combined, had established thirty eight area offices and had organized 1800 VOs in 900 villages. The Manikganj area with about 230 VOs and 12000 members at that time remained a separately administered pilot area for testing new activities before integration into RDP. The Sullah project with 171 VOs and 7000 members and the Jamalpur women's project with 38 VOs and 1860 members also retained their separate identities (Catherine H. Lovell-1992). RDP has been rapidly expanding since its inception 1986.

From Table-5.7 the expansion of area offices, total villages covered, number of VOs, members and number of borrowers of BRAC is seen. By the end of the year 1986, the number of area offices (AOs) was only 45 and by the end of the year 1988 it reached to 60, and it was 15 more than establishing year. By the end of the year 2002 the number of area offices stood 1116, which was 11 AOs more than the previous year 2001. The highest increases of AOs were in the year 2000 and in 1999 and they were in number 258 and 218 respectively from their preceding years. The lowest increase of area offices was in 2002 and it was only 11 AOs from the preceding year 2001. The researcher attempted to know the causes of increase of AOs, there are two main causes had been identified. One is, the working area of an AOs was surrounding by 15 kilometers, but from 1999, the surrounding working area of an AO had been reduced to 8 kilometers. And another cause is, BRAC has made a contract with the Government that, the VGD program will be conducted by BRAC, So working area had to

Table-5.7

Progress of AOs, Villages, VOs, Members and Borrowers of BRAC during 1986-2002.

Year	Total Number of area office	Total No. of Village Covered	Number of VO's			Number of Members			Number of Borrowers		
			Male	Female	Total	Male	Female	Total	Male	Female	Total
1986	45	1226	1168	1233	2401	60581	61166	121747	N.A	N.A	N.A
1987	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
1988	60	2449	N.A	N.A	4648	105329	146339	251668	N.A	N.A	N.A
1989	81	3307	2844	3590	6434	136739	215530	352269	81932	124198	206130
	(21)	(858)			(1786)	(31410)	(69191)	(100801)			
1990	100	4238	3274	4989	8263	164151	296613	460764	82955	163301	246256
	(19)	(931)	(430)	(1399)	(1829)	(27412)	(81083)	(108495)	(1023)	(39103)	(40126)
1991	120	5337	3910	7481	11391	192151	405974	598125	142152	272189	414341
	(20)	(1099)	(636)	(2492)	(3128)	(28000)	(109361)	(137361)	(59197)	(108888)	(168085)
1992	140	6878	3831	10136	13967	167260	482014	649274	115694	315462	431156
	(20)	(1541)	(-79)	(2655)	(2576)	(-24891)	(76040)	(51149)	(-26458)	(43273)	(16815)
1993	164	10379	3739	16402	20141	146729	679061	825790	137724	391983	529707
	(25)	(3501)	(-92)	(6266)	(6174)	(-20531)	(197047)	(176516)	(22030)	(76521)	(98551)
1994	198	13224	N.A	N.A	24859	127707	908547	1036254	88684	650891	739578
	(30)	(2845)			(4718)	(-19022)	229486	(210464)	(-49037)	(258908)	(209871)
1995	339	18478	N.A	N.A	44656	N.A	N.A	1510802	N.A	N.A	780422
	(144)	(5654)			(19797)			(474548)			(40844)
1996	388	32102	N.A	N.A	53784	N.A	N.A	1840000	N.A	N.A	1520000
	(49)	(13624)			(9128)			(329198)			(739578)
1997	457	37740	N.A	N.A	63846	N.A	N.A	2230000	N.A	N.A	1810000
	(69)	(5638)			(10062)			(390000)			(290000)
1998	498	42033	N.A	N.A	73058	N.A	N.A	2750000	N.A	N.A	2030000
	(41)	(4293)			(9212)			(520000)			(220000)
1999	716	50910	N.A	N.A	90250	N.A	N.A	3300000	N.A	N.A	2580000
	(218)	(8877)			(17192)			(550000)			(550000)
2000	974	56513	N.A	N.A	104754	82218	3782560	3740000	N.A	N.A	2990000
	(258)	(5603)			(14504)			(440000)			(410000)
2001	1105	60627	N.A	N.A	109288	58066	4080067	4138133	N.A	N.A	2980000
	(131)	(4114)			(4534)	(-24152)	(297507)	(398133)			(-10000)
2002	1116	64212	N.A	N.A	111756	N.A	N.A	3650000	N.A	N.A	3040000
	(11)	(3585)			(2468)			(-488133)			(60000)

Source: MIS Section, Head Office, BRAC, Dhaka and BRAC Annual Report, 1986-2002.

be reduced, and as a result AOs increased at a faster rate. By the end year 2002, the coverage of EDP of BRAC is 64212 villages out of 87319 villages of Bangladesh that was covered by the year 1986 only 1266 villages.

The yearly increase of coverage of villages were more in 1996 which was 13624 villages higher than the preceding year 1995, and the lowest increase of villages was in 1989, it was only 855 villages more than the preceding year 1988.. As the progress of VOs is seen in Table-6 during 1986-1988, the number of VOs rose from 2401 to 4648, which was about double. In 1993 the number of VOs stood at 20141, which was 6174 VOs higher than the preceding year 1992 and it was near about 4.25 times more than the year of establishment and near about 1.5 times greater than the preceding year and near about 50 times higher than the year 1986. The yearly increase of VOs was maximum in 1995, it was 44656 VOs which was 19797 VOs higher than the preceding year.

Table-5.7 shows the remarkable increase of members of BRAC. When RDP of BRAC, started as rural development organization in 1986, it's members were 121747. By the end of the year 2002, number of members stood at 3.65 million. But in the previous year it was 4.14 million. The highest increase of members was in 1999, which were 0.6 million members higher than the previous year 1998. The number of members decreased in 2002, which were 0.5 million members less than the previous year 2001. By the year 2001 the number of members was 4.14 million. The number of members increased from 1986-2001 gradually, but in 2002 it was decreased.

The number of female members, female VOs and female borrowers were increasing faster than the male members, male VOs and male borrowers. The number of male VOs, members and borrowers were decreasing. According to BRAC, women's are regular payers than male. Women members maintain the BRAC rules and regulations hardly than male members. So the BRAC prefer to deal with female members. By the year 2002, 99 percent of the EDP members and borrowers were female (MIS, BRAC, 2002).

Progress of borrowers is seen in Table-5.7. By the end of the year 1989 the number of borrowers was 2.06 million, which stood at 3.04 million in the year 2002. By the end of the year 1990, the number of borrowers were 0.2 million, which were 0.04 million borrowers higher than those of the previous year. Number of borrowers increased from

the year 1989 to the year 2000, but in the year 2001 the number of borrowers decreased from the preceding year. The highest increase of borrowers was in 1986, and lowest increase was in 1992, the number of increasing borrowers' were 0.74 million and 0.017 million borrowers respectively. The researcher tried to identify the causes of fluctuations of members and borrowers. The researcher identified some causes of dropout with the consultation of BRAC employees that, due to draught, natural calamities, shortage of financial assistance from the external sources were the main causes of fluctuation of members and borrowers.

5.3.2 Micro-credit Activities of BRAC: The progress of amount disbursement, number of loan, outstanding balance of loan and savings balance made by the members are seen in Table-5.8. By the end of the year 1991, the total disbursement was Tk. 1471.48 million, which was Tk. 866.90 million in 1990. In 2002, the total disbursement stood at Tk. 26645 million, which was Tk. 1966 million higher than the preceding year. The highest increase of disbursement was in 1996, and that was Tk. 5104.7 million higher than the previous year 1995. In 1996 total amount of disbursement was Tk. 14684 million. by the end of the year 1990, the total outstanding was Tk. 368.27 million, which stood at Tk. 3221 million in 1996, and Tk. 9250 million in 2002. The highest increase of outstanding loan was in 1999 and 1998, that was Tk.1829 and Tk.1298 million and it stood 2.65 million in 2002, which was the highest. The number of loan was increasing from the year 1997 and by the end of the year 1997, total number of loans were 1.74 million. By the end of the year 1998, the total number of loans were 2.09 million, which were 0.14 million higher than the preceding year and it was highest in the year 2002. The outstanding loan was increasing gradually. The researcher attempted to know by discussion with the staff of BRAC, the causes of increase of outstanding loans. The following causes were identified;

- a) Competition with the other GOs and NGOs
- b) Duplication of NGOs i.e. members were taking loan from more than one NGOs.
- c) Flood, drought and other natural calamities.
- d) Political instability.

These are the factors affecting the repayment of loan, members savings i.e overall credit operations.

Table -5.8

Progress of Number of Loan, Amount of Loan Disbursement and Savings Balance made by the
Members of BRAC for the Year 1990-2002

Performance indicator	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Amount of disbursement	866.90	1471.48 (604.58)	2204 (733.4)	3873.40 (1668.52)	5813.90 (1940.5)	9579.28 (3765.38)	14684 (5104.72)	16446 (1762)	18146 (1700)	20422 (2276)	23095 (2673)	24679 (1584)	26645 (1966)
Out standing of loan	368.27	606.95 (238.68)	690.92 (83.97)	1058.24 (367.32)	1499.66 (441.42)	2290.11 (790.45)	3221 (930.89)	3895 (674)	5193 (1298)	7022 (1829)	7856 (834)	8345 (489)	9250 (905)
Number of loan	N.A	N.A	N.A	N.A	N.A	N.A	N.A	1.74	2.09 (0.35)	2.23 (0.14)	2.43 (0.2)	2.51 (0.08)	2.65 (0.14)
Balance of savings made by the borrowers	127.18	205.81 (78.33)	224.87 (19.36)	305.28 (4041)	595.51 (290.23)	801.81 (206.3)	1181 (379.19)	1755 (574)	2237 (482)	2901 (664)	3538 (637)	4305 (767)	4984 (679)

I. Figures in parenthesis indicate the annual increment from the preceding year.

II. Source: BRAC, Annual Reports of 1986-2002 and Information from MIS section of BRAC, Head Office Dhaka.

From Table-5.8, the picture of savings balance of the members is seen. Savings is a part of BRAC's lending. A member must save Tk. 2 per week, and a borrower is bound to save 10 percent of his loan amount. Every member can withdraw the savings amount when she needs. The aim of BRAC savings program is to help create a financial base for the vo members, through savings mobilization and credit in order to cater different income generating activities. By the end of the year 1990 the total savings balance was Tk. 127.18 million, which stood at Tk. 205.81 million in 1991, and it was Tk. 78.33 million higher than the year 1990. By the year 2002, total savings balance stood Tk. 4984 million, which was highest. The increase of savings balance in that year was Tk. 679 million more than the preceding year. The highest (yearly) increase of savings balance was in the year 2001, it was Tk. 767 million

Table – 5.9

BRAC's Activities at a Glance as at 31st December, 2004

Number of Members	:	4858763
Number of Villages	:	68408
Number of Team Office		1172
Number of Area Office	:	498
Number of VOs		142117
Number of Region		137
Amount Disbursed	:	US \$ 442.76 (Million)
Amount of Loans Outstanding	:	US \$ 250 (Million)
Members Savings	:	US \$ 130.89 (Million)

Source: BRAC Annual Report, 2004.

The objectives of BRAC are to alleviate the rural poverty and empowerment of the rural poor. At the end of December 2004, the BRAC through its 498 area offices and 1172 team offices was serving over 4.86 million members (Table-5.9). It had disbursed US\$ 442.76 million during this year. BRAC member's savings balance stood at US\$ 130.89 million. The BRAC's operation reached 68408 villages out of 87000 in the country.

Table – 5.10
Progress of BRAC during 2003-04

Statements	2003	2004
Number of Members	4065957	4858763
Number of Villages	61924	68408
Number of Team Office	1190	1172
Number of Area Office	464	498
Number of Region Office	107	137
Number of VOs	119836	142117
Amount Disbursed	US\$ 353.85 (million)	US\$ 442.76 (million)
Amount of Loans Outstanding	US\$ 198.38 (million)	US\$ 250 (million)
Members Savings	US\$ 107.45 (million)	US\$ 130.89 (million)
Total Assets	Tk.20794.75 (million)	Tk.25962.19 (million)
Total Liabilities	Tk.13885.85 (million)	Tk.18113.29 (million)

Source: BRAC, Annual Report, 2003-04.

Table-5.10 shows the progress of BRAC during 2003-04. It has been found that Loans and advances, total AOs, total VOs, total savings and total assets increased in 2004 compared to the preceding year. So, the progress of BRAC operation is satisfactory like GB during this period.

5.4 Conclusion

It is recognized that the GB and BRAC are the largest micro-finance institutions in Bangladesh. GB is the first financial organization to break away from the traditional banking practices and provided credit to rural poor especially to the destitute rural poor women without collateral. On the other hand BRAC also come out to achieve the objective of poverty alleviation and empowerment of the rural poor through micro-credit. To analyze the progress of GB and BRAC activities and trend of disbursement of loan, recovery of loan, savings, coverage of members, coverage of borrowers, coverage of villages, number of branches and area offices in operation etc. the historical data have been used for this purpose. When GB started its operation as a project, its working area was spread within a village of only 10 members, out of them 8 members were male and 2 members were females. At that time all members were borrower. Firstly the bank disbursed only Tk. 0.008 million. Later the GB began its operation as a specialized financial institution in October 1983 with 86 branches in only 1249 villages in Bangladesh. At the end of the year 2004, the bank, through its 1358 branches was

serving over 4.05 million members. It had disbursed Tk. 25591.43 million during this period. From the foregoing analysis it is observed that the number of branches of GB coverage of borrowers and disbursement of loan by GB did not increase equally in every year. The number of branches of GB increased at a faster rate from the year 1984 to 1992. The coverage of villages by GB was increased faster from the year 1983 to 1993 than 1994 to 2002. The coverage of members, disbursement of loan and recovery of loan by GB is satisfactory. On the other hand EDP of BRAC successor of RDP was started by merging the outreach program and RCTP with thirty eight area offices and had organized 1800 VOs in 900 villages of the country. By the end of the year 1986 the number of area offices stood 45 within the working area of 1226 village with a total of 121747 members, which was stood at 485876 members in 68408 villages at the end of the year 2004. From the analysis it is also observed that like GB, the number of area offices of BRAC, coverage of members, disbursement of loan by BRAC did not increase equally in every year. The area offices of BRAC increased rapidly from the year 1995. The coverage of villages by BRAC also increased at a faster rate from the year 1995. The coverage of members and disbursement of loan by GB and BRAC is satisfactory. From the analysis it is observe that both the GB and BRAC are giving priority to serve their financial facilities to the rural poor women than rural poor men.

Chapter Six

MICROFINANCE ACTIVITIES OF GB AND BRAC IN NATORE DISTRICT

6.1 Introduction

In this chapter, micro-credit activities of the sample branches and area offices of GB and BRAC working in Natore district have been analyzed separately. The branch and area office-wise information of microfinance activities of GB and BRAC were collected through the interview of the managers, and other related officials of the respective branches and area offices by the questionnaire. To analyze the collected data some statistical tools like Mean, SD and CV have been used. Total number of members, borrowers, credit disbursement, credit recovery, credit outstanding, member's savings, income, expenses, and profit/loss has also been analyzed through the growth rates.

6.2 Micro-credit Activities of GB in Natore District

Table-6.1.1

Coverage of Members of the Selected Branches of GB of Natore District

Year	Hatiandah	Growth rate	Nazirpur	Growth rate	Walia	Growth rate	Kafuria	Growth rate
1999	2051		1680		2551		1519	
2000	1997	-2.63	2028	20.71	2582	1.22	1657	9.08
2001	1750	-12.37	1872	-7.69	2692	4.26	1995	20.40
2002	1770	1.14	2105	12.45	2743	1.89	2068	3.66
2003	2397	35.42	2578	22.47	3047	11.08	2292	10.83
2004	3016	25.82	3422	32.74	3118	2.33	3202	39.70
2005	2660	-11.80	4360	27.41	3652	17.13	3565	11.34
Mean	2234.43	5.93	2577.86	18.01	2912.14	6.32	2328.29	15.84
SD	475.88	20.06	976.30	14.31	392.52	6.41	772.29	12.88
CV	21.30	338.16	37.87	79.44	13.48	101.41	33.17	81.34

Source: Branch Level Survey Data.

Table-6.1.1 shows the total number of members of the selected branches of GB working in Natore district during 1999 to 2005. The average number of members of Hatiandah, Nazirpur, Walia and Kafuria branches were 2234.43, 2577.86, 2912.14 and 2328.29 respectively and the average growth rates of members of these branches were 5.93 percent, 18.01 percent, 6.32 percent and 15.84 percent respectively. The coefficient of

variation of members of these branches was 21.30, 37.87, 13.48 and 33.17 respectively. The standard deviation of members of these branches were 475.88, 976.30, 392.52 and 772.29 respectively and the standard deviation of the growth rates of members were 20.06, 14.31, 6.41 and 12.88 respectively. From the Table it can be stated that the total number of members, growth rates of members of these branches are indicating increasing trends of members during the study period except Hatiandah branch. Total number of members are fluctuating incase of Hatiandah branch. It is also seen from the same Table that the coverage of average members of Walia branch is higher than other three branches.

Table-6.1.2

Coverage of Borrowers of the Selected Branches of GB of Natore District

Year	Hatiandah	Growth rate	Nazirpur	Growth rate	Walia	Growth rate	Kafuria	Growth rate
1999	1951		1525		2179		1378	
2000	1947	-0.21	1798	17.90	2210	1.42	1545	12.12
2001	1700	-12.69	1605	-10.73	2395	8.37	1866	20.78
2002	1673	-1.59	1875	16.82	2446	2.13	1921	2.95
2003	2290	36.88	2235	19.20	2603	6.42	2145	11.66
2004	2904	26.81	3025	35.35	2669	2.54	2988	39.30
2005	2461	-15.25	3090	2.15	3190	19.52	3414	14.26
Mean	2132.29	5.66	2164.71	13.45	2527.43	6.73	2179.57	16.84
SD	446.00	21.37	650.91	15.85	344.26	6.83	751.55	12.40
CV	20.92	377.56	30.07	117.87	13.62	101.46	34.48	73.62

Source: Branch Level Survey Data.

Total number of borrowers of the selected branches of GB working in Natore district during 1999 to 2005 is shown in the Table-6.1.2. The average number of borrowers during the study period of Hatiandah, Nazirpur, Walia and Kafuria branches of GB were 2132.29, 2164.71, 2527.43 and 2179.57 respectively and average growth rates of the borrowers were 5.66 percent, 13.45 percent, 6.73 percent and 16.84 percent respectively. The standard deviation of borrowers of the sample branches are 446.00, 650.91, 344.26 and 751.55 respectively. At the same time the co-efficient of variation of borrowers of the selected branches are 20.92, 30.07, 13.62 and 34.48 respectively. The total number of borrowers and growth rates of the borrowers are indicating increasing trends of borrowers during the study period for Nazirpur, Walia and Kafuria branch but incase of Hatiandah branch the total number of borrowers decreased in 2005 due to

setup a new branch near Hatiandah branch and some borrowers are transferred to the new branch.

Table-6.1.3

Micro-credit Disbursement of the Selected Branches of GB of Natore District

(Tk. in million)

Year	Hatiandah	Growth rate	Nazirpur	Growth rate	Walia	Growth rate	Kafuria	growth rate
1999	18.24	-	6.84	-	27.11	-	19.23	-
2000	16.93	-7.18	5.55	-18.86	16.67	-38.51	16.83	-12.48
2001	14.54	-14.12	13.11	136.22	25.46	52.73	18.55	10.22
2002	16.85	15.89	7.45	-43.17	18.5	-27.34	22.9	23.45
2003	18.63	10.56	20.89	180.40	23.89	29.14	23.89	4.32
2004	13.33	-28.45	14.42	-30.97	17.62	-26.25	27.29	14.23
2005	15.7	17.78	38.84	169.35	11.21	-36.38	45.69	67.42
Mean	16.32	-0.92	15.30	65.49	20.07	-7.77	24.91	17.86
SD	1.92	18.63	11.68	106.98	5.65	38.76	9.84	27.07
CV	11.78	-2025.92	76.37	163.34	28.17	-498.92	39.49	151.54

Source: Branch Level Survey Data.

Table-6.1.3 shows the micro-credit disbursement of the selected branches of GB working in Natore district during 1999 to 2005. The average of micro-credit disbursement of Hatiandah, Nazipur, Walia and Kafuria branches of GB were Tk.16.32 million, Tk. 15.30 million, Tk.20.07 million and Tk.24.91 million respectively. The average of growth rates of the credit disbursement of these sample branches was -0.92 percent, 65.49 percent, -7.77 percent and 17.86 percent respectively. The coefficient of variation of credit disbursement of the sample branches are 11.78, 76.37, 28.17 and 39.49 respectively and the coefficient of growth rates are -2025.92, 163.34, -498.92 and 151.54 respectively. The standard deviation of micro-credit disbursement of these branches are 1.92, 11.68, 5.65 and 9.84 respectively. It is seen from the statistics that the disbursement of credit fluctuates all the sample branches except Kafuria branch. The branch level officials could not inform the researcher the actual cause for fluctuation of credit disbursement.

Table-6.1.4

Micro-credit Recovery of the Selected Branches of GB of Natore District

(Tk. In million)

Year	Hatiandah	Growth rate	Nazirpur	Growth rate	Walia	Growth rate	Kafuria	Growth rate
1999	10.71		7.99		18.84		9.95	
2000	10.36	-3.27	6.66	-16.65	9.59	-49.10	7.48	-24.82
2001	10.76	3.86	11.49	72.52	18.51	93.01	8.97	19.92
2002	9.91	-7.90	7.04	-38.73	11.55	-37.60	14.41	60.65
2003	9.68	-2.32	21.48	205.11	13.12	13.59	13.33	-7.49
2004	11.94	23.35	11.91	-44.55	5.29	-59.68	16.57	24.31
2005	16.42	37.52	25.2	111.59	9.66	82.61	30.14	81.89
Mean	11.40	8.54	13.11	48.22	12.37	7.14	14.41	25.74
SD	2.33	17.94	7.36	99.60	4.93	67.44	7.65	40.17
CV	20.46	210.03	56.13	206.56	39.89	944.62	53.07	156.06

Source: Branch Level Survey Data.

Recovery of micro-credit of the selected branches of GB of Natore district during 1999 to 2005 has been shown in the Table-6.1.4. The average credit recovery during the study period of Hatiandah, Nazirpur, Walia and Kafuria branches of GB were Tk.11.40 million, Tk.13.11 million, Tk.12.37 million and Tk.14.41 million respectively and the average growth rates of credit recovery during the same period were 8.54 percent, 48.22 percent, 7.14 percent and 25.74 percent respectively. The standard deviation of the micro-credit recovery of the same branches was 2.33, 7.36, 4.93 and 7.65 respectively. At the same time the standard deviation of growth rates of micro-credit recovery were 17.94, 99.60, 67.44 and 40.17 respectively. The coefficient of variation of growth rates of credit recovery of the sample branches were 210.03, 206.56, 944.62 and 156.06 respectively. Like the credit disbursement, the recovery behavior of the sample branches fluctuated over the study period.

Table-6.1.5

Micro-credit Outstanding of the Selected Branches of GB of Natore District

(Tk. In million)

Year	Hatiandah	Growth rate	Nazirpur	Growth rate	Walia	Growth rate	Kafuria	Growth rate
1999	7.53		7.16		8.27		9.28	
2000	6.57	-12.75	6.04	-15.64	7.08	-14.39	9.34	0.65
2001	6.78	3.20	7.65	26.66	6.95	-1.84	9.59	2.68
2002	6.94	2.36	8.07	5.49	6.95	0.00	8.5	-11.37
2003	8.95	28.96	7.47	-7.43	10.76	54.82	8.55	0.59
2004	10.33	15.42	9.98	33.60	12.32	14.50	10.72	25.38
2005	9.59	-7.16	13.63	36.57	1.55	-87.42	15.54	44.96
Mean	8.10	5.00	8.57	13.21	7.70	-5.72	10.22	10.48
SD	1.51	15.21	2.53	22.18	3.42	46.63	2.46	20.71
CV	18.64	303.85	29.47	167.97	44.49	-815.06	24.09	197.55

Source: Branch Level Survey Data.

Table-6.1.5 shows the status of credit outstanding of the selected branches of GB working in Natore district during 1999 to 2005. The averages of credit outstanding of Hatiandah, Nazirpur, Walia and Kafuria branches were Tk.8.10 million, Tk.8.57 million, Tk.7.70 million and Tk.10.22 million respectively and the average growth rates of credit outstanding during the same period were 5.00 percent, 13.21 percent, -5.72 percent and 10.48 percent respectively. The standard deviation of credit outstanding of the sample branches were 1.51, 2.53, 3.42 and 2.46 respectively and the standard deviation of growth rates of credit outstanding were 15.21, 22.18, 46.63 and 20.71 respectively. The co-efficient of variation of micro-credit outstanding of the said branches are 18.64, 29.47, 44.49 and 24.09 respectively. From the Table, it is evident that the average micro-credit outstanding is highest for Kafuria branch. Like the credit disbursement, outstanding of micro-credit is also fluctuating.

Table-6.1.6

Savings Made by the Members of the Selected Branches of Natore District

(Tk. In million)

Year	Hatiandah	Growth rate	Nazirpur	Growth rate	Walia	Growth rate	Kafuria	Growth rate
1999	4.06		0.28		5.84		4.20	
2000	4.23	4.19	0.44	57.14	5.76	-1.37	4.50	7.14
2001	4.35	2.84	1.83	315.91	6.73	16.84	5.60	24.44
2002	5.87	34.94	2.09	14.21	8.27	22.88	6.50	16.07
2003	13.37	127.77	2.93	40.19	13.06	57.92	9.00	38.46
2004	19.80	48.09	3.87	32.08	20.35	55.82	11.10	23.33
2005	21.50	8.59	16.65	330.23	26.43	29.88	14.10	27.03
Mean	10.45	37.74	4.01	131.63	12.35	30.33	7.86	22.75
SD	7.70	47.78	5.72	149.00	8.13	23.04	3.71	10.55
CV	73.66	126.61	142.45	113.20	65.85	75.96	47.16	46.38

Source: Branch Level Survey Data.

Table-6.1.6 indicates the amount of member's savings of the sample branches of GB during 1999 to 2005. The average amount of members savings of Hatiandah, Nazirpur, Walia and Kafuria branches were Tk.10.45 million, Tk.4.01 million, Tk.12.35 million and Tk.7.86 million respectively and the averages of growth rates of member savings were 37.74 percent, 131.63 percent, 30.33 percent and 22.75 percent respectively during the same period. The coefficient of variation of members savings were 73.66, 142.45, 65.85 and 47.16 respectively and the coefficient of growth rates of member's savings were 126.61, 113.20, 75.96 and 46.38 respectively. The standard deviation of savings made by the members of these said branches were 7.70, 5.72, 8.13 and 3.71 respectively. The amount of savings and growth rates of savings of the sample branches during the study period showed the increasing trend. Savings mobilization of the members is an integral part of GB lending. There are different kinds of savings scheme of GB which running at present for the improvement of the members and further improvement of savings. Savings is a vital part of sustainability for both the members and institutions. It is seen from the Table that the status of savings made by the members are better for Walia branch than others.

Table-6.1.7

Income Status of the Selected Branches of GB of Natore District

(Tk. In million)

Year	Hatiandah	Growth rate	Nazirpur	Growth rate	Walia	Growth rate	Kafuria	Growth rate
1999	0.81	-	-	-	1.82	-	1.62	-
2000	1.44	77.78	-	0.00	2.02	10.99	1.76	8.64
2001	0.85	-40.97	-	0.00	2.15	6.44	1.89	7.39
2002	1.52	78.82	1.49	0.00	1.67	-22.33	2.26	19.58
2003	1.85	21.71	0.82	-44.97	1.97	17.96	2.28	0.88
2004	3.30	78.38	1.87	128.05	3.17	60.91	2.41	5.70
2005	4.27	29.39	3.00	60.43	3.41	7.57	3.62	50.21
Mean	2.01	40.85	1.80	23.92	2.32	13.59	2.26	15.40
SD	1.30	47.76	0.91	61.05	0.69	26.99	0.67	18.13
CV	64.84	116.92	50.87	255.26	29.63	198.60	29.47	117.73

Source: Branch Level Survey Data.

Table-6.1.7 shows the income status of the selected branches of GB of Natore district during 1999 to 2005. The average income of Hatiandah, Nazirpur, Walia and Kafuria branches during the study period were Tk.2.01 million, Tk.1.80 million, Tk.2.32 million and Tk.2.26 million respectively, and the average of growth rates of income of the same branches was 40.85 percent, 23.92 percent, 13.59 percent and 15.40 percent respectively. The standard deviation of income of the sample branches were 1.30, 0.91, 0.59 and 0.67 respectively. At the same time the co-efficient of variation of income of the same branches were 64.84, 50.87, 29.63 and 29.47 respectively. During the period average highest income was held in the Walia branch and the lowest income was held in the Nazirpur branch.

Table-6.1.8
Expenditure Status of the Selected Branches of GB of Natore District

(Tk. In million)

Year	Hatiandah	Growth rate	Nazirpur	Growth rate	Walia	Growth rate	Kafuria	Growth rate
1999	0.98		1.35		1.82		1.78	
2000	1.78	81.63	1.83	35.56	1.72	-5.49	1.89	6.18
2001	0.92	-48.31	2.09	14.21	1.86	8.14	1.99	5.29
2002	1.86	102.17	2.33	11.48	1.7	-8.60	2.29	15.08
2003	1.79	-3.76	2.10	-9.87	1.77	4.12	2.22	-3.06
2004	2.52	40.78	1.99	-5.24	2.52	42.37	2.28	2.70
2005	3.08	22.22	2.43	22.11	4.05	60.71	3.28	43.86
Mean	1.85	32.46	2.02	11.37	2.21	16.87	2.25	11.68
SD	0.77	55.30	0.36	16.94	0.86	28.14	0.50	16.83
CV	41.89	170.38	17.66	148.96	39.04	166.79	22.12	144.13

Source: Branch Level Survey Data.

Total expenses of the selected branches of GB during 1999 to 2005 are shown in the Table-6.1.8. The averages of total expenses of Hatiandah, Nazirpur, Walia and Kafuria branches were Tk.1.85 million, Tk.2.02 million, Tk.2.21 million and Tk.2.25 million respectively and the average growth rates of expenses were 32.48 percent, 11.37 percent, 16.87 percent and 11.68 percent respectively. The standard deviation of expenditure of the selected branches were 0.77, 0.36, 0.86 and 0.50 respectively. On the other hand, the co-efficient of variation of expenditure of the said branches were 41.89, 17.66, 39.04 and 22.12 respectively. The average highest expense was held in the Kafuria branch and the lowest expense was held in Hatiandah branch but average growth rate of expenses was highest in Hatiandah branch. It is seen from the table that the trend of expenses in all the branches is increasing.

Table-6.1.9

Status of Profit and Loss of the Selected Branches of GB of Natore District

Year	Hatiandah	Growth rate	Nazirpur	Growth rate	Walia	Growth rate	Kafuria	Growth rate
1999	-0.17	-	-1.35	-	0.00	-	-0.16	-
2000	-0.34	100.00	-1.83	0.00	0.30	0.00	-0.13	-18.75
2001	-0.07	-79.41	-2.09	0.00	0.29	-3.33	-0.10	-23.08
2002	-0.34	385.71	-0.84	0.00	-0.03	-110.34	-0.03	-70.00
2003	0.06	-117.65	-1.28	52.38	0.20	-766.67	0.06	-300.00
2004	0.78	1200.00	-0.12	-90.63	0.65	225.00	0.13	116.67
2005	1.19	52.56	0.57	-575.00	-0.64	-198.46	0.34	161.54
Mean	0.16	256.87	-0.99	-102.21	0.11	-142.30	0.02	-22.27
SD	0.59	495.13	0.94	236.18	0.40	337.19	0.18	162.80
CV	374.60	192.76	-95.18	-231.08	364.09	-236.95	1125.76	-731.00

Source: Branch Level Survey Data.

Table-6.1.9 shows the status of profit / loss of the selected branches of GB working in Natore district during 1999 to 2005. The averages of profit / loss of Hatiandah, Nazirpur, Walia and Kafuria branches during the study period were Tk.0.16 million, Tk.-0.99 million, Tk. 0.11 million and Tk.0.02 million respectively and the average growth rates of profit / loss of the same branches were 256.87 percent, -102.21 percent, -142.30 percent and -22.27 percent respectively. The standard deviation of profit and loss of the selected branches were 0.59, 0.94, 0.40 and 0.18 respectively. At the same time the co-efficient of variation of profit and loss of the same branches were 374.60, -95.18, 364.09 and 1125.76 respectively. The average profit was held all the three branches except Nazirpur branch. The average growth rates of profit were negative in Nazirpur, Walia and Kafuria branch.

6.3 Micro-credit Activities of BRAC in Natore District

Table-6.2.1

Coverage of Members of the Selected Area Offices of BRAC of Natore District

Year	Singra	Growth rate	Gurudaspur	Growth rate	Bonpara	Growth rate	Hoybatpur	Growth rate
1999	1445	-	4517	-	4225	-	3553	-
2000	4493	210.93	4224	-6.49	4381	3.69	3612	1.66
2001	4625	2.94	3701	-12.38	4553	3.93	3873	7.23
2002	4848	4.82	3895	5.24	4847	6.46	4148	7.10
2003	5518	13.82	4757	22.13	6507	34.25	5029	21.24
2004	5826	5.58	5625	18.25	7697	18.29	5568	10.72
2005	6682	14.69	5815	3.38	7861	2.13	5964	7.11
Mean	4776.71	42.13	4647.71	5.02	5724.43	11.46	4535.29	9.18
SD	1657.79	82.84	815.38	13.46	1594.97	12.61	979.58	6.58
CV	34.71	196.62	17.54	268.02	27.86	110.06	21.60	71.75

Source: Area Office Level Survey Data.

Table-6.2.1 shows the number of members of the selected area offices of BRAC working in Natore district during 1999 to 2005. The average number of members of Singra, Gurudaspur, Bonpara and Hoybatpur area offices were 4776.71, 4647.71, 5724.43 and 4535.29 respectively and the average growth rates of members of these area offices were 42.13 percent, 5.02 percent, 11.46 percent and 9.18 percent respectively. The coefficient of variation of members of the sample area offices were 34.71, 17.54, 27.86 and 21.60 respectively. At the same time the standard deviation of member of the same area offices were 1657.79, 815.38, 1594.97 and 979.58 respectively. From the Table it is seen that the total number of members and growth rates of members of these area offices are indicating increasing trends of members during the study period in all the area offices. It is also seen from the Table-6.1.1 and 6.2.1 that the coverage of members are higher for the mentioned area offices of BRAC than the sample branches of GB.

Table-6.2.2

Coverage of Borrowers of the Selected Area Offices of BRAC of Natore District

Year	Singra	Growth rate	Gurudaspur	Growth rate	Bonpara	Growth rate	Hoybatpur	Growth rate
1999	3523	-	3385	-	3587	-	2835	-
2000	3772	7.07	3253	-3.90	3638	1.42	3007	6.07
2001	3915	3.79	2987	-8.18	3823	5.09	3176	5.62
2002	4027	2.86	3207	7.37	4007	4.81	3395	6.90
2003	3810	-5.39	4215	31.43	5454	36.11	3984	17.35
2004	4362	14.49	5068	20.24	6551	20.11	4469	12.17
2005	4356	-0.14	4531	-10.60	5918	-9.66	4232	-5.30
Mean	3966.43	3.78	3806.57	6.06	4711.14	9.65	3585.43	7.13
SD	309.15	6.72	795.63	16.89	1231.08	16.09	640.21	7.59
CV	7.79	177.74	20.90	278.64	26.13	166.80	17.86	106.37

Source: Area Office Level Survey Data.

Table-6.2.2 shows the number of borrowers of the selected area offices of BRAC working in Natore district during 1999 to 2005. The average number of borrowers during the study period of Singra, Gurudaspur, Bonpara and Hoybatpur area offices were 3966.43, 3806.57, 4711.14 and 3585.43 respectively and the average growth rates of borrowers of these area offices were 3.78 percent, 6.06 percent, 9.65 percent and 7.13 percent respectively. The standard deviation of borrowers of the selected area offices were 309.15, 795.63, 1231.08 and 640.21 respectively. The co-efficient of variation of borrowers of the same area offices were 7.79, 20.90, 26.13 and 17.86 respectively. The total number of borrowers and growth rates of borrowers are indicating increasing trends during the study period in all the area offices. The average number of borrowers is highest in Bonpara area office among the selected area offices. It is also seen from the Table-6.1.2 and 6.2.2 that the number of borrowers are more in the selected area offices of BRAC than the selected branches of GB. The total number of borrowers decreased in 2005 from the preceding year 2004. The growth rates of borrowers were negative in 2005 in all the area offices. The researcher tried to find out the causes of decrease from the officials, but the area offices level worker could not inform about the actual causes.

Table-6.2.3

Micro-credit Disbursement of the Selected Area Offices of BRAC of Natore District

(Tk. In million)

Year	Singra	Growth rate	Gurudaspur	Growth rate	Bonpara	Growth rate	Hoybatpur	Growth rate
1999	20.50	-	13.42	-	23.30	-	18.71	-
2000	20.72	1.07	11.89	-11.40	22.32	-4.21	17.21	-8.02
2001	19.11	-7.77	9.29	-21.87	19.93	-10.71	15.80	-8.19
2002	21.37	11.83	9.92	6.78	21.90	9.88	16.16	2.28
2003	21.05	-1.50	15.28	54.03	30.21	37.95	23.47	45.24
2004	18.36	-12.78	17.39	13.81	29.89	-1.06	21.13	-9.97
2005	23.32	27.02	19.53	12.31	19.02	-36.37	19.22	-9.04
Mean	20.63	2.98	13.82	8.94	23.80	-0.75	18.81	2.05
SD	1.60	14.45	3.81	26.21	4.51	24.45	2.77	21.63
CV	7.78	485.12	27.57	293.11	18.95	-3253.38	14.70	1055.50

Source: Area Office Level Survey Data.

Micro-credit disbursement of the selected area offices of BRAC working in Natore district during 1999 to 2005 has been shown in table 6.2.3. The averages of micro-credit disbursement of Singra, Gurudaspur, Bonpara and Hoybatpur area offices of BRAC were Tk.20.63 million, Tk.13.83 million, Tk.23.80 million and Tk.18.81 million respectively and the averages of growth rates of micro-credit disbursement were 2.98 percent, 8.94 percent, -0.75 percent and 2.05 percent respectively. The coefficient of variation of micro-credit disbursement of the sample area offices were 7.78, 27.57, 18.95 and 14.70 respectively and the coefficient of variation of growth rates of micro-credit disbursement were 485.12, 293.11, -3253.38 and 1055.50 respectively. The standard deviation of micro-credit disbursement of the selected area offices were 1.60, 3.81, 4.51 and 2.77 respectively. It is seen from the Table-6.2.3 that the disbursement of credit fluctuates in all the area offices during the study period. The area office level officials could not inform the researcher the actual causes for fluctuations of credit disbursement.

Table-6.2.4

Micro-credit Recovery of the Selected Area Offices of BRAC of Natore District

(Tk. In million)

Year	Singra	Growth rate	Gurudaspur	Growth rate	Bonpara	Growth rate	Hoybatpur	Growth rate
1999	18.65	-	15.82	-	20.05	-	15.31	-
2000	19.29	3.43	14.96	-5.44	20.23	0.90	15.41	0.65
2001	19.45	0.83	13.49	-9.83	20.59	1.78	15.48	0.45
2002	19.88	2.21	13.61	0.89	20.93	1.65	15.61	0.84
2003	18.53	-6.79	16.51	21.31	26.11	24.75	18.47	18.32
2004	18.91	2.05	19.58	18.59	27.75	6.28	18.39	-0.43
2005	23.06	21.95	21.67	10.67	23.74	-14.45	18.27	-0.65
Mean	19.68	3.95	16.52	6.03	22.77	3.48	16.71	3.20
SD	1.56	9.55	3.07	12.82	3.13	12.61	1.57	7.43
CV	7.94	241.96	18.57	212.52	13.76	361.77	9.38	232.51

Source: Area Office Level Survey Data.

Recovery of micro-credit of the selected area offices of BRAC of Natore district during 1999 to 2005 has been shown in the Table-6.2.4. The average micro-credit recovery during the study period of Singra, Gurudaspur, Bonpara and Hoybatpur area offices were Tk.19.68 million, Tk.16.52 million, Tk.22.77 million and Tk.16.71 million respectively and the average growth rates of micro-credit recovery were 3.95 percent, 6.03 percent, 3.48 percent and 3.20 percent respectively. The standard deviation of growth rates of credit recovery of the selected area offices of BRAC were 9.55, 12.82, 12.61 and 7.43 respectively. The coefficient of variation of growth rates of credit recovery of the same area offices of BRAC were 241.96, 212.52, 361.77 and 232.51 respectively. Like the disbursement of credit, the recovery pattern of the selected area offices fluctuated over the study period. It is seen from the table that the recovery position of Bonpara area office is higher among the sample area offices working in Natore district.

Table-6.2.5

Micro-credit Outstanding of the Selected Area Offices of BRAC of Natore District

(Tk. In million)

Year	Singra	Growth rate	Gurudaspur	Growth rate	Bonpara	Growth rate	Hoybatpur	Growth rate
1999	11.51		11.00		12.38		9.45	
2000	11.91	3.48	9.23	-16.09	12.49	0.89	9.51	0.63
2001	12.01	0.84	8.33	-9.75	12.71	1.76	9.56	0.53
2002	12.27	2.16	8.40	0.84	12.92	1.65	9.64	0.84
2003	11.44	-6.76	10.19	21.31	16.12	24.77	11.40	18.26
2004	11.67	2.01	12.15	19.23	17.13	6.27	11.35	-0.44
2005	14.23	21.94	13.38	10.12	14.65	-14.48	11.28	-0.62
Mean	12.15	3.94	10.38	4.28	14.06	3.48	10.31	3.20
SD	0.96	9.54	1.91	15.31	1.93	12.62	0.97	7.40
CV	7.93	241.93	18.44	357.82	13.75	363.05	9.37	231.28

Source: Area Office Level Survey Data.

Table-6.2.5 shows the status of credit outstanding of the selected area offices of BRAC working in Natore district during 1999 to 2005. The averages of credit outstanding of Singra, Gurudaspur, Bonpara and Hoybatpur area offices were Tk.12.15 million, Tk.10.38 million, Tk.14.06 million and Tk.10.31 million respectively and the average growth rates of credit outstanding of these sample area offices were 3.94 percent, 4.28 percent, 3.48 percent and 3.20 percent respectively. The standard deviations of credit outstanding of the sample area offices were 0.96, 1.91, 1.93 and 0.97 respectively and the standard deviations of growth rates of credit outstanding were 9.54, 15.31, 12.62 and 7.40 respectively. The co-efficient of variation of micro-credit outstanding of the same area offices were 7.93, 18.44, 13.75 and 9.37 respectively. It is seen from the Table-6.2.5 that the amounts of credit outstanding are fluctuating over the years. The outstanding of credit is showing increasing trends for Singra and Gurudaspur area offices than Bonpara and Hoybatpur area office.

Table-6.2.6

Savings Made by the Members of the Selected Area Offices of BRAC of Natore District

(Tk. in million)

Year	Singra	Growth rate	Gurudaspur	Growth rate	Bonpara	Growth rate	Hoybatpur	Growth rate
1999	2.58	-	1.56	-	2.78	-	1.95	-
2000	2.70	4.65	1.69	8.33	2.85	2.52	1.99	2.05
2001	2.82	4.44	1.79	5.92	2.93	2.81	2.09	5.03
2002	3.03	7.45	1.93	7.82	3.28	11.95	2.38	13.88
2003	2.67	-11.88	2.09	8.29	3.56	8.54	2.78	16.81
2004	3.16	18.35	2.69	28.71	4.02	12.92	2.84	2.16
2005	4.37	38.29	3.25	20.82	2.92	-27.36	2.78	-2.11
Mean	3.05	10.22	2.14	13.31	3.19	1.89	2.40	6.30
SD	0.62	16.82	0.61	9.25	0.46	14.99	0.40	7.42
CV	20.30	164.63	28.53	69.51	14.35	791.53	16.57	117.79

Source: Area Office Level Survey Data.

Table-6.2.6 shows the amount of member's savings of the sample area offices of BRAC during 1999 to 2005. The average amount of members savings of Singra, Gurudaspur, Bonpara and Hoybatpur area offices were Tk.3.05 million, Tk.2.14 million, Tk.3.19 million and Tk.2.40 million respectively and the average of growth rates of members savings during the same period were 10.22 percent, 13.31 percent, 1.89 percent and 6.30 percent respectively. The coefficient of variations of members savings were 20.30, 28.53, 14.35 and 16.57 respectively and coefficient of growth rates of members' savings were 164.63, 69.51, 791.53 and 117.79 respectively. The standard deviation of savings made by the borrowers of the selected area offices of BRAC were 0.62, 0.61, 0.46 and 0.40 respectively. Savings mobilization of the members is also an integral part of micro-credit disbursement of BRAC like GB. Borrowers' savings act as the vital source of financing for both these institutions. It is seen that during study period the mean amount of savings is highest for Bonpara area office and lowest for Gurudaspur area office.

Table-6.2.7

Income Status of the Selected Area Offices of BRAC of Natore District

(Tk. in million)

Year	Singra	Growth rate	Gurudaspur	Growth rate	Bonpara	Growth rate	Hoybatpur	Growth rate
1999	2.99		1.57		3.49		2.47	
2000	3.03	1.34	1.62	3.18	3.57	2.29	2.4	-2.83
2001	3.19	5.28	1.63	0.62	3.70	3.64	2.5	4.17
2002	3.51	10.03	1.57	-3.68	3.59	-2.97	2.52	0.80
2003	3.24	-7.69	1.84	17.20	4.03	12.26	3.03	20.24
2004	2.98	-8.02	2.38	29.35	4.55	12.90	3.21	5.94
2005	3.45	15.77	2.94	23.53	4.06	-10.77	3.25	1.25
Mean	3.20	2.78	1.94	11.70	3.86	2.89	2.77	4.93
SD	0.22	9.55	0.53	13.52	0.38	9.05	0.38	8.09
CV	6.77	343.06	27.30	115.53	9.84	313.08	13.63	164.12

Source: Area Office Level Survey Data.

Table-6.2.7 shows the income status of the selected area offices of BRAC of Natore district during 1999 to 2005. The average income of Singra, Gurudaspur, Bonpara and Hoybatpur area office during the study period were Tk.3.20 million, Tk.1.94 million, Tk.3.86 million and Tk.2.77 million respectively and the average of growth rates of income of the selected area offices were 2.78 percent, 11.70 percent, 2.89 percent and 4.93 percent respectively. The standard deviation of income of the selected area offices of BRAC were 0.22, 0.53, 0.38 and 0.38 respectively. At the same time the co-efficient of variation of income of the same area offices were 6.77, 27.30, 9.84 and 13.63 respectively. During the study period average highest income was held in Bonpara area office and lowest in Gurudaspur area office.

Table-6.2.8

Expenditure Status of the Selected Area Offices of BRAC of Natore District

(Tk. in million)

Year	Singra	Growth rate	Gurudaspur	Growth rate	Bonpara	Growth rate	Hoybatpur	Growth rate
1999	2.63		2.01		2.84		1.84	
2000	2.72	3.42	2.13	5.97	2.91	2.46	2.00	8.70
2001	2.52	-7.35	2.22	4.23	3.17	8.93	2.27	13.50
2002	2.47	-1.98	2.2	-0.90	3.08	-2.84	2.37	4.41
2003	2.43	-1.62	2.28	3.64	2.67	-13.31	2.57	8.44
2004	2.76	13.58	2.83	24.12	4.01	50.19	2.80	8.95
2005	3.13	13.41	2.84	0.35	3.66	-8.73	2.59	-7.50
Mean	2.67	3.24	2.36	6.23	3.19	6.12	2.35	6.08
SD	0.24	8.64	0.34	9.13	0.48	22.98	0.34	7.25
CV	8.98	266.57	14.26	146.37	15.01	375.70	14.52	119.24

Source: Area Office Level Survey Data.

Total expenditure of the selected area offices of BRAC during 1999 to 2005 are shown in Table-6.2.8. The averages expenditure of Singra, Gurudaspur, Bonpara and Hoybatpur area offices were Tk.2.67 million, Tk.2.36 million, Tk.3.19 million and Tk.2.35 million respectively and the average growth rates of expenditure were 3.24 percent, 6.23 percent, 6.12 percent and 6.08 percent respectively. The standard deviation of expenditure of the selected area offices of BRAC were 0.24, 0.34, 0.48 and 0.34 respective. The co-efficient of variation of the same area offices were 8.98, 14.26, 15.01 and 14.52 respectively. The average highest expenses were held in Bonpara area office and the lowest expenses held in Hoybatpur area office, but average growth rate of expenses was highest in Gurudaspur area office. It is seen from the statistics that the trend of expenses are fluctuating in all the area offices during the study period.

Table-6.2.9

Status of Profit and Loss of the Selected Area Offices of BRAC of Natore District

Year	Singra	Growth rate	Gurudaspur	Growth rate	Bonpara	Growth rate	Hoybatpur	Growth rate
1999	0.36		-0.44		0.65		0.63	
2000	0.31	-13.89	-0.51	15.91	0.66	1.54	0.40	-36.51
2001	0.67	116.13	-0.59	15.69	0.53	-19.70	0.23	-42.50
2002	1.04	55.22	-0.63	6.78	0.51	-3.77	0.15	-34.78
2003	0.81	-22.12	-0.44	-30.16	1.36	166.67	0.46	206.67
2004	0.22	-72.84	-0.45	2.27	0.54	-60.29	0.41	-10.87
2005	0.32	45.45	0.10	-122.22	0.40	-25.93	0.66	60.98
Mean	0.53	17.99	-0.42	-18.62	0.66	9.75	0.42	23.83
SD	0.31	67.30	0.24	53.51	0.32	79.90	0.19	97.46
CV	58.12	374.02	-57.37	-287.35	48.05	819.27	44.84	408.96

Source: Area Office Level Survey Data.

Table-6.2.9 shows the status of profit / loss of the selected area offices of BRAC working in Natore district during 1999 to 2005. The averages of profit/loss of Singra, Gurudaspur, Bonpara and Hoybatpur area offices during the study period were Tk.0.53 million, Tk.-0.42 million, Tk.0.66 million and Tk.0.42 million respectively and the average of growth rates of profit / loss of the same area offices and same period were 17.99 percent, -18.62 percent, 9.75 percent and 23.83 percent respectively. The standard deviation of profit and loss of the selected area offices of BRAC were 0.31, 0.24, 0.32 and 0.19 respectively and the co-efficient of variation of profit and loss of these same area offices were 58.12, -57.37, 48.05 and 44.84 respectively. The average profit was held in all of the selected area offices except Gurudaspur area office and the average growth rates of profit were negative in the same area office.

6.4 Conclusion

Selected branch and area office level rural financing program of GB and BRAC has been analyzed in this chapter of the study. From the study of branch and area office level analysis, it has been found that the performance of the Walia branch of GB is better than other three and Bonpara area office of BRAC is better than other three area offices. Average members of the Walia branch were highest and it was lowest in Hatiandah branch. On the other hand, average members were highest in Bonpara area office and lowest in Hoybatpur area office. Average disbursement of loan, recovery of loan was held better in Kafuria branch of GB and Bonpara area office of BRAC i.e. performance of all branches and area offices are not equal. Average profit was earned by all the selected branches of GB except Nazipur branch. On the other hand, average profit was earned by all the selected area offices of BRAC.

Chapter Seven

EVALUATION OF SOCIO-ECONOMIC CONDITION OF THE BORROWERS OF GB AND BRAC

7.1 Analysis of Personal Profiles of the Respondents of GB and BRAC

7.1.1. Introduction

An attempt has been made to analyze the individual profiles of the borrowers before and after joining the Grameen Bank (GB) and Bangladesh Rural Advancement Committee (BRAC). In that pursuit, the primary data have been used.

7.1.2 Gender of the Respondents: All the interviewed borrowers for this study were women, because among the selected branches of GB and area offices of BRAC only one area office has few male members and there are no male members or borrowers in other selected branches and area offices. There were some methodological limitations of the study also. So the researcher selected only women member for interview.

7.1.3 Age Structure of the Respondents: Age of a person is an important determinant of the ability to perform a job. A young person can better apply his or her eagerness, dedication, consciousness and motivation towards achieving a target successfully than old one. Due to acute and massive malnutrition, very few of the total female labour force can apply their full potentiality in earning process after 40 years in a poor country like Bangladesh. So age structure of the borrowers is very important in the context of their ability to get free from poverty and create self employment. The age structure of the selected borrowers of GB and BRAC in this study is shown in following Table.

Table - 7.1
Age Structure of the Respondents of GB & BRAC

Name of Organization	GB		BRAC	
Age	No. of Respondents	Percent	No. of Respondents	Percent
20 & less	16	4.0	13	3.3
21-30	66	16.5	126	31.5
31-40	137	34.3	118	29.5
41-50	151	37.8	74	18.5
51 & above	30	7.5	69	17.3
Total	400	100.0	400	100.0
Mean	39.94		39.34	
SD	10.76		12.77	
CV	26.95		32.45	

Source: Field Survey.

Age of the sample borrowers of GB and BRAC has been shown in Table-7.1, it is found that 4.0% of the GB borrowers are up to 20 years of age, 16.5% are between 21-30 years age, 34.3%, 37.8% and 7.5% are staying between 31-40 years, 41-50 years, 51 and above years of age group respectively. At the same time 3.3% of the BRAC borrowers are up to 20 years of age, 31.5% are between 21-30 years of age, 29.5%, 18.5% and 17.3% are staying between 31-40 years, 41-50 years and 51 and above years of age group respectively. From the Table, the age structures of the selected borrowers are seen that 54.8% of the GB borrowers are less than 41 years of age, where this position of BRAC borrowers is 64.3%. It is also seen from the above Table that among the GB borrowers 50.8% lies between the age group of 21-40 years. On the other hand this position for the BRAC borrowers is 61%. Coefficient of variation of these two organizations is 26.95 and 32.45 respectively. So it can be stated that though the mean age of the borrowers of these two organizations are almost same but the BRAC selecting the most potential age group than GB.

7.1.4 Marital status of the Respondents: Marital status of the sample borrowers have been shown in the following Table.

Table-7.2
Marital Status of the Respondents

Name of organization	GB		BRAC	
Marital Status	No. of Respondents	Percent	No. of Respondents	Percent
Married	310	77.50	326	81.50
Unmarried	26	6.50	16	4.00
Widow	32	8.00	27	6.75
Divorced	20	5.00	10	2.50
Separated	12	3.00	21	5.25
Total	400	100.00	400	100.00

Source: Field Survey.

From the Table-7.2 it is seen that 77.50% of the GB borrowers are married, 6.5% borrowers are unmarried, 8.00%, 5.0% and 3.00% are widow, divorcee and separated respectively. While 8.150%, 4.00%, 6.75%, 2.50% and 5.25% of the BRAC borrowers are married, unmarried, widow, divorcee and separated respectively. It can be stated that though GB and BRAC both organizations prefer married women for their borrowers, but BRAC preferred it more than GB.

7.1.5 Educational Status of the Respondents: Educational status of the sample borrowers has been seen in Table-7.3. Education is a very important factor for every borrower to achieve and choose better investment alternatives available in the rural areas in Bangladesh, which the borrower can invest properly.

Table-7.3
Educational Status of the Respondents

Name of Organization	GB				BRAC			
Level of Education	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent
Illiterate	-	-	213	53.25	-	-	146	36.50
Can sign only	289	69.75	66	16.50	256	64.00	110	27.50
Primary level	73	18.25	73	18.25	87	21.75	87	21.75
Up to Class eight	48	12.00	48	12.00	57	14.25	57	14.25
Total	400	100.00	400	100.00	400	100.00	400	100.00
X ² value	344.504				204.240			
df	3	Sig.	.000		df.	3	Sig.	.000

Source: Field Survey.

X² value present vs before.

From the Table-7.3 it is seen that before enrollment 53.25% of the GB borrowers were completely illiterate, 16.50% borrowers could put signature only, 18.25% completed primary level and 12.00% completed up to class eight. While among the BRAC borrowers these position were 36.50%, 27.50%, 21.75% and 14.25% respectively. During survey the educational status of the GB borrowers were 00.00%, 69.75%, 18.25% and 12.00% respectively were illiterate, can sign only, up to class five and up to class eight, on the hand among the BRAC borrowers these position were 00%, 64%, 21.75% and 14.25% respectively. From the above Table, it can be stated that there is an association between participation with GB and BRAC and change of educational status of the sample borrowers of the said organizations. Further more it is worthwhile to mention that during the selection, most of the GB borrowers were illiterate than BRAC. So it can be stated that GB preferred the illiterate people than BRAC as their member.

7.1.6 Occupation of the Respondents: Occupational status of the respondents is shown in Table-7.4.

Table-7.4
Status of Occupation of the Respondents

Name of organization	GB				BRAC			
Occupation	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent
Household worker	274	68.50	290	72.50	242	60.50	247	61.75
House wife & Poultry farming	14	3.50	4	1.00	6	1.50	3	0.75
House wife & Goat rearing	8	2.00	8	2.00	3	0.75	7	1.75
House wife & Cow rearing	-	-			8	2.00	18	4.50
House wife & Small shop	13	3.25	6	1.50	12	3.00	3	0.75
House wife & Hawkey	2	0.50	2	0.50	3	0.75	4	1.00
House wife & Agriculture Cultivation	-	-			6	1.50	9	2.25
House wife & Daily labour	10	2.50	6	1.50	16	4.00	13	3.25
House wife & Maid servant	52	13.00	68	17.00	17	4.25	18	4.50
House wife & Net Weaving	6	1.50	4	1.00	21	5.25	31	7.75
Not applicable	-	-			10	2.50	7	1.75
Others	21	5.25	12	3.00	56	14.00	40	10.00
Total	400	100.00	400	100.00	400	100.00	400	100.00
X ² value	14.576				21.909			
df	8		Sig.	.068	df	12	Sig.	.039

Source: Field Survey.

X² value present vs before.

Table-7.4 shows that during survey 68.50% of the sample borrowers of GB were not engaged in any economic or commercial activities and only 31.5% of the borrowers were engaged in economic activities i.e., income generating activities besides household works. Before enrollment this position was 72.50% and 27.50% respectively. While during survey 60.50% of the BRAC borrowers were household worker and 37.75% of the borrowers were engaged in economic activities and before enrollment this position was 61.75% and 36.5% respectively. From the Table it has been found that though there is an association between change in occupation before and after joining in micro credit program of GB and BRAC, but the micro-credit program of GB and BRAC is not successful to create job for the women borrowers. Only 4 percent of GB borrowers and

1.25 percent of BRAC borrowers entered into the earning process during the period of using of GB and BRAC loan respectively. As because most of the borrowers did not use the borrowed money by them selves and can't use loan properly in mentioned field during the time of taking loan which has been discussed in details in Table 7.33 and 7.34.

7.1.7 Average Monthly Income Status of the Respondents: The average monthly income of the sample borrowers before and after joining in GB and BRAC are shown in Table-7.5.

Table-7.5
Monthly Income Status of the Respondents

Name of organization	GB				BRAC			
Monthly Income (in Tk.)	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent
No income	172	43.00	174	43.50	193	48.25	200	50.00
Up to 500	81	20.25	149	37.25	28	7.00	34	8.50
501-1000	94	23.50	53	13.25	88	22.00	71	17.75
1001-1500	31	7.75	24	6.00	37	9.25	44	11.00
1501 & above	22	5.50	-	-	54	13.50	51	12.75
Total	400	100.00	400	100.00	400	100.00	400	100.00
Mean	526.93		420.98		1109.38		776.38	
SD	888.77		957.63		2903.77		2383.97	
CV	168.67		227.48		261.75		307.06	
t-value	1.6219				1.7727			
Table value	1.9629				1.9629			

Source: Field Survey.

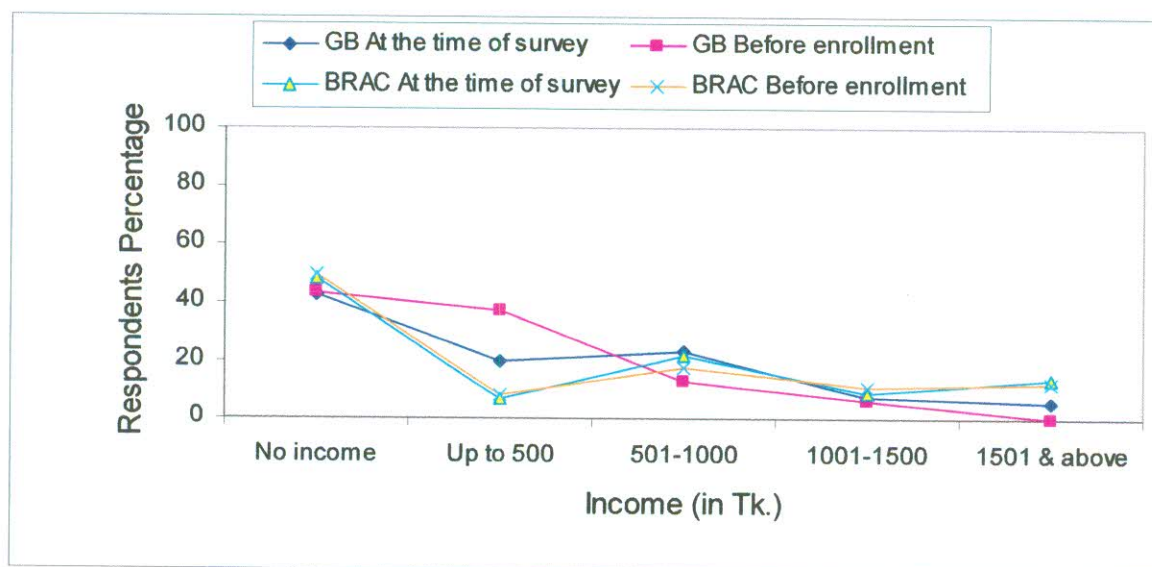
* 5% level of significance; t-value present vs before.

Table-7.5 shows that during survey 43% of the total respondents of GB do not earn any income, the rest 57% earn some income, while this position of the borrowers of BRAC are 48.85% and 51.75% respectively. Before joining in GB 43.5% of the total borrowers did not earn any income and 50% of the total BRAC borrowers did not earn any income. It is clearly seen that only 0.5% and 1.75% of the total borrowers of GB and BRAC respectively entered into the earning process during the borrowing period. From the chart 7.1 it is seen that the income level of those borrowers of GB increased whose income were more than Tk. 500. On the other hand among the BRAC borrowers the

income level of those borrowers increased who lies in between the income group of Tk. 501 to Tk. 1000. So the statistics implies that though the mean income of the borrowers of GB and BRAC has been increased, but it is not statistically significant. As because after receiving loan, only 12% and 27% of the GB and BRAC borrowers respectively used their borrowed money by themselves. As a result, they can't be self employed to earn money through GB and BRAC loan.

Chart-7.1

Monthly Income Level of the Respondents



7.2 Household Profiles of the Respondents

7.2.1 Introduction: The structure of most of the rural families in Bangladesh play very important role in their socio-economic condition. In this section we have attempted to examine the overall socio-economic conditions prevailing in the households of the sample borrowers. We have also examined, whether the micro-credit of GB and BRAC actually and effectively reached to the households of poor borrowers. It is one of our hypotheses also.

7.2.2 Distribution of Households by Family Type: Types of family of the respondents is an important factor in micro level decision making. According to the nature of the formation of the family of our sample borrowers, we have categorised them into two categories: (a) single family which consists of husband, wife and unmarried children and

(b) joint family where more than one single family exist or permanent existence of other relatives like father, mother, brother etc. are found along with the single family.

Table-7.6
Distribution of Households by Family Type

Name of Organization	GB		BRAC	
Family type	No. of Respondents	Percent	No. of Respondents	Percent
Single	303	75.75	271	67.75
Joint	97	24.25	129	32.25
Total	400	100.00	400	100.00

Source: Field Survey.

Status of family type of the respondent family of GB and BRAC are seen in Table-7.6. It is seen from the Table that 75.75% and 67.75% families of the selected borrowers' families of GB and BRAC respectively are single, and remaining 24.25% and 32.25% of the respective borrower's families of GB and BRAC are joint. The domination of the single type family is the indication of favourable condition for the borrowers to take decision at household level for the proper and optimum use of credit. It is worthwhile to mention that though both organizations preferred the borrowers of single family, but GB preferred it more than BRAC.

7.2.3 Status of Family Member of the Respondents Family: The size of family has multiple effects on the socio-economic positions of the borrowers. A small family can save more out of increased income. On the other hand a large family has more labourers to earn income by engaging different types of activities with or without credit support in the rural areas in Bangladesh and it enhances the borrowers' capability to repay weekly installments of loan. The status of family member of the respondent family has been shown in Table-7.7.

Table-7.7
Status of Family Member of the Respondents Family

Name of organization	GB		BRAC	
Number of family member	No. of Respondents	Percent	No. of Respondents	Percent
Only 1	5	1.25	7	1.75
2-4	172	43.00	194	48.50
5-7	171	42.75	146	36.50
8-10	22	5.50	38	9.50
11 & above	30	7.50	15	3.75
Total	400	100.00	400	100.00
Mean	5.44		5.18	
SD	2.35		2.59	
CV	43.27		50.02	

Source: Field Survey.

Table-7.7 shows that 43% of the respondent family of GB consist 2-4 members group and only 1.25% family consist only one member. 42.75%, 5.5% and 7.5% respondent family of GB consists 5-7 members group, 8-10 members group and 11 & more numbers group respectively. On the other hand, among the respondents of BRAC borrower's family consist 48.5% 1.75%, 36.5%, 9.5% and 3.75% in the groups of 2-4 member group, only one member group, 5-7, 8-10, and more than 11 member groups respectively. Co-efficient of variation of family members of these organizations is 43.27 and 50.02 respectively, on the other hand the mean value of the family member of GB and BRAC is 5.44 and 5.18 respectively, which is almost same.

7.2.4 Status of Family Head of the Respondents Family: Status of family head is an important factor for better utilization of credit by the respondent. It is also important for decision making process. Husband is the main income earners in most of the rural families in Bangladesh. The status of family head has been shown in Table-7.8.

Table-7.8
Status of Family Head of the Respondents Family

Name of organization	GB		BRAC	
Head of the Family	No. of Respondents	Percent	No. of Respondents	Percent
Borrowers herself	42	10.50	70	17.50
Husband of borrowers	286	71.50	281	70.25
Son of borrowers	21	5.25	18	4.50
Father of borrowers	41	10.25	18	4.50
Brother of borrowers	10	2.50	13	3.25
Total	400	100.00	400	100.00

Source: Field Survey.

Table-7.8 shows that only 10.5% of the selected borrower's family of GB is headed by the borrowers herself and 71.5% headed by the borrowers husband. This position for the BRAC's borrower's family is 17.5% and 70.25% respectively. It is seen from the Table that though most of borrower's households of GB and BRAC headed by borrower's husband, but incase of GB borrowers households it is more compared with BRAC borrower households.

7.2.5 Age Structure of the Respondents Family Head: Age structure of the respondent family head is also another important factor. According to social norms of rural Bangladesh, mainly household head is involve with income earning process. So age of the household head is the corporate criteria for better using of credit. Age structure of the household head has been shown in Table-7.9.

Table-7.9
Age Structure of the Family Head of the Respondents Family

Name of organization	GB		BRAC	
Age	No. of Respondents	Percent	No. of Respondents	Percent
20 & less	17	4.25	8	2.00
21-30	62	15.5	68	17.00
31-40	91	22.75	159	39.75
41-50	129	32.25	71	17.75
51-60	66	16.5	54	13.50
61 & above	35	8.75	40	10.00
Total	400	100	400	100.00

Source: Field Survey.

Table-7.9 shows that 32.25% of the respondents' household head of GB borrowers household consists in 41-50 years of age group and 22.75% household heads are between 31-40 years of age group. On the other hand 17.75% and 39.75% of the respondents' household head of BRAC borrower's households consist of 41-50 and 31-40 years of age groups respectively. It is seen from the Table that most of the households' head of GB and BRAC borrowers household is in active age group, which can better use of credit. Further more it is interesting to mention that among the BRAC borrowers' households head 39.75% consist between the age group 31-40 years, which is an important indicator of better using of borrowed money by the borrower households head. On the other hand among the GB borrowers households head 32.25% consist between the age group of 41-50 years. So it can be stated from the Table that the BRAC borrowers' households head are in better age group than GB.

7.2.6 Decision Maker of the Respondents Households: The right of decision making of the borrower in household affairs is very important factor for better utilization of loan. To achieve designed results from the loan, the borrowers must have right and power to choose the field of investment or expenditure. The status of decision making power of the household of the respondents is shown in Table-7.10.

Table-7.10
Decision Maker of the Respondents Households

Name of organization	GB				BRAC			
	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent
Self by the Respondents	65	16.25	46	11.50	68	17.00	48	12.00
Jointly with the male members	42	10.50	30	7.50	77	19.25	58	14.50
Husband	260	65.00	306	76.50	219	54.75	246	61.50
Father / brother / other male members	33	8.25	18	4.50	36	9.00	48	12.00
Total	400	100.00	400	100.00	400	100.00	400	100.00

Source: Field Survey.

It is seen from the Table-7.10 that during survey 16.25% of the GB borrowers can take decision by themselves regarding household socio-economic affairs, 10.50% can share

views with the other male members of the family. Before enrollment this position was 11.50% and 7.50% respectively. On the other hand after enrollment 17% of the total BRAC borrowers can take decision by themselves regarding household affairs, and 19.25% can share views with the other male members of the family. Before enrollment in BRAC this position was 12% and 14.50% respectively. The domination of the male members over the household affairs in both before and after the respondents joining in GB and BRAC (65%, 76.5% and 54.75%, 61.5%) indicates that the impact of GB and BRAC programs on borrowers regarding decision making is merely successful. From the Table it can be stated that though the male member of the borrower households of GB and BRAC are dominating but the BRAC members' are in better position regarding the decision-making process.

7.2.7 Distribution of Households by Number of Income Earners: Number of earning member of the respondents' family of GB and BRAC has been shown in Table-7.11.

Table-7.11

Distribution of Household by Number of Income Earners

Name of organization	GB				BRAC			
Earning member	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent
One	51	12.75	71	17.75	86	21.50	124	31.00
2	182	45.50	197	49.25	162	40.50	141	35.25
3-4	151	37.75	126	31.50	130	32.50	116	29.00
5 & more	16	4.00	6	1.50	22	5.50	19	4.75
Total	400	100.00	400	100.00	400	100.00	400	100.00
Mean	1.53		1.31		1.54		1.37	
SD	1.14		1.00		1.45		1.45	
CV	74.30		76.99		94.07		106.16	

Source: Field Survey.

It is seen from the Table-7.11 that at the time of survey 4%, 37.75%, 45.50% and 12.75% of the respondent's family of GB have more than five, three to four, two and one earning member. Before enrollment this percentage was 1.5%, 31.50%, 49.25% and 17.75% respectively. On the other hand, during survey 5.5%, 32.50%, 40.50% and 21.50% of the BRAC borrower's households have more than five, three to four, two and one earning member. Before enrollment this percentage was 4.75%, 29%, 35.25% and 31% respectively. Co-efficient of variation of number of earning member of this two

organizations before and after joining were 76.99, 74.30, 106.16 and 94.07 respectively. It is seen from the Table that during the period of using the GB and BRAC loan the number of earning member has been increased significantly.

7.2.8 Status of Occupation of the Respondents Husband: To assess the socio-economic strength of the respondent's households, the occupation status of the respondent's husband is very important. We have seen the occupational status of the respondent husband occupation. The occupation status of the respondent's husband has been shown in Table-7.12.

Table-7.12
Status of Occupation of the Respondents Husband

Name of organization	GB				BRAC			
	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
Occupation	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent
Don't work	15	4.84	12	3.87	24	7.36	15	4.60
House hold worker	12	3.87	15	4.84	10	3.07	7	2.15
Poultry rearing	-	-	-	-	4	1.23	3	0.92
Goat rearing	-	-	-	-	-	-	4	1.23
Cow rearing	-	-	-	-	3	0.92	3	0.92
Small trade	29	9.35	28	9.03	35	10.74	46	14.11
Agriculture	34	10.97	48	15.48	49	15.03	36	11.04
Daily labour	106	34.19	150	48.39	30	9.20	50	15.34
Rickshaw/Van puller	70	22.58	25	8.06	34	10.43	21	6.44
Hawkey	18	5.81	5	1.61	22	6.75	25	7.67
Service	10	3.23	8	2.58	19	5.83	22	6.75
Others	16	5.16	19	6.13	96	29.45	94	28.83
Total	310	100.00	310	100.00	326	100.00	326	100.00
X ² -value	39.780				18.736			
df	8	Sig.	.000		df	11	. Sig.	066

Source: Field Survey.

X² value present vs before.

Table-7.12 shows that at present 34.19% of the GB borrower's husband is daily labour 22.58%, 10.97%, 9.35% and 5.81% of the respondents' husband are engaged with rickshaw or van pulling, agriculture cultivation, small trade and hawkery respectively. Before enrollment this position was 48.39%, 8.06%, 15.48%, 9.03% and 1.61% respectively. 4.84% of the GB borrower's husband is not engaged in any income earning activities. On the other hand 9.2%, 10.43%, 15.03%, 10.74% and 6.75% of the BRAC's

borrowers husband engaged in daily labour, rickshaw/van puller, agriculture cultivation, small trade and hawkery respectively. Before enrollment this position were 15.34%, 6.44%, 11.04%, 14.11% and 7.67 percent respectively, 7.36% of the respondent's husband are not engaged in any income earning activities. It is seen from the statistics that, after joining in GB and BRAC, the occupation of the respondents' husband has changed significantly. It is also observed that there is an association between the participation of respondents with GB and BRAC and change in occupation of the respondents' husband.

7.2.9 Monthly Income Status of the Respondent's Husband: Monthly income status of the respondent's husband before and after joining in GB and BRAC are shown in Table-7.13.

Table-7.13
Monthly Income Status of the Respondents Husband

Name of organization	GB				BRAC			
Monthly Income (in Tk.)	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent
No income	15	4.84	12	3.87	57	17.48	45	13.80
Up to 1000	-	-	21	6.77	-	-	21	6.44
1001-1500	116	37.42	205	66.13	68	20.86	93	28.53
1501-2000	49	15.80	16	5.16	25	7.67	35	10.74
2001-2500	64	20.65	30	9.68	56	17.18	42	12.88
2501-3000	40	12.90	6	1.94	67	20.55	52	15.95
3001 & above	26	8.39	20	6.45	53	16.26	38	11.66
Total	310	100	310	100	326	100.00	326	100.00
Mean	2,100.0		1,625.48		2436.50		2051.23	
SD	1106.07		1061.71		2049.23		1624.40	
CV	52.67		65.32		84.11		79.19	
t-value	6.1900				2.9467			
Table value	1.9638				1.9636			

Source: Field Survey.

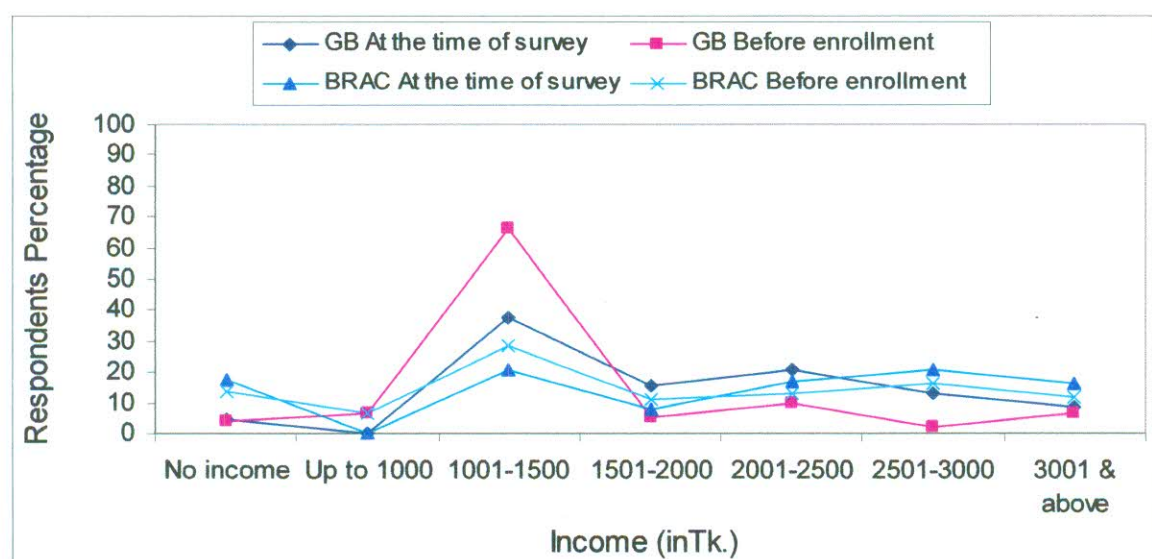
* 5% level of significance; t-value present vs before.

It is seen from the Table-7.13 that during survey 37.42% borrowers' husband of GB borrowers belong to the income group of Tk. 1001-1500. 15.80%, 20.65%, 12.90% and 8.39% husband of the selected borrowers of GB belong to the income group of Tk. 1501-2000, Tk. 2001-2500, Tk.2501-3000 and Tk.3001 & above respectively. Before enrollment in the GB this percentage for these groups were 66.13%, 5.16%, 9.68%, 1.94% and 6.45% respectively. On the other hand during survey, 20.86% borrowers

husband of BRAC borrowers belong to the income group of Tk. 1001-1500. 7.67%, 17.18%, 20.55% and 16.26% husbands of the selected borrowers of BRAC belong to the income group of Tk. 1501-2000, Tk.2001-2500, Tk.2501-3000 and Tk.3001 & above respectively. From the chart 7.2 it is seen that the income level of those borrowers' husbands of GB increased whose income were more than Tk. 1500 and the BRAC borrowers' husbands whose income were more than Tk. 2000. The mean income of the borrowers husbands of GB and BRAC have also been increased and it is higher for the BRAC borrowers' husbands. From the analysis it is seen that after using the GB's and BRAC's credit by the borrowers, the income of the borrowers' husbands' has been increased positively and it is statistically significant. It is also seen from the Table that the mean income of the BRAC borrowers' husbands are greater than the GB borrowers' husbands.

Chart-7.2

Monthly Income Level of the Respondents Husband



7.2.10 Monthly Expenditure of the Respondents Households: The monthly expenditure of the respondents' households is shown in the following Table.

Table-7.14
Monthly Expenditure of the Respondents Households

Name of organization	GB				BRAC			
Amount of expenditure (in tk.)	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent
Up to 1000	30	7.50	30	7.50	49	12.25	76	19.00
1001-1500	227	56.75	220	55.00	115	28.75	174	43.50
1501-2000	49	12.25	67	16.75	64	16.00	41	10.25
2001-2500	20	5.00	41	10.25	45	11.25	36	9.00
2501-3000	64	16.00	32	8.00	61	15.25	32	8.00
3001 & above	10	2.50	10	2.50	66	16.50	41	10.25
Total	400	100.00	400	100.00	400	100.00	400	100.00
Mean	1,841.63		1,684.50		2358.63		1941.33	
SD	924.36		712.75		1497.36		1396.80	
CV	50.19		42.31		63.48		71.95	
t-value	2.6922				4.0758			
Table value	1.9629				1.9629			

Source: Field Survey.

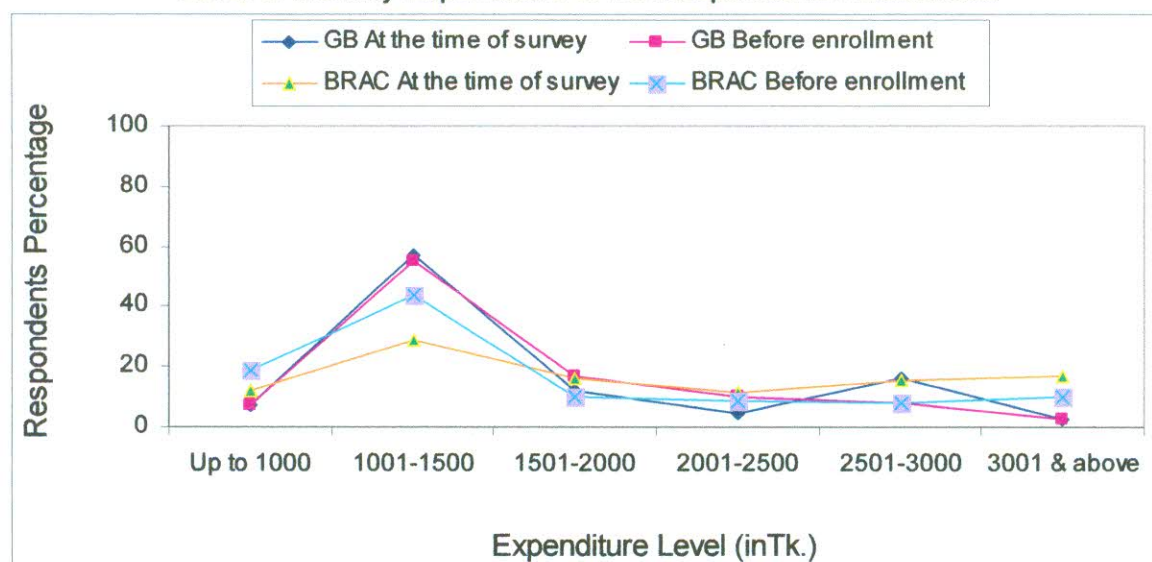
* 5% level of significance; t-value present vs before.

Table-7.14 shows that, at the time of survey 7.5, 56.75%, 12.25%, 5%, 16% and 2.5% of the respondents households of GB belong to the expenditure group up to Tk. 1000, Tk. 1001-1500, Tk. 1501-2000, Tk. 2001-2500, Tk. 2501-3000 and Tk. 3001 & above respectively. Before enrollment in the GB these percentage for the expenditure group were 7.5%, 55%, 16.75%, 10.25%, 8% and 2.5% respectively. On the other hand at the time of survey 12.25%, 28.75%, 16%, 11.25%, 15.25% and 16.5% of the respondents households of BRAC belong to the expenditure group up to Tk. 1000, Tk. 1001-1500, Tk. 1501-2000, Tk. 2001-2500, Tk. 2501-3000, and Tk. 3001 & above respectively. Before enrollment in the BRAC these percentage for these expenditure groups were 19%, 43.5%, 10.25%, 9%, 8% and 10.25% respectively. It is interesting to observe from the chart 7.3 that the expenditure level of those borrowers households of GB borrowers increased whose expenditure level were between Tk. 2501 to Tk. 3000. On the other hand expenditure level of the BRAC borrowers' households increased whose income were more than Tk. 1500. From the statistics it is seen that after joining in GB and BRAC, the household expenditure of the respondent households has increased significantly. It is also seen from the Table that the mean expenditure level of BRAC borrower households are greater than GB borrower households. The increase of expenditure for a family is an

indicator the improvement of social condition. So by considering the criteria of expenditure level it can be stated that after joining in GB and BRAC the borrowers' social condition has been improved.

Chart-7.3

Level of Monthly Expenditure of the Respondents Households



7.2.11 Status of Food Intake of the Respondents Households: Status of Food intake by the respondent's households has been shown in the Table-7.15.

Table-7.15

Food Intake Ability of the Respondents

Name of organization	GB				BRAC			
Status of Food Intake	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent
One time							3	0.75
Two times	86	21.50	93	23.25	45	11.25	75	18.75
Three times	314	78.50	307	76.75	355	88.75	322	80.50
Total	400	100.00	400	100.00	400	100.00	400	100.00
Mean	2.79		2.77		2.89		2.80	
SD	0.41		0.42		.32		.42	
CV	14.77		15.28		10.96		15.04	
t-value	0.5932				3.4199			
Table value	1.9629				1.9629			

Source: Field Survey.

* 5% level of significance; t-value present vs before.

Table-7.15 shows that 78.50% of the selected borrowers of GB take food three times per day. Before their enrollment this percentage was 76.75%. On the other hand, these percentages for the BRAC borrowers are 88.75% and 80.50% respectively. It is seen

from the Table that the food intake ability of the borrowers' of GB and BRAC has increased. But the increased in ability of food intake is not statistically significant incase of GB borrowers. The foot intake level increased more in case of BRAC borrowers' households compared with GB borrowers' households.

7.2.12 Status of Treatment Facilities Availied by the Respondents Households:

Status of treatment facilities availed by the respondent households of GB and BRAC is shown in Table-7.16.

Table-7.16
Treatment Ability of the Respondents Households.

Name of organization	GB				BRAC			
	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent
No	104	26.00	139	34.75	69	17.25	76	19.00
Yes	296	74.00	261	65.25	331	82.75	324	81.00
Total	400	100.00	400	100.00	400	100.00	400	100.00

Source: Field Survey.

Status of treatment ability of the respondents' households of GB borrowers is seen in Table-7.16. It is seen that 34.75 of the GB borrower households did not have treatment ability before joining in micro-credit program of GB. During survey this percentage was 26.00. On the other hand during survey 17.25% of the BRAC borrower households did not have treatment ability. Before enrollment this percentage was 19.00. So it is seen from the Table that the micro-credit program of GB and BRAC has a minimum impact on treatment ability of their respective borrower households.

7.3 Pattern of Assets and Liabilities of the Respondent Households of GB and BRAC: Economic condition of the borrower households before and after their joining in GB and BRAC have been shown in the following sections.

7.3.1 Cultivable Land Ownership Pattern of the Respondent Households: Both GB and BRAC claims that they consider the landless and asset less poor people of rural Bangladesh as their borrowers. The main objective of the GB and BRAC is to extend credit facilities to poor men and women in rural areas of Bangladesh for creating opportunities for self employment. Table-7.17 shows the cultivable land ownership pattern of the selected borrowers of GB and BRAC.

Table-7.17
Cultivable Land Holding Status of the Respondents Households

Name of organization	GB				BRAC			
	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent
Landless	193	48.25	148	37.00	222	55.50	217	54.25
Up to 0.10	6	1.50	52	13.00	10	2.50	14	3.50
.11-.30	54	13.50	47	11.75	35	8.75	38	9.50
.31-.50	35	8.75	42	10.50	19	4.75	13	3.25
.51-1	37	9.25	50	12.50	26	6.50	30	7.50
1.01-3	70	17.50	48	12.00	52	13.00	49	12.25
3.01 & above	5	1.25	13	3.25	36	9.00	39	9.75
Total	400	100.00	400	100.00	400	100.00	400	100.00
Mean	0.49		0.52		1.33		1.47	
SD	0.75		0.94		3.74		4.45	
CV	152.56		180.22		281.13		302.29	
t-value	-0.4811				-0.4912			
Table value	1.9629				1.9629			

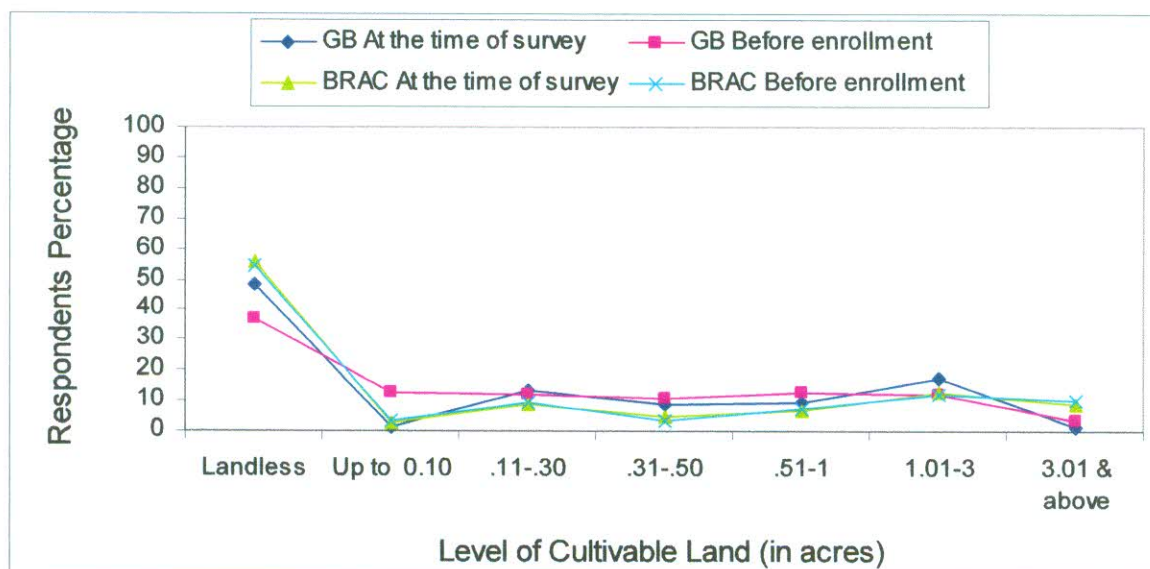
Source: Field Survey.

* 5% level of significance; t-value present vs before.

Table-7.17 shows that at the time of survey 48.25% of the GB borrower households did not have any cultivable land. Before enrollment this percentage was 37%. It is also seen from the Table that before joining in GB 13%, 11.75%, 10.50%, 12.50%, 12% and 3.25% households of the selected borrowers had 0-1, 0.11-.30, 0.31-.50, 0.51-1, 1.01-3, and 3.01 and above acres of cultivable land respectively. During survey 1.50%, 13.50%, 8.75%, 9.25%, 17.50 and 1.25% households have 0-1, 0.11-.30, 0.31-.51, 0.51-1, 1.01-3, and more than 3.01 acres of cultivable land. It is also seen from the Table that 55.50% of the selected borrower households of BRAC did not have any cultivable land, before joining in BRAC this percentage was 54.25%. 3.50%, 9.50%, 3.25%, 7.50, 12.25% and 9.75% of the BRAC borrower households owned 0-1, 0.11-.30, .31-.50, 0.51-1, 1.01-3 and 3.9 and above acres of land respectively. Before enrollment 72.25% and 71.50% of the selected borrowers of GB and BRAC respectively owned less than 0.50 acres of land. But after joining in GB and BRAC 11.25% and 1.25% of the borrower households respectively lost some of their cultivable lands. From the chart 7.4 it is seen that the cultivable land of those borrowers of GB increased who were between the groups of 0.11-0.30 acres and more than one acre of land. On the other hand, the cultivable land increase of those borrowers who lies between the groups having 0.31-0.50 acres and 1-3 acres of land. But this increase of cultivable land is not statistically significant. It is worthwhile to mention that 72.25% of the GB finance and 71.50% of the BRAC finance have reached to their target groups.

Chart-7.4

Level of Cultivable Land Owned by the Respondents Households



7.3.2 Status of Homestead Land Owned by the Respondents Households: The ownership of homestead land of the borrower households has been shown in Table-7.18.

Table-7.18

Status of Homestead Land Owned by the Respondents Households

Name of organization	GB				BRAC			
Amount of land (in acres)	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent
Landless	43	10.75	45	11.25	92	23.00	122	30.50
Up to 10	298	74.50	326	81.50	188	47.00	187	46.75
.11-.20	38	9.50	17	4.25	48	12.00	45	11.25
.21-.30	9	2.25	4	1.00	13	3.25	3	0.75
.31-.40	2	0.50	3	0.75	3	0.75	3	0.75
.41-50	7	1.75	4	1.00	36	9.00	20	5.00
.51-1.00	3	0.75	1	0.25	20	5.00	20	5.00
Total	400	100.00	400	100.00	400	100.00	400	100.00
Mean	0.08		0.07		.15		.13	
SD	0.11		0.07		.24		.23	
CV	135.31		106.88		157.47		183.94	
t-value	2.5983				1.6042			
Table value	1.9629				1.9629			

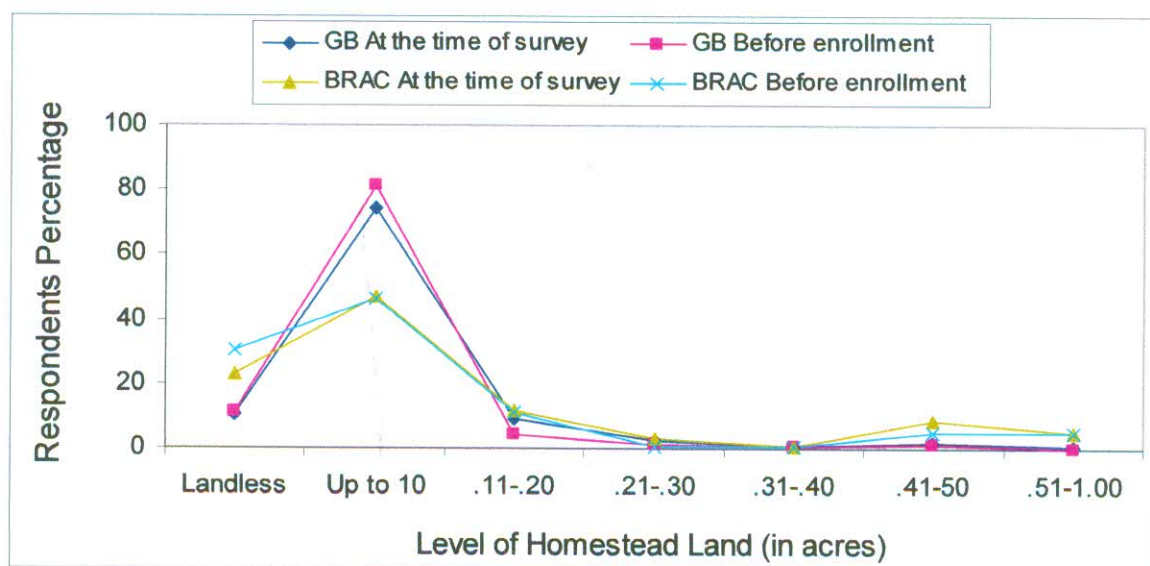
Source: Field Survey.

* 5% level of significance; t-value present vs before.

Table-7.18 shows that during the time of survey 10.75% of the GB borrowers households have no homestead, 74.50%, 9.50%, 2.25%, 0.50% 1.75% and 0.75% households have up to 0.10, 0.11-0.20, 0.21-0.30, 0.31-0.40, 0.41-0.50 and 0.51-1, acres of homestead respectively, while these position was for BRAC borrower households 23%, 47%, 12%, 3.25%, 0.75%, 9% and 5% respectively. Before their joining in the GB and BRAC these percentage were, 11.25%, 81.50%, 4.25%, 1%, 0.75%, 1%, 0.25% and 30.50%, 46.75%, 11.25%, 0.75%, 0.75%, 5%, and 5% respectively for the respective homestead group. It is also seen from the statistics that after participation in GB and BRACs' loan activities, the homestead land of their respective borrower households have been increased and incase of GB borrowers, it is statistically significant but incase of BRAC borrowers, it is not statistically significant. Chart-7.5 shows that the homestead land of those borrowers' households of GB increased more between the groups who had 0.11 to 0.30 acres of land. On the other hand homestead land of those borrowers' households of BRAC increased lies between the groups who had 0.11 to 0.30 acres and 0.41 to 0.50 acres of land. It is also seen from the Table that the mean homestead land holding status of the respondents households of BRAC are greater than GB. So it may be opined that the GB has been given more priorities to selecting the borrowers who holds minimum homestead land compared with the BRAC.

Chart-7.5

Level of Homestead Land Owned by the Respondents Households



7.3.3 Land Holding Status of the Respondents Households: The ownership pattern of land is shown in Table-7.19.

Table-7.19
Land Holding Status of the Respondents Households

Name of organization	GB				BRAC				
	At the time of survey		Before enrollment		At the time of survey		Before enrollment		
	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	
Landless	43	10.75	45	11.25	92	23.00	122	30.50	
Up to 0.10	127	31.75	132	33.00	90	22.50	75	18.75	
.11-.30	47	11.75	57	14.25	74	18.50	65	16.25	
.31-.50	55	13.75	49	12.25	16	4.00	13	3.25	
.51-1	49	12.25	52	13.00	30	7.50	30	7.50	
1.1-3	69	17.25	52	13.00	62	15.50	56	14.00	
3.1 & above	10	2.50	13	3.25	36	9.00	39	9.75	
Total	400	100.00	400	100.00	400	100.00	400	100.00	
Mean	0.56		0.59			1.48		1.60	
SD	0.77		0.96			3.94		4.64	
CV	137.36		163.69			265.80		290.17	
t-value	-0.3548				-0.3813				
Table value	1.9629				1.9629				

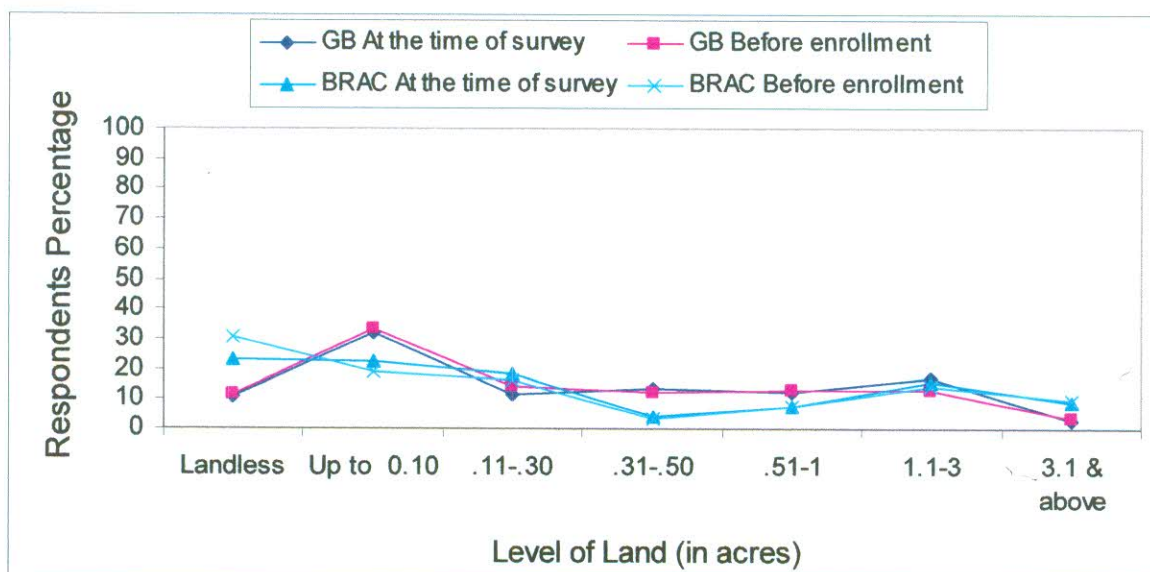
Source: Field Survey.

* 5% level of significance; t-value present vs before.

From the Table-7.19 it is seen that 10.75% and 23% respectively of the GB and BRAC borrowers' households do not have any land. Before their enrollment in these two organizations, these percentages were 11.25%, 30.50% respectively. Before enrollment 60.75% of the GB borrowers households owned up to 0.50 acres of total land. On the other hand this percentage for the BRAC borrower households was 68.75%. It is seen from the statistics that the mean value of land holding status of the borrowers' households of GB and BRAC decreased after joining in their respective organizations but 0.50% and 7.50% of the borrower households newly entered into the land owning group respectively. Table-7.19 and Chart-7.6 shows that the land of those borrowers' households of GB increased respectively who had 0.31- 0.50 acres and 1.1-3 acres of land. On the other hand among those BRAC borrowers households land increased who had respectively up to 0.50 acres and 1.1-3 acres of lands. But those borrowers' households have lost some of their lands who have more than 3 acres of lands. So it may be reveals from the statistics that the landlessness of the BRAC borrower households reduced more than GB.

Chart-7.6

Level of Total Land Owned by the Respondents Households



7.3.4 Status of Poultry Owned by the Respondents Households: The owning status of poultry is an indicator of the economic position and strength of the rural poor people of Bangladesh. So we have tried to assess the poultry owning position of the respondents' households. The number of poultry owned by the selected households of GB and BRAC borrower's households before and after joining in GB and BRAC is shown in Table-7.20.

Table-7.20

Status of Poultry Owned by the Respondents Households

Name of organization	GB				BRAC			
Number of Poultry	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent
None	129	32.25	231	57.75	166	41.50	251	62.75
1-5	65	16.25	68	17.00	48	12.00	80	20.00
6-10	83	20.75	60	15.00	75	18.75	50	12.50
11-15	77	19.25	33	8.25	81	20.25	14	3.50
16-20	20	5.00	4	1.00	15	3.75	4	1.00
21 highest	26	6.50	4	1.00	15	3.75	1	0.25
Total	400	100.00	400	100.00	400	100.00	400	100.00
Mean	7.30		3.51		6.41		2.61	
SD	6.72		4.82		6.66		3.97	
CV	92.00		137.37		103.90		152.22	
t-value	9.1681				9.8214			
Table value	1.9629				1.9629			

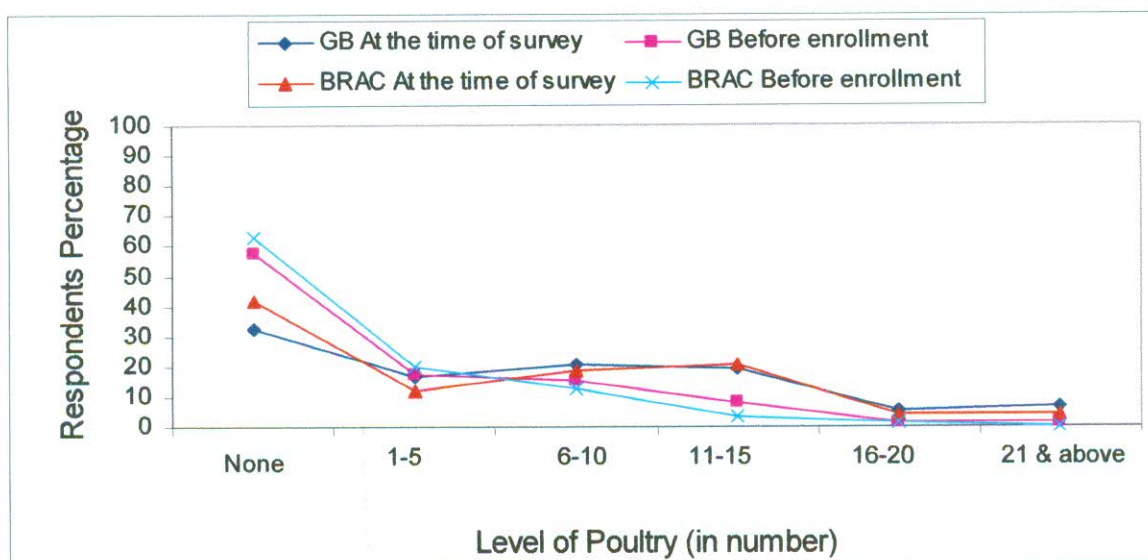
Source: Field Survey.

* 5% level of significant; t-value present vs before.

Table-7.20 Shows that during the time of survey 32.25% of the respondent households of GB borrowers did not have any poultry. Before their enrollment this percentage was 57.75%. On the other hand this percentage was for BRAC borrowers households 41.50% and 62.75% respectively. It is seen from the statistics that 25.50% of the GB borrower households and 21.25% of the BRAC borrower households has newly entered into the poultry owning group. Table-7.20 and Chart-7.7 shows that the number of poultry has been increased of those borrowers households of GB and BRAC who had more than 5. It is also seen from the Table that average number of poultry owned by the respondent households of GB and BRAC has been increased significantly.

Chart-7.7

Level of Poultry owned by the Respondents Households



7.3.5 Status of Large Livestock Owned by the Respondents Households: The Status of Large livestock is one of the indicator of the economic position and strength of the rural poor people. So we have tried to observe the position of large livestock holding status of the borrower households. Number of large livestock owned by the respondent households of GB and BRAC is shown in Table-7.21.

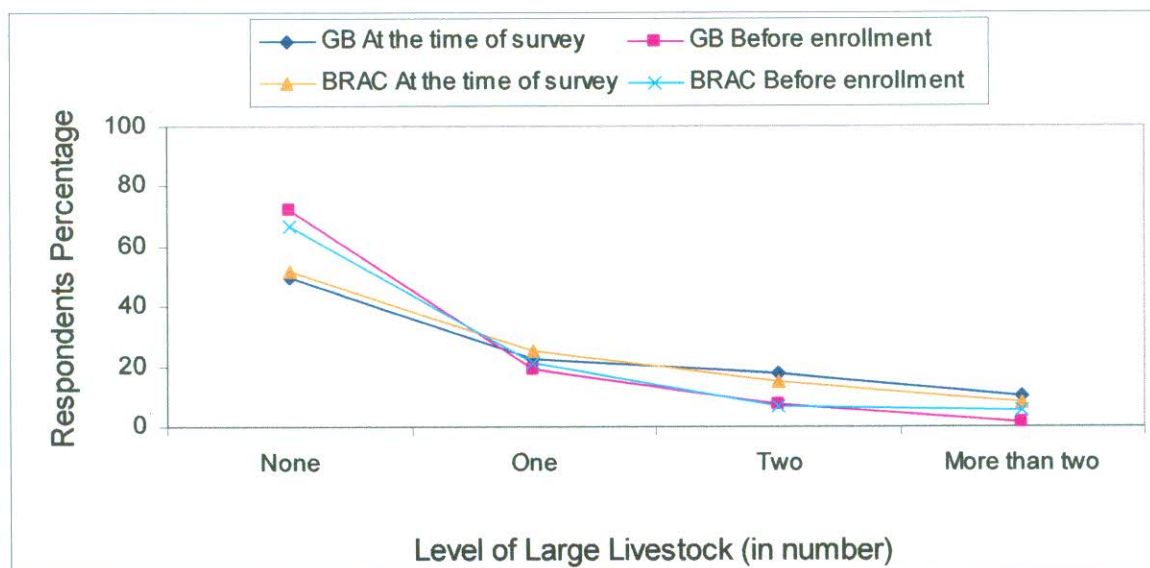
Table-7.21
Status of Large Livestock of the Respondents Households

Name of organization	GB				BRAC			
Status of Large Livestock	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Respondents	Percent	No. of Respondents	Percent	No. of Respondents	Percent	No. of Respondents	Percent
None	199	49.75	288	72.00	208	52.00	266	66.50
One	90	22.50	75	18.75	101	25.25	84	21.00
Two	70	17.50	31	7.75	59	14.75	27	6.75
More than two	41	10.25	6	1.50	32	8.00	23	5.75
Total	400	100.00	400	100.00	400	100.00	400	100.00
Mean	0.88		0.39		.79		.52	
SD	1.04		0.70		.97		.86	
CV	117.29		179.45		123.42		165.27	
t-value	7.9393				4.1709			
Table value	1.9629				1.9629			

Source: Field Survey.

* 5% level of significant; t-value present vs before.

Table-7.21 shows that at the time of survey 32.25% of the borrower households of GB did not have any large live stock like cow, buffalo, horse etc., and the rest 50.25% have one, two and more than two large live stock. Among the BRAC borrower households these percentage were 52%, and 48% respectively. Before enrollment in GB 72% of the borrower households did not have any large livestock and rest 28% of the borrower households had one, two and more than two large livestock. On the other hand this percentage was for BRAC borrower households 66.50%, and 34.50% respectively. It is seen from the statistics that after enrollment 22.25% and 14.50% respectively of the GB and BRAC borrower households newly entered into the large live stock owning group. So it can be stated that the status of large livestock owned by the respondent households have been positively increased and it is statistically significant. Further it is interesting to mention from the Chart-7.9 that the status of large livestock owning group is better for GB than BRAC.

Chart-7.8**Level of Large Livestock Owned by the Respondents Households**

7.3.6 Status of Small Livestock Owned by the Respondents Households: The status of the small livestock of the respondents' households is an indicator of economic progress and strength of the rural poor people of Bangladesh. So we have tried to show the small livestock status of the respondents' households in our study. Status of small livestock owned by the respondent households has been shown in Table-7.22.

Table-7.22**Status of Small Livestock of the Respondents Households**

Name of organization	GB				BRAC			
Status of Small Livestock	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Respondents	Percent	No. of Respondents	Percent	No. of Respondents	Percent	No. of Respondents	Percent
None	222	55.50	272	68.00	205	51.25	247	61.75
One	117	29.25	88	22.00	105	26.25	92	23.00
Two	28	7.00	22	5.50	45	11.25	43	10.75
More than two	33	8.25	18	4.50	45	11.25	18	4.50
Total	400	100.00	400	100.00	400	100.00	400	100.00
Mean	0.68		0.47		.83		.58	
SD	0.92		0.79		1.02		.85	
CV	135.96		170.74		124.03		147.35	
t-value	3.5285				3.6754			
Table value	1.9629				1.9629			

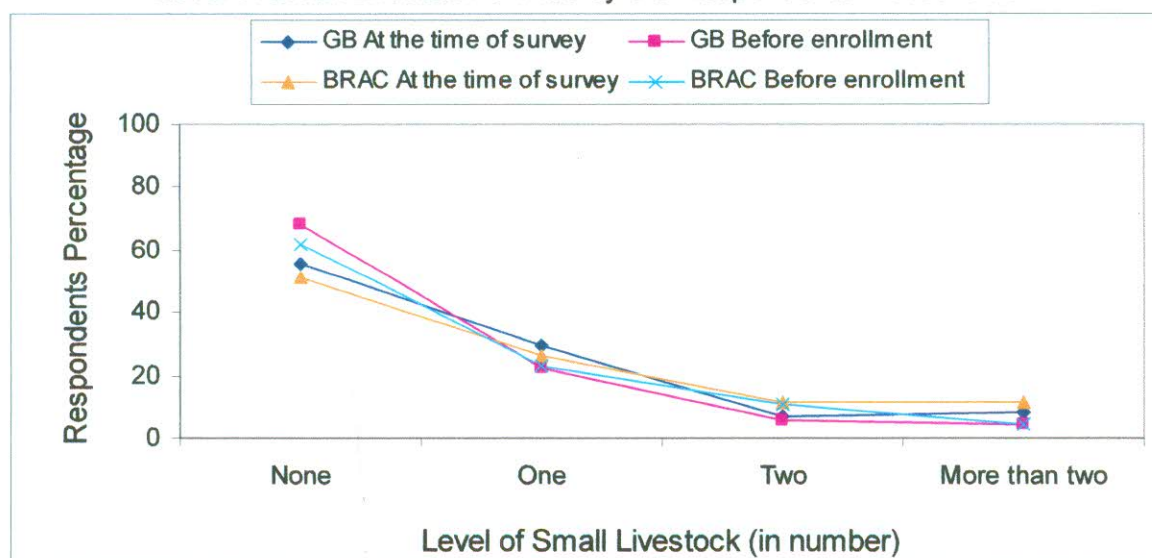
Source: Field Survey.

* 5% level of significant; t-value present vs before.

Table-7.22 shows that at the time of survey 55.50% and 51.25% of the respondent households of GB and BRAC respectively do not have any small livestock like goat, sheep etc. Before enrollment this position was 68% and 61.75% respectively. From the Table it is observed that 14.50% and 10.5% of the GB and BRAC borrowers respectively entered into the small livestock owning group. So it reveals from the statistics that after joining in GB and BRAC the number of small livestock of their borrower households has significantly increased. From the Chart-7.9 it is seen that the borrowers households of BRAC are in better position compared to GB borrowers households in context of small livestock owning.

Chart-7.9

Level of Small Livestock Owned by the Respondents Households



7.3.7 Value of Furniture Owned by the Respondents Family: The value of furniture owned by the respondent households is another indicator of the socio-economic progress of the borrower households. We have tried to measure the approximate value in monetary terms of the furniture owned by the respondent households before and after their joining in GB and BRAC. The value of furniture owned by the respondent households is shown in Table-7.23.

Table-7.23

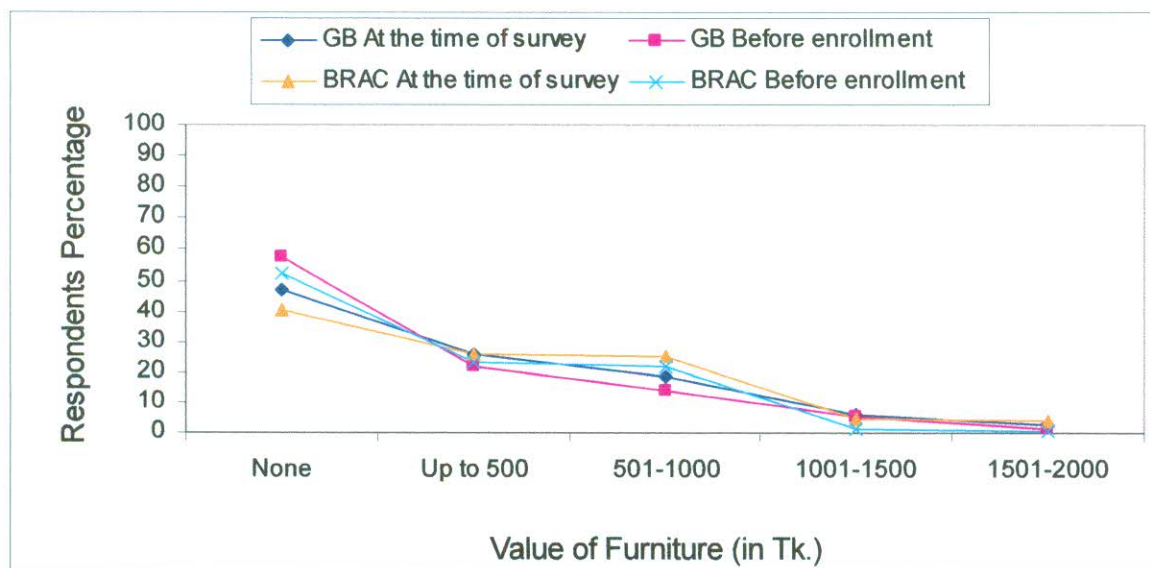
Value of Furniture Owned by the Respondents Family

Name of organization	GB				BRAC			
Value of Furniture	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Respondents	Percent	No. of Respondents	Percent	No. of Respondents	Percent	No. of Respondents	Percent
None	189	47.25	231	57.75	162	40.50	209	52.25
Up to 500	102	25.50	87	21.75	103	25.75	94	23.50
501-1000	75	18.75	55	13.75	100	25.00	88	22.00
1001-1500	24	6.00	21	5.25	18	4.50	6	1.50
1501-2000	10	2.50	6	1.50	17	4.25	3	0.75
Total	400	100.00	400	100.00	400	100.00	400	100.00
Mean	618.00		492.50		734.25		495.50	
SD	879.35		800.47		917.12		677.55	
CV	142.29		162.53		124.91		136.74	
t-value	2.1108				4.1877			
Table value	1.9629				1.9629			

Source: Field Survey.

* t value at 5% level of significant; t-value present vs before.

Table-7.23 shows that at the time of survey 47.25% and 40.50% respectively of the GB and BRAC borrower households do not have any furniture. Before enrollment these positions were 57.75% and 52.25% respectively. From the Table it is seen that 10.5% of the GB borrower households and 11.75% of the BRAC borrower households newly entered into the furniture owning group. It is clear from the Table that the mean value of furniture both of GB and BRAC borrower households have increased during the period of using of GB and BRAC loan significantly. Further from the Table-7.23 and Chart-7.10 it is seen that value of furniture of those respondents' households of GB and BRAC increased who have the value of furniture more than Tk. 500. It is worthwhile to mention that the level of the value of furniture of BRAC borrower households is higher than the households of GB borrower.

Chart-7.10**Value of Furniture Owned by the Respondents Households**

7.3.8 Value of Capital Goods Owned by the Respondents Households: Value of capital goods (Rickshaw, Van, Shallow Machine, Sewing Machine etc.) owned by the respondents households is an important indicator of the socio-economic progress of the borrowers. The value of capital goods owned by the respondent family has been shown in the following Table.

Table-7.24**Value of Capital Goods Owned by the Respondents Households**

Name of organization	GB				BRAC			
Value of Capital Goods	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Respondents	Percent	No. of Respondents	Percent	No. of Respondents	Percent	No. of Respondents	Percent
None	163	40.75	231	57.75	145	36.25	215	53.75
Up to 1000	59	14.75	46	11.50	31	7.75	43	10.75
1001-2000	79	19.75	64	16.00	93	23.25	64	16.00
2001-3000	36	9.00	21	5.25	43	10.75	15	3.75
3001-4000	16	4.00	13	3.25	31	7.75	21	5.25
4001-5000	21	5.25	14	3.50	31	7.75	18	4.50
5001 & Highest	26	6.50	11	2.75	26	6.50	24	6.00
Total	400	100.00	400	100.00	400	100.00	400	100.00
Mean	1,446.75		917.25		1714.00		1153.75	
SD	1806.17		1467.48		1886.16		1726.93	
CV	124.84		159.99		110.04		149.68	
t-value	4.5506				4.3815			
Table value	1.9629				1.9629			

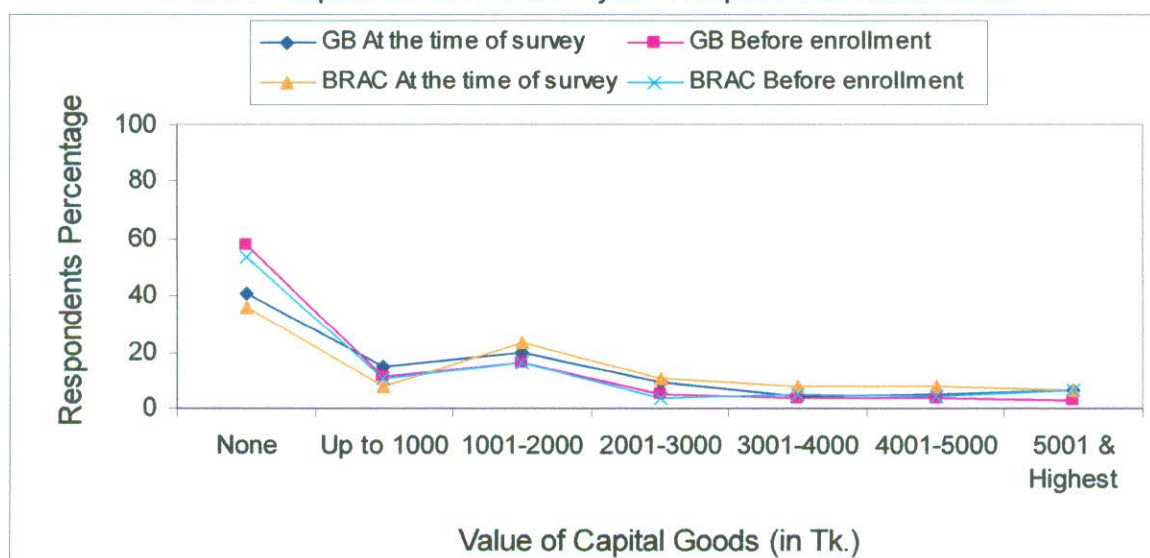
Source: Field Survey.

* 5% level of significant; t-value present vs before.

Table-7.24 Shows that at the time of survey 40.75% and 36.25% respectively of the GB and BRAC borrower households do not have any capital goods. Before enrollment this position was 58.75% and 53.75% respectively. It is clearly seen from the statistics that 17% and 17.5% respectively of the GB and BRAC borrower households become the new owner of capital goods and change of the capital goods is significantly positive. It is worthwhile to mention from the Chart-7.11 that the level of value of capital good is higher for BRAC borrower households compared with the level of GB borrower households.

Chart-7.11

Value of Capital Goods Owned by the Respondents Households



7.3.9 Housing Status of the Respondents Households: Housing status of the respondents' households is an important indicator for identifying the socioeconomic position and strength of the borrower households. So we have tried to show the status of housing of the respondents households. Housing status of the respondent households before and after joining in GB and BRAC loan program is seen in Table-7.25.

Table-7.25
Housing Status of the Respondents Households

Name of organization	GB				BRAC			
	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Respondents	Percent	No. of Respondents	Percent	No. of Respondents	Percent	No. of Respondents	Percent
Building	42	10.50	42	10.50	75	18.75	35	8.75
Tin shed	315	78.75	219	54.75	287	71.75	181	45.25
Bamboo made	43	10.75	139	34.75	19	4.75	129	32.25
Reside in others house	-	-	-	-	3	0.75	33	8.25
House given by government	-	-	-	-	10	2.50	9	2.25
Others	-	-	-	-	6	1.50	13	3.25
Total	400	100.00	400	100.00	400	100.00	400	100.00
X ² -value	67.896				147.942			
df	2	Sig.	.000		df	5	Sig.	.000

Source: Field Survey.

Table-7.25 shows the housing status of the respondents of GB and BRAC. During survey 10.50%, 78.75% and 10.75% of the GB borrowers households have Building, Tin Shed and Bamboo made respectively, while this percentage for the BRAC borrowers were 18.75%, 71.75% and 4.75% respectively. There is no GB borrowers households reside in other house and house given by the government, but 8.25% and 2.25% borrowers reside in others houses and house given by the government. It is seen from the statistics that after using the GB and BRAC loan, the housing status of the respondent has positively increased and there is an association between the housing status of the respondents' households and participation with the GB and BRAC micro-credit activities.

7.3.10 Amount of Obligatory Savings Made by the Respondents in GB/BRAC:

Savings mobilization is one of the main features of GB and BRAC finance. Every borrower is bound to create savings to their respective organization GB and BRAC. The amount of obligatory savings made by the respondents in GB / BRAC has been shown in Table-7.26.

Table-7.26

Status of Obligatory Savings Made by the Respondents Households in GB/BRAC

Name of organization Amount of savings (in Tk.)	GB		BRAC	
	No. of Respondents	Percentage	No. of Respondents	Percentage
None	43	10.75	18	4.50
Up to 1000	116	29.00	72	18.00
1001-2000	44	11.00	151	37.75
2001-3000	92	23.00	60	15.00
3001-4000	48	12.00	25	6.25
4001-5000	38	9.50	34	8.50
5001-6000	6	1.50	7	1.75
6001 & above	13	3.25	33	8.25
Total	400	100.00	400	100.00
Mean	2,270.00		2782.14	
SD	1774.68		3109.35	
CV	78.18		111.76	

Source: Field Survey.

Table-7.26 shows that only 10.75% and 4.50% of the respective borrowers of GB and BRAC have no obligatory savings to their respective organization. But 89.25% and 95.50% of the borrowers of GB and BRAC respectively have some compulsory savings. Average compulsory savings of GB and BRAC borrower is Tk. 2270.00 and Tk. 2782.14 respectively. It is clearly seen from the Table that the mean amount of obligatory savings is higher for BRAC borrowers than GB borrowers.

7.3.11 Status of Voluntary Savings Made by the Respondents Households: Status of voluntary saving made by the respondent households is shown in Table-7.27.

Table-7.27

Status of Voluntary Savings Made by the Respondents Households

Name of organization Amount of savings (in Tk.)	GB		BRAC	
	No. of Respondents	Percentage	No. of Respondents	Percentage
None	303	75.75	285	71.25
Up to 1000	7	1.75	8	2.00
1001-2000	3	0.75	18	4.50
2001-3000	14	3.50	12	3.00
3001-4000	4	1.00	10	2.50
4001-5000	28	7.00	15	3.75
5001-6000	15	3.75	3	0.75
6001 & above	26	6.50	49	12.25
Total	400	100.00	400	100.00
Mean	1,408.88		2568.25	
SD	3323.23		5902.56	
CV	235.88		229.83	

Source: Field Survey.

Table-7.27 shows that 75.75% of the GB borrower households and 71.25% of the BRAC borrower household do not have any voluntary savings. Only 24.25% of the GB borrower households and 28.75% of the BRAC borrower households have voluntary savings. The average savings position of GB and BRAC borrowers are Tk. 1408.08 and Tk. 2568.25 respectively. Co-efficient of variation of voluntary savings of the borrowers of GB and BRAC are 235.88 and 229.83 respectively. It is worthwhile to mention that the mean value of voluntary savings is higher for BRA borrowers than GB borrowers.

7.3.12 Status of Savings of the Respondents Households: Savings mobilization is an integral part of GB and BRAC lending. It is an important indicator of borrowers' financial strength. The status of savings made by the respondents' households is shown in Table-7.28.

Table-7.28
Status of Savings of the Respondents Households

Name of organization	GB				BRAC			
Amount of savings (in Tk.)	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Respondents	Percent	No. of Respondents	Percent	No. of Respondents	Percent	No. of Respondents	Percent
None	33	8.25	348	87.00	15	3.75	333	83.25
Up to 1000	76	19.00	-	-	48	12.00	-	-
1001-2000	33	8.25	12	3.00	111	27.75	10	2.50
2001-3000	66	16.50	4	1.00	59	14.75	4	1.00
3001-4000	51	12.75	13	3.25	27	6.75	3	0.75
4001-5000	42	10.50	3	0.75	29	7.25	-	-
5001-6000	34	8.50	20	5.00	19	4.75	-	-
6001 & above	65	16.25	-	-	92	23.00	50	12.50
Total	400	100.00	400	100.00	400	100.00	400	100.00
Mean	3,678.88		553.75		5350.39		2103.50	
SD	3414.81		1545.54		6949.89		5683.19	
CV	92.82		279.11		129.90		270.18	
t-value	16.6750				7.2332			
Table value	1.9629				1.9629			

Source: Field Survey.

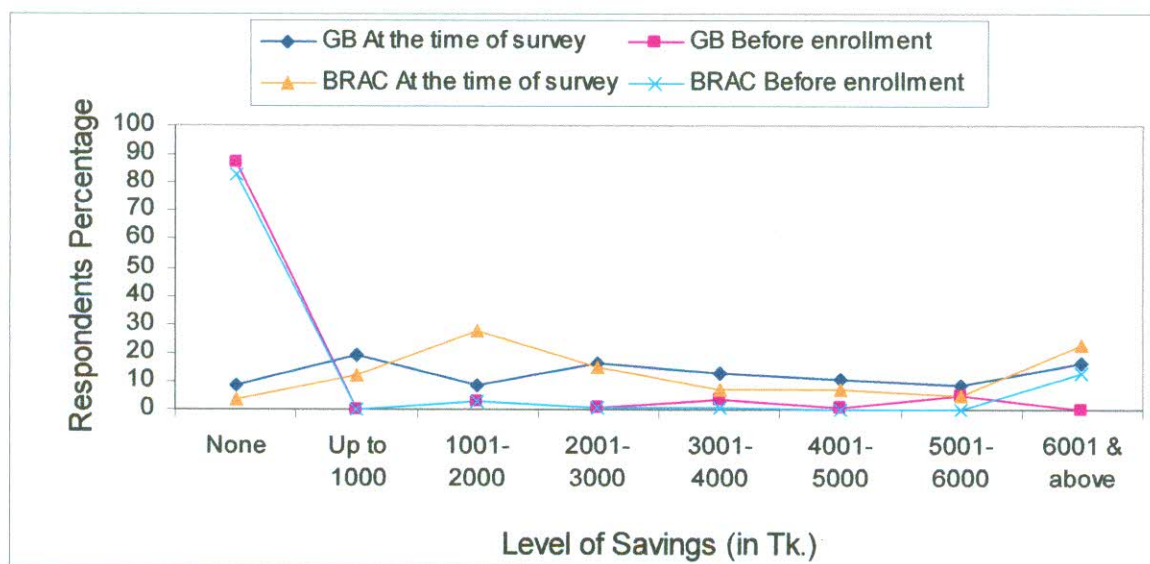
* 5% level of significance; t-value present vs before.

Table-7.28 shows that during survey 8.25% of the GB borrowers households and 3.75% of the BRAC households do not have any savings. Before enrollment this percentage was 87% and 83.25% respectively. After enrollment 91.75% of the GB borrower's households and 96.25% of the BRAC borrower households have entered into the groups who have some savings. It is also seen in Chart-7.12. So it is clear from the statistics that, GB and BRAC are successful to create savings of their borrowers significantly. But

from the above Table it is also clear that the mean amount of savings is higher for the BRAC borrowers than the GB borrowers. So it may be reveals that considering savings position the socio-economic position and strength of BRAC borrowers' households is in better position than the GB borrower households.

Chart-7.12

Level of Savings of the Respondents Households



7.4 Purpose of Borrowing from GB and BRAC and Other Information

7.4.1 Sources of Information about GB and BRAC: Sources of information about GB and BRAC got by the borrowers are seen in Table-7.29.

Table-7.29

Sources of Information about GB/BRAC

Name of organization Sources of information	GB		BRAC	
	No. of Respondents	Percentage	No. of Respondents	Percentage
Neighbours	156	39.00	152	38.00
Friends & relatives	28	7.00	35	8.75
GB/BRAC worker	115	28.75	110	27.50
Husband	77	19.25	82	20.50
Others	24	6.00	21	5.25
Total	400	100	400	100

Source: Field Survey.

Table-7.29 shows that 39% of GB borrowers got information from their neighbors. 7%, 28.75%, and 19.25% got information from friends and relatives, GB workers, and respondent husband respectively, while this percentage was for BRAC borrowers 38%, 8.75%, 27.50% and 20.50% respectively. 6% of the GB borrowers got information about GB from other than these sources. On the other hand this percentage for the BRAC borrowers was 5.25%.

7.4.2 Sources of Inspiration Behind Joining the GB / BRAC: Sources, which have inspired the respondents to join the GB and BRAC, are mentioned in the following Table.

Table-7.30
Sources of Inspiration behind Joining the GB/BRAC

Name of organization	GB		BRAC	
	No. of Resp.	Percentage	No. of Resp.	Percentage
Own initiatives	73	18.25	64	16.00
Inspired by other member	59	14.75	67	16.75
Inspired by head of the household	143	35.75	124	31.00
Inspired by neighbours	38	9.50	46	11.50
Inspired by GB/BRAC worker	66	16.50	64	16.00
Others	21	5.25	35	8.75
Total	400	100	400	100

Source: Field Survey.

Table-7.30 shows that only 18.25% of GB borrowers and 16% of BRAC borrowers joined in the respective organization by self inspiration. 14.75%, 35.75%, 9.50%, 16.50% and 5.25% of the GB borrowers inspired by other member of the group or center, respondents husband, inspired by neighbors, inspired by GB worker and by others respectively, while this percentage was for BRAC borrowers 16.75%, 31%, 11.50%, 16% and 8.75% respectively. It is seen from the Table that most of the GB and BRAC borrowers were inspired by their husbands to join their respective organization GB and BRAC.

7.4.3 Opinion of the Respondents about Problem Faced During Enrollment in GB / BRAC: Table-7.31 shows whether or not the borrower faced any type of problem during enrollment in GB and BRAC.

Table-7.31

Opinion of the Respondents about Problem Faced During Enrollment in GB/BRAC

Name of organization	GB		BRAC	
Problem faced	No. of Respondents	Percentage	No. of Respondents	Percentage
No	382	95.50	384	96.00
Yes	18	4.50	16	4.00
Total	400	100.00	400	100.00

Source: Field Survey.

Table-7.31 shows that 95.50% of the GB borrowers and 96% of the BRAC borrowers did not face any problem at the time of their enrollment in GB and BRAC.

7.4.4 Purpose of Taking Loan by the Respondents for First and Last Time: The purposes of taking loan mentioned by the selected borrowers at the very first year and in the present year have been shown in the following Table.

Table-7.32

Purpose of Taking Loan by the Respondents for First & Last Time

Name of organization	GB				BRAC			
Activities for taking loan	First Time		Last Time		First Time		Last Time	
	No. of Respond.	Percent	No. of Respond.	Percent	No. of Respond.	Percent	No. of Respond.	Percent
Poultry rearing	82	20.50	67	16.75	52	13.00	24	6.00
Goat rearing	72	18.00	77	19.25	39	9.75	29	7.25
Cow rearing	127	31.75	131	32.75	38	9.50	68	17.00
Small shop	55	13.75	85	21.25	67	16.75	67	16.75
Hawkey	-	-	-	-	19	4.75	22	5.50
Self nursery development	-	-	-	-	10	2.50	14	3.50
Agriculture cultivation	21	5.25	12	3.00	56	14.00	52	13.00
Rickshaw / van purchase	-	-	-	-	32	8.00	42	10.50
Land purchase	-	-	-	-	9	2.25	19	4.75
Others	43	10.75	28	7.00	78	19.50	63	15.75
Total	400	100.00	400	100.00	400	100.00	400	100.00

Source: Field Survey.

Table-7.32 shows that, at first time 16.75%, 19.25%, 32.75%, 21.25%, 3% and 7% of the GB borrowers has taken loan for the purpose of poultry rearing, Goat rearing, Cow

rearing, Small shop, Agriculture cultivation and Others activities respectively. On the other hand these percentages were 6%, 7.25%, 17.00%, 16.75%, 5.50%, 13% and 4.75% respectively for the BRAC borrowers. It is seen from the Table that most of the GB borrowers have cited cow rearing, small shop and goat rearing in the last year and most of the BRAC borrowers have taken loans for the activities of small shop, poultry rearing, cow rearing and agriculture cultivation.

7.4.5 Utilization of Loan by the Respondents Households: Utilization of GB and BRAC loans taken by the borrower households have been shown in Table 7.33.

Table-7.33

Utilization of Loan by the Respondent Households

Name of organization	GB		BRAC	
Utilization pattern	No. of Respondents	Percentage	No. of Respondents	Percentage
Used in mentioned field	103	25.75	107	26.75
Partially used in mentioned field	174	43.50	200	50.00
Can't use in mentioned field	123	30.75	93	23.25
Total	400	100.00	400	100.00

Source: Field Survey.

From Table-7.33, it is seen that 25.75% of the respondents of GB can use their borrowed money for the purposes mentioned at the time of taking loan. Total of 43.50% borrower households used partially in the mentioned field and 30.75% borrower households can't use loan purposes which they mentioned at the time of taking loan. This percentage for the BRAC borrower households are 26.75%, 50% and 23.25% respectively.

7.4.6 Using of Loan by the Respondents Households: Using pattern of GB and BRAC loan is shown in Table-7.34.

Table-7.34
Using of Loan of the Respondents Households

Name of organization	GB		BRAC	
Using of loan	No. of Respondents	Percentage	No. of Respondents	Percentage
Used self by the respondents	48	12.00	108	27.00
Used by respondents husband/son	262	65.50	229	57.25
Used by neighbors	58	14.50	13	3.25
Others	32	8.00	50	12.50
Total	400	100.00	400	100.00

Source: Field Survey.

Table-7.34 shows that only 12% and 27% of the GB and BRAC loan respectively used by their respective borrowers and 65.50% of the total loan of GB used by the borrowers husband. On the other hand this percentage for BRAC loans is 57.25%. It is seen from the Table that 14.50% and 8% of GB loans used by the borrowers neighbor and others respectively. These percentages for the BRAC borrowers were 3.25% and 12.50% respectively.

7.4.7 Action Taken by the GB / BRAC Worker when a Member Takes Loan for Others and Use it for Others: The following Table shows about the action taken by the GB and BRAC worker when a borrower takes loan for others and it for others.

Table-7.35
Action Taken by the GB/BRAC Worker in Case of a Member Taking Loan for Others and Using it for Others.

Name of organization	GB		BRAC	
Action taken	No. of Respondents	Percentage	No. of Respondents	Percentage
Takes no action	298	74.50	90	22.50
Do not sanction further loan	35	8.75	43	10.75
Give reminder not to do such	67	16.75	267	66.75
Total	400	100.00	400	100.00

Source: Field Survey.

Table-7.35 shows that 74.50% and 66.75% of the total borrower of GB and BRAC respectively informed that the worker of GB and BRAC do not take any action against them if the borrowed money used by others i.e., by neighbors, relatives and others. 66.75percent and 10.75 percent of the BRAC borrowers informed that the worker respectively give reminder not to do loan for others and do not sanctioned further loan to them if they hard the loan is borrowed for others. On the other hand these positions for the GB borrowers were 16.75 percent and 8.75 percent respectively. So it may be opined that the BRAC worker are stricter to sanction loan better use by their borrowers themselves than GB.

7.4.8 Length of Membership of the Respondents: Length of membership of the respondent of GB and BRAC has been shown in Table-7.36.

Table-7.36
Length of Membership of the Respondents

Name of organization	GB		BRAC	
	No. of Resp.	Percentage	No. of Resp.	Percentage
Length				
Up to 3	74	18.50	69	17.25
3.1-5	74	18.50	84	21.00
5.1-7	53	13.25	40	10.00
7.1-9	89	22.25	22	5.50
9.1 & above	110	27.50	185	46.25
Total	400	100.00	400	100.00
Mean	7.06		8.46	
SD	3.52		4.97	
CV	49.92		58.77	

Source: Field Survey.

It has been seen in Table-7.36 that 18.50%, 18.50%, 13.25%, 22.25% and 27.50% of the total GB borrowers length of membership is up to 3 years, 3.1-5 years, 5.1-7 years, 7.1-9 years and 9.1 years and above respectively. These percentages for BRAC borrowers are 17.25%, 21%, 10%, 5.50% and 46.25% respectively. Average length of membership of GB and BRAC borrowers are 7.06 years and 8.46 years respectively. So it is seen that the average length of membership is higher for BRAC's borrowers than GB's borrowers.

7.4.9 Number of Loans Taken by the Respondents: The number of loans taken by the borrowers of GB and BRAC is shown in Table-7.37.

Table-7.37

Number of Loans Taken by the Respondents

Name of organization Number of Loans taken	GB		BRAC	
	No. of Respondents	Percentage	No. of Respondents	Percentage
Do not remember	62	15.50	70	17.50
1-3 times	74	18.50	191	47.75
4-6 times	58	14.50	52	13.00
7-10 times	118	29.50	69	17.25
11 times & above	88	22.00	18	4.50
Total	400	100.00	400	100.00

Source: Field Survey.

Table-7.37 shows that among the total Sample borrowers of GB, 18.50%, 14.50%, 29.50%, and 22% borrowers have taken loan 1 to 3 times, 4 to 6 times, 7 to 10 times and 11 times and more respectively. These percentages for the BRAC borrowers are 47.75%, 13%, 17.25% and 4.50% respectively. Total of 15.50% and 17.50% of the GB and BRAC borrowers respectively could not remember how much times they have taken loan.

7.4.10 Amount of Loan Taken by the Respondents for First and Last Time: The amount of GB and BRAC credit taken by their respective borrower at first and last time has been shown in Table-7.38.

Table-7.38

Amount of Loan Taken by the Respondents for First & Last Time

Name of organization Amount of loan (in tk.)	GB				BRAC			
	First Time		Last Time		First Time		Last Time	
	No. of Respondents	Percent	No. of Respondents	Percent	No. of Respondents	Percent	No. of Respondents	Percent
Less than 1000	41	10.25	-	-	109	27.25	-	-
1001-3000	158	39.50	33	8.25	189	47.25	16	4.00
3001-5000	129	32.25	151	37.75	91	22.75	106	26.50
5001-7000	40	10.00	109	27.25	8	2.00	111	27.75
7001-9000	22	5.50	65	16.25	3	0.75	69	17.25
9001 above	10	2.50	42	10.50	-	-	98	24.50
Total	400	100.00	400	100.00	400	100.00	400	100.00

Source: Field Survey.

It is seen from the Table-7.38 that among the total sample borrowers of GB 10.25%, 39.50%, 32.25%, 10%, 5.50% and 2.50% have taken credit between up to TK. 1000, TK.

1001-3000, TK. 3001-5000, TK.5001-7000, TK.7001-9000 and TK.9001 and more respectively at the first time. This percentage for the BRAC borrowers were 27.25%, 47.25%, 22.75%, 2.00% and 0.75% respectively. Among the BRAC borrowers no one took credit between TK.9001 and above group. It is also seen that among the total GB borrowers 8.25% have taken loan up to TK 1000 at the last time and 37.75%, 27.25%, 16.25% and 10.50% respectively have taken between TK. 1001-3000, TK. 3001-5000, TK.5001-7000, TK.7001-9000, and TK. 9001 and above. These percentages for the BRAC borrowers are 0%, 4%, 26.50%, 27.75%, 17.25%, and 24.50% respectively. So it is seen from the statistics that the ability of using of loan of GB and BRAC borrowers increased with the increase of length of membership.

7.4.11 Volume of Loan Used by the Respondents: Volume of loan taken by the respondents' households of GB and BRAC has been shown in Table-7.39.

Table-7.39
Volume of Loan Used by the Respondents

Name of organization Volume of Loan (in tk.)	GB		BRAC	
	No. of Respondents	Percentage	No. of Respondents	Percentage
Less than 10000	61	15.25	53	13.25
10001-20000	71	17.75	34	8.50
20001-30000	44	11.00	70	17.50
30001-40000	52	13.00	44	11.00
40001-50000	43	10.75	51	12.75
50001-60000	41	10.25	32	8.00
60001-70000	39	9.75	59	14.75
70001 above	49	12.25	57	14.25
Total	400	100.00	400	100.00
Mean	38,357.50		41872.50	
SD	25059.57		24889.00	
CV	65.33		59.44	

Source: Field Survey.

It is seen from the Table-7.39 that 43.25% of the total borrowers of GB and 49.75% of the total borrowers of BRAC have already been borrowed more than taka forty thousand before our survey. The average loan used TK.38357.50 and Tk.41872.50 respectively by the GB and BRAC borrowers. Average of total loan used by the borrowers of BRAC is slightly high than the borrowers of GB. The co-efficient of variation of volume of loan used by the GB and BRAC borrowers were 65.33 and 59.44 respectively.

7.4.12 Status of Present Loan of the Respondents of GB/BRAC: Status of present loan of the respondents of GB and BRAC borrowers is seen in Table-7.40.

Table-7.40

Status of Present Loan of the Respondents in GB/BRAC

Name of organization	GB		BRAC	
Amount of loan (in tk.)	No. of Respondents	Percentage	No. of Respondents	Percentage
No Loan	119	29.75	81	20.25
Up to 1000	72	18.00	25	6.25
1001-3000	82	20.50	117	29.25
3001-5000	89	22.25	70	17.50
5001-7000	21	5.25	57	14.25
7001-9000	-	-	24	6.00
9001 & above	17	4.25	26	6.50
Total	400	100.00	400	100.00
Mean	2,228.50		3661.13	
SD	2488.25		3514.24	
CV	111.66		95.99	

Source: Field Survey.

Table-7.40 shows that among the sample borrower of GB and BRAC 29.75% and 20.25% respectively have no loan at the time of survey to their respective organizations, but other 70.25% and 79.75% of the borrowers have loan Tk. up to 1000 to Tk.9001 and above respectively. Status of present loan may help to calculate the members' net savings into their respective institutions. Average present loan position of the borrowers of GB and BRAC are TK. 2228.50 and TK. 3661.13 respectively. So it is evident that the status of average loan size is higher for the borrowers of BRAC than GB.

7.4.13 Types of Latrine Used by the Respondents Households: Using pattern of latrine is an important indicator to measure the socio-economic changes of the borrower households. GB and BRAC is trying to motivate their respective borrowers to use hygienic latrine by their 16 decision and 17 oaths. Status of latrine using pattern of GB and BRAC borrower households have been shown in the following Table.

Table-7.41
Types of Latrine Used by the Respondents Households

Name of organization	GB				BRAC			
Types of Latrine	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Respondents	Percent	No. of Respondents	Percent	No. of Respondents	Percent	No. of Respondents	Percent
Hole in earth	145	36.25	261	65.25	89	22.25	205	51.25
Open field/wood	-	-	23	5.75	12	3.00	33	8.25
Made by Bamboo	63	15.75	40	10.00	36	9.00	51	12.75
Sanitary latrine made by self money	62	15.50	42	10.50	127	31.75	69	17.25
Ring slabe	130	32.50	34	8.50	130	32.50	35	8.75
Government aided sanitary latrine	-	-	-	-	6	1.50	7	1.75
Total	400	100.00	400	100.00	400	100.00	400	100.00
X ² value	121.320				143.015			
df	4	Sig.	.000		df	6	Sig.	.000

Source: Field Survey.

Table-7.41 shows that at the time of survey 36.25% and 22.25% of the sample borrower households of GB and BRAC respectively have no latrine, before their enrollment this percentage were 65.25% and 51.25% respectively i.e. 29% of the GB and BRAC borrower households reduced from the group who have no latrine. It is seen from the statistics that after enrollment the status of latrine using pattern has been improved significantly. It is also seen from the Table that the latrine using pattern of the borrower households are associated with the participation of GB and BRAC micro-credit program. So it may be opined that the social condition of the borrower households of GB and BRAC has been improved incase of 29% of the GB and BRAC borrower households.

7.4.14 Sources of Drinking Water of the Respondents Households: Sources of drinking water and its habit is another indicator to measure the socio-economic improvement of the borrowers' households. The source of drinking water of the respondent households has been shown in Table-7.42.

Table-7.42

Sources of Drinking Water of the Respondents Households

Name of organization	GB				BRAC			
	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Respondents	Percent	No. of Respondents	Percent	No. of Respondents	Percent	No. of Respondents	Percent
Self tubewell	236	59.00	93	23.25	235	58.75	110	27.50
Govt. tubewell	97	24.25	134	33.50	67	16.75	95	23.75
Neighbours tubewell	67	16.75	129	32.25	98	24.50	149	37.25
Others	-	-	44	11.00	-	-	46	11.50
Total	400	100.00	400	100.00	400	100.00	400	100.00

Source: Field Survey.

Table-7.42 shows that at the time of survey 59% and 58.75% of the sample borrower households of GB and BRAC respectively use tube well water from their self tube well. Before enrollment this percentage was 23.25% and 27.50% respectively. So it has been seen from the Table that incase of 35.75% of GB borrower households have got ability to set up a tube well for their drinking water. This percentage for the BRAC borrowers households in 31.25%. So it is worthwhile to mention that the ability as the sources of drinking water has been improved significantly of the borrower households after joining in GB and BRAC micro-credit program respectively

7.4.15 Opinion of the Respondent about the Size of GB and BRAC Loan: The opinion of the respondents about the size of loan, which is sanctioned by GB and BRAC to their respective borrowers are seen in Table-7.43.

Table-7.43

Opinion of the Respondents about the Volume of Loan given by the GB/BRAC

Name of organization	GB		BRAC	
Opinion	No. of Respondents	Percentage	No. of Respondents	Percentage
Not sufficient	81	20.25	34	8.5
Sufficient	319	79.75	366	91.50
Total	400	100.00	400	100.00

Source: Field Survey.

Table-7.43 shows that 79.75% of the borrowers of GB and 91.50% of the BRAC borrowers informed that they got sufficient amount of loan as their demand.

7.4.16 Opinion of the Respondents about the Interest Rate of GB and BRAC Loan: Opinion of the respondents about the rate of interest of loan of GB and BRAC has been shown in Table-7.44.

Table-7.44

Opinion of the Respondents about the Rate of Interested of GB/BRAC Loan

Name of organization	GB		BRAC	
Interest rate	No. of Respondents	Percentage	No. of Respondents	Percentage
Very high	238	59.50	100	25.00
Reasonable	32	8.00	110	27.50
Slightly high	130	32.50	190	47.50
Total	400	100.00	400	100.00

Source: Field Survey.

Table-7.44 shows that 59.50% of the selected borrowers opined that the rate of interest of loan of GB is very high, 8% and 32.50% opined as reasonable slightly high. On the other hand, these percentages for the borrowers of BRAC are 25%, 27.50% and 47.50% respectively.

7.4.17 Opinion about the Problem Faced by the Respondent's During the Time of Payment of Loan: Opinion of the respondent about problem faced by then during the payment of loan is shown in Table-7.45.

Table-7.45

Opinion about the Problem Faced by the Respondents during the Time of Payment of Loan

Name of organization	GB		BRAC	
Opinion	No. of Respondents	Percentage	No. of Respondents	Percentage
Faced no problem	162	40.50	190	47.50
Faced problem	195	48.75	118	29.50
No comment	43	10.75	92	23.00
Total	400	100.00	400	100.00

Source: Field Survey.

It is seen from the Table-7.45 that 48.75% of the respondents of GB borrowers opined that they face problem during the time of payment the weekly installment of their borrowed money. This position was 29.50% for the BRAC borrowers. 40.50% and 47.50% of the GB and BRAC borrowers opined that they do not face any problem during the time of payment of weekly loan installments.

7.4.18 Opinion of the Respondent about the Installment of GB and BRAC Loan: Opinion of the respondent of GB and BRAC about the installment of loan is seen in Table-7.46.

Table-7.46

Opinion of the Respondents about the Installment of GB/BRAC Loan

Name of organization	GB		BRAC	
Opinion	No. of Respondents	Percentage	No. of Respondents	Percentage
Weekly in comforTable	323	80.75	351	87.75
Half monthly comforTable	21	5.25	14	3.50
Monthly comforTable	56	14.00	35	8.75
Total	400	100.00	400	100.00

Source: Field Survey.

Table-7.46 shows that 80.75% and 87.75% of the total borrowers of GB and BRAC respectively opined that weekly installment is comforTable for them to pay their borrowed money than half monthly and monthly.

7.4.19 Opinion about the Reminder and Pressure for the Recovery of Loan: The opinion about the reminder and pressurization for the recovery of installments has been shown in the following Table.

Table-7.47

Opinions about the Remainder and Pressure for the Recovery of Loan

Name of organization Opinion	GB		BRAC	
	No. of Respondents	Percentage	No. of Respondents	Percentage
Create excess pressure	339	84.75	334	83.50
Do not create excess pressure	39	9.75	36	9.00
No comment	22	5.50	30	7.50
Total	400	100.00	400	100.00

Source: Field Survey.

It is seen from the Table-7.47 that 84.75% and 83.50% of the GB and BRAC borrowers respectively faced tremendous pressure for payment of weekly installments of their borrowed money.

7.4.20 Information about the Main Pressure Creator for the Recovery of Loan: The persons who create main pressure for the recovery of loan is shown in Table-7.48.

Table-7.48

Information about the Main Pressure Creator for the Recovery of Loan

Name of organization Persons who create pressure	GB		BRAC	
	No. of Respondents	Percentage	No. of Respondents	Percentage
Other member of the group	273	68.25	244	61.00
GB / BRAC worker	70	17.50	120	30.00
No comment	57	14.25	36	9.00
Total	400	100.00	400	100.00

Source: Field Survey.

Table-7.48 shows most of the borrower opined that other members of the group create more pressure on the borrower than the respective worker of GB and BRAC for the weekly recovery of loan.

7.4.21 Opinion of the Respondents about the Method of GB/BRAC Lending: The opinion of the respective borrower about the method of GB and BRAC lending are shown in Table-7.49.

Table-7.49

Opinion of the Respondents about the Method of GB/BRAC Lending

Name of organization	GB		BRAC	
Opinion	No. of Respondents	Percentage	No. of Respondents	Percentage
Good	335	83.75	349	87.25
Very good	-	-	38	9.50
Bad	43	10.75	9	2.25
Very bad	22	5.50	4	1.00
Total	400	100.00	400	100.00

Source: Field Survey.

It is seen from the Table-7.49 that 83.75% and 87.25% of the selected borrowers of GB and BRAC respectively mentioned that the method of lending is good. Only 9.50% of the borrowers opined that the method of lending of BRAC is very good, but no one mentioned about lending method of GB as very good.

7.4.22 Number of Other MFI/NGO's used by the Respondents alongside the GB / BRAC: The number of MFI or NGO's used by the respondents' households alongside the GB/BRAC has been shown in Table-7.50.

Table-7.50

Number of other MFI/NGO's Used by the Respondents alongside GB/BRAC

Name of organization	GB		BRAC	
Number of other MFI/NGO's used	No. of Resp.	Percent	No. of Resp.	Percent
Only GB/BRAC	246	61.50	322	80.50
GB/BRAC & One another NGO	90	22.50	71	17.75
GB/BRAC & Two another NGO	55	13.75	4	1.00
GB/BRAC & More than Two another NGO	9	2.25	3	0.75
Total	400	100.00	400	100.00

Source: Field Survey.

It is seen from the Table-7.50 that among the sample borrowers of GB 61.50%, 22.50% 13.75% and 2.25% are taking loan from only GB, GB and one another NGO, GB and two another NGO and GB and more than two NGO's respectively. This percentage for the BRAC borrowers is 80.50%, 17.75%, 1% and 0.75% respectively. So it is seen that

38.50% of the GB borrowers and 19.50% of the BRAC borrowers simultaneously borrow from other MFI NGOs, i.e. incase of GB borrowers it is double than BRAC borrowers.

7.4.23 Information about the Involvement of Other Family Member of the Respondents Family alongside GB / BRAC: The number of family member of the respondent family involves with the GB / BRAC alongside the respondent is shown in the following Table.

Table-7.51

Information about the Involvement of Other Family Member of the Respondents Family alongside the Respondents

Name of organization	GB		BRAC	
	No. of Resp.	Percentage	No. of Resp.	Percentage
Involvement of other family members				
Respondents only	390	97.5	344	86.00
Respondents & one other family member	10	2.5	47	11.75
Respondents & two other family member	-		3	0.75
Respondents & more than two other family member	-		6	1.50
Total	400	100	400	100

Source: Field Survey.

Table-7.51 shows that 97.5% and 86% of the respondents of GB and BRAC respectively involved only from their respective family. Only 2.5% involve other family member of GB borrower households alongside the borrower. This percentage for BRAC borrower households is 14%.

7.4.24 Information about Training Facilities of the Respondents Introduced by GB and BRAC: Information about training facilities introduced by GB and BRAC to their respective borrowers is shown in the following Table.

Table-7.52

Information about Training Facilities of the Respondents Introduced by GB & BRAC

Name of organization	GB		BRAC	
Training facilities	No. of Respondents	Percentage	No. of Respondents	Percentage
No	378	94.50	221	55.25
Yes	22	5.50	179	44.75
Total	400	100.00	400	100.00

Source: Field Survey.

Table-7.52 shows that most of the GB and BRAC borrowers did not get any training facilities. Though the principle of lending of BRAC for giving training facilities to their borrower for awareness building to proper use of loan before the delivery of loan. But in practice it is seen that most of the BRAC borrowers did not get any training introduced by BRAC. So it is revealed that the avoid to give any training to their borrower in practice.

7.4.25 Opinion of the Respondents about the Improvement of Their Financial Condition: The opinion of the respondent of GB and BRAC about the improvement of their financial condition has been shown in Table-7.53.

Table-7.53

Opinion of the Respondents about the Improvement of their Financial Condition

Name of organization	GB		BRAC	
Opinion	No. of Respondents	Percentage	No. of Respondents	Percentage
Slightly improving	159	39.75	327	81.75
Improving	26	6.50	24	6.00
Improving very much	10	2.50	18	4.50
Not improving	88	22.00	21	5.25
Loosing	105	26.25	10	2.50
No comment	12	3.00	-	-
Total	400	100.00	400	100.00

Source: Field Survey.

It is seen from the Table-7.53 that 46.25% of the GB borrowers and 87.75% of the BRAC borrowers opined that after joining in to the micro-credit program of GB and BRAC their financial condition is improving.

7.4.26 Opinion of the Respondents about the Improvement of Their Social Condition: The opinion of the respondents of GB and BRAC about the improvement of their social condition is shown in Table-7.54.

Table-7.54

Opinion of the Respondents about the Improvement of Their Social Condition

Name of organization	GB		BRAC	
	No. of Respondents	Percentage	No. of Respondents	Percentage
Not improving	142	35.50	32	8.00
Improving	258	64.50	368	92.00
Total	400	100.00	400	100.00

Source: Field Survey.

Table-7.54 shows that most of the GB and BRAC borrowers opined, after joining in their respective organizations the social condition is improving.

7.4.27 Schooling Status of the Respondents Children: Schooling status of the respondents' children's before and after joining in GB and BRAC is shown in the following Table.

Table-7.55

Schooling Status of the Respondents Children

Name of organization	GB				BRAC			
	At the time of survey		Before enrollment		At the time of survey		Before enrollment	
	No. of Respondents	Percent	No. of Respondents	Percent	No. of Respondents	Percent	No. of Respondents	Percent
No	127	31.75	122	30.50	60	15.00	43	10.75
Yes	252	63.00	208	52.00	273	68.25	214	53.50
Not applicable	21	5.25	70	17.50	67	16.75	143	35.75
Total	400	100.00	400	100.00	400	100.00	400	100.00

Source: Field Survey.

Table-7.55 shows that 63% and 68.25% of the borrowers of GB and BRAC respectively mentioned, their children did go to school. Before enrollment these percentage were 52% and 53.50% respectively.

7.4.28 Respondents Willingness to Continue Borrowing from GB / BRAC in the Long Run: Willingness of the respondents to continue borrowing from GB and BRAC for long period has been shown in the following Table.

Table-7.56

Respondents Willingness to Continue Borrowing from GB/BRAC in the Long Run

Name of the organization	GB		BRAC	
Willingness	No. of Respondents	Percentage	No. of Respondents	Percentage
No	87	21.75	96	24.00
Yes	146	36.50	131	32.75
Not decided	167	41.75	173	43.25
Total	400	100	400	100

Source: Field Survey.

It is seen from the Table-7.56 that 21.75% of the GB borrowers and 24% of the BRAC borrowers are not willing to continue borrowing for long period. Only 36.50% and 32.75% of the borrowers of GB and BRAC respectively mentioned that they wish to continue their borrowing from their respective organizations.

7.4.29 Reasons behind Willingness to Stop Borrowing from GB / BRAC in Near Future: Reasons behind willingness to stop borrowing by the respective borrower of GB and BRAC is shown in the following Table.

Table-7.57

Reasons behind Willingness to Stop Borrowing from GB/BRAC in Near Future

Name of the organization	GB		BRAC	
Reason	No. of Respondents	Percentage	No. of Respondents	Percentage
Exploiting	56	64.29	55	56.76
Other institution give more benifit	17	19.05	18	18.92
Because self sufficient	6	7.14	5	5.41
It hampers family life	8	9.52	18	18.92
Total	87	100	96	100

Source: Field Survey.

It is seen from the Table-7.57 that only 7.14% of the GB borrowers and 5.41% of the BRAC borrowers are willing to stop borrowing mentioned their self sufficiency as the reasons. Most of the respondents of GB and BRAC mentioned exploitation as one of the reasons to stop borrowing from GB and BRAC. Further the researcher informed from some of the GB member and most of the BRAC member that they are bound to

purchase some goods during taking of loan like tree, hen, seeds etc. by over priced than market price.

7.4.30 Reasons behind Willingness to Continue Borrowing from GB / BRAC in Long Run: Reasons for which some of the borrowers are willing to continue borrowing from the GB and BRAC by their respective borrowers are shown in the following Table.

Table-7.58

Reasons Behind Willingness to Continue Borrowing from GB/BRAC in Long Run.

Name of the organization	GB		BRAC	
Reasons	No. of Respondents	Percentage	No. of Respondents	Percentage
Income generating employment	12	8	15	11.11
Survival	29	20	24	18.52
For the marriage of daughter	70	48	63	48.15
Others	35	24	29	22.22
Total	146	100	131	100

Source: Field Survey.

Table-7.58 shows that marriage of daughter rather than income generating employment appears as the main reason to continue borrowing from GB and BRAC by their respective borrowers.

7.5 Information about the Respondents on the Basis of Length of Membership

7.5.1 Distribution of Sample According to Membership Length and Borrowers Age:

Distribution of sample according to membership length and borrowers age of the respective borrowers of GB and BRAC have been shown in Table-7.59. From Table-7.59 it is found that among the sample borrowers of GB 18.50%, 18.50%, 13.25%, 22.25% and 27.50% borrower's membership length is less than 3 years, between 3.1 to 5 years, between 5.1 to 7 years, between 7.1 to 9 years and above 9 years respectively. These percentages for the BRAC borrowers are 17.25%, 21%, 17.75%, 19.50% and 24.50% respectively. It is also seen from the Table that, among the 51 and above years of age group of GB borrower's membership length is between 7.1 and above years. On the other hand 51 and above years of age group of BRAC borrowers membership length lies in all the membership length group.

Table-7.59
Membership Length and Borrowers Age:

Name of Org.	Age (in years)	Length of Membership										Total	Percent	Percent
		Up to 3 Yrs	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent	9.1 Yrs. & above	Percent			
GB	20 & less	8(10.81)	50.00	8(10.81)	50.00	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	16(4.00)	100	
	21-30	33(44.59)	50.00	26(35.14)	39.39	0(0.00)	0.00	3(3.37)	4.55	4(3.64)	6.06	66(16.50)	100	
	31-40	12(16.22)	8.76	31(41.89)	22.63	33(62.26)	24.09	30(33.71)	21.90	31(28.18)	22.63	137(34.25)	100	
	41-50	21(28.38)	13.91	9(12.16)	5.96	20(37.74)	13.25	52(58.43)	34.44	49(44.55)	32.45	151(37.75)	100	
	51 & above	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	4(4.49)	13.33	26(23.64)	86.67	30(7.50)	100	
BRAC	Total	74(100)	18.50	74(100)	18.50	53(100)	13.25	89(100)	22.25	110(100)	27.50	400(100)	100	
	20 & less	10(14.49)	76.92	3(3.57)	23.08	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	13(3.25)	100	
	21-30	35(50.72)	27.78	14(16.67)	11.11	41(57.75)	32.54	21(26.92)	16.67	15(15.31)	11.90	126(31.50)	100	
	31-40	15(21.74)	12.71	29(34.52)	24.58	24(33.80)	20.34	28(35.90)	23.73	22(22.45)	18.64	118(29.50)	100	
	41-50	3(4.35)	4.05	25(29.76)	33.78	3(4.23)	4.05	21(26.92)	28.38	22(22.45)	29.73	74(18.50)	100	
Source: Field Survey.	51 & above	6(8.70)	8.70	13(15.48)	18.84	3(4.23)	4.35	8(10.26)	11.59	39(39.80)	56.52	69(17.25)	100	
	Total	69(100)	17.25	84(100)	21.00	71(100)	17.75	78(100)	19.50	98(100)	24.50	400(100)	100	

7.5.2 Distribution of Sample According to Membership Length and Educational Status of the Respondents: Distribution of sample according to membership length and educational status of the respondents of GB and BRAC is shown in the following Table. Table-7.60 shows that after joining in GB and BRAC of their respective borrowers educational status has been changed positively with the increased length of membership.

7.5.3 Distribution of Sample According to Membership Length and Value of Furniture of the Respondents Households: Distribution of sample according to membership length and value of furniture of the respective borrower households of GB and BRAC has been shown in the following Table. From Table-7.61 it is revealed that the value of furniture of the respective borrower households of GB and BRAC have been increased with the increase length of membership.

7.5.4 Distribution of Sample According to Membership Length and Value of Capital Goods of the Respondents Households: Distribution of sample according to membership length and value of capital goods of the respondent households of GB and BRAC is seen in Table-7.62

Table-7.62 shows that among the group have more than Tk. 5001 capital goods 84.62% borrowers membership length of GB borrowers more than 9.1 years. These percentages for the BRAC borrowers are 42.31%. From the statistics, it is seen that the value of capital goods of the respective borrowers of GB and BRAC have been increased with the increase of length of membership

7.5.5 Distribution of Sample According to Membership Length and Number of Poultry Owned by the Respondents Households: Distribution of sample according to membership length and number of poultry owned by the respective borrower households of GB and BRAC are shown in Table-7.63 that among the group who have 20 and more poultry, 53.85% borrowers membership length is more than 9.1 years of GB borrowers. This percentage for the same group of BRAC borrowers are 30%. It is also seen from the statistics that the number of poultry owned by the respective borrower households of GB and BRAC increased with the increase of length of membership

Table-7.60
Membership Length and Educational Status of the Respondents

Name of Org.	Educational Status	Length of Membership										Total	Percent	Percent
		3 Yrs & Less	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent	9.1 Yrs. & above	Percent			
GB	Illiterate	0	0	0	0	0	0	0	0	0	0	0	0	0
	Can sign only	48(64.86)	17.20	51(68.91)	18.27	33(62.27)	11.83	72(80.8)	25.81	75(68.18)	26.88	279(69.75)	100	100
	Primary level	6(8.11)	8.22	11(14.86)	15.07	12(22.64)	16.44	17(19.10)	23.29	27(24.55)	36.99	73(18.25)	100	100
	Up to Class eight	20(27.03)	41.67	12(16.22)	25.00	8(15.09)	16.67	0 (0.00)	0.00	8(7.27)	16.67	48(12.00)	100	100
	Total	74(100)	18.50	74(100)	18.50	53(100)	13.25	89(100)	22.25	110(100)	27.50	400(100)	100	100
BRAC	Illiterate	0	0	0	0	0	0	0	0	0	0	0	0	0
	Can sign only	43(62.32)	16.80	54(64.28)	21.09	51(71.84)	19.92	49(62.82)	19.14	59(60.20)	23.05	256(64.00)	100	100
	Primary level	16(23.19)	18.39	24(28.57)	27.59	14(19.72)	16.09	14(17.95)	16.09	19(19.39)	21.84	87(21.75)	100	100
	Up to Class eight	10(14.49)	17.54	6(7.14)	10.53	6(8.45)	10.53	15(19.23)	26.32	20(20.41)	35.09	57(14.25)	100	100
	Total	69(100)	17.25	84(100)	21.00	71(100)	17.75	78(100)	19.50	98(100)	24.50	400(100)	100	100

Source: Field Survey.

Table-7.61
Membership Length and Value of Furniture of the Respondent Households

Name of Org.	Value of furniture	Length of Membership										Total	Percent
		3 Yrs % Less	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent	9.1 Yrs. & above	Percent		
GB	00	35(47.30)	18.52	52(70.27)	27.51	17(32.08)	8.99	39(43.82)	20.63	46(41.82)	24.34	189(47.25)	100
	500 & Less	24(32.43)	23.53	9(12.16)	8.82	18(33.96)	17.65	24(26.97)	23.53	27(24.55)	26.47	102(25.50)	100
	501-1000	12(16.22)	16.00	9(12.16)	12.00	12(22.64)	16.00	18(20.220)	24.00	24(21.82)	32.00	75(18.75)	100
	1001-1500	3(4.05)	12.50	4(5.41)	16.67	3(5.66)	12.50	8(8.99)	33.33	6(5.45)	25.00	24(6.00)	100
	1501-2000	0(0.00)	0.00	0(0.00)	0.00	3(5.66)	30.00	0(0.00)	0.00	7(6.36)	70.00	10(2.50)	100
	Total	74(100)	18.50	74(100)	18.50	53(100)	13.25	89(100)	22.25	110(100)	27.50	400(100)	100
BRAC	00	43(62.32)	26.54	45(53.57)	27.78	19(26.760)	11.73	31(39.740)	19.14	24(24.49)	14.81	162(40.50)	100
	500 & Less	19(27.540)	18.45	22(26.19)	21.36	13(18.310)	12.62	11(14.10)	10.68	38(38.78)	36.89	103(25.75)	100
	501-1000	3(4.350)	3.00	13(15.48)	13.00	34(47.890)	34.00	28(35.90)	28.00	22(22.4)	22.00	100(25)	100
	1001-1500	0(0.00)	0.00	4(4.76)	22.22	191.410	5.56	7(8.97)	38.89	6(6.12)	33.33	18(4.50)	100
	1501-2000	4(5.80)	23.53	0(0.00)	0.00	4(5.630)	23.53	1(1.28)	5.88	8(8.16)	47.06	17(4.250)	100
	Total	69(100)	17.25	84(100)	21.00	71(100)	17.75	78(1000)	19.50	98(100)	24.50	400(100)	100

Source: Field Survey.

Table-7.62

Membership Length and Value of Capital Goods of the Respondent Households

Name of Org.	Value of Capital Goods	Length of Membership										Total	Percent
		3 Yrs & Less	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent	9.1 Yrs. & above	Percent		
GB	None	36(48.65)	22.09	36(48.65)	22.09	15(28.30)	9.20	49(55.06)	30.06	27(24.55)	16.56	163(40.75)	100
	1000 & Less	15(20.27)	25.42	22(29.73)	37.29	4(7.55)	6.78	9(10.11)	15.25	9(8.18)	15.25	59(14.75)	100
	1001-2000	6.00(8.11)	7.59	16(21.62)	20.25	17(32.08)	21.52	15(16.85)	18.99	25(22.73)	31.65	79(19.75)	100
	2001-3000	6(8.11)	16.67	0(0.00)	0.00	7(13.21)	19.44	10(11.24)	27.78	13(11.82)	36.11	36(9.00)	100
	3001-4000	3(4.05)	18.75	0(0.00)	0.00	7(13.21)	43.75	3(3.37)	18.75	3(2.73)	18.75	16(4.00)	100
	4001-5000	4(5.41)	19.05	0(0.00)	0.00	3(5.66)	14.29	3.00(3.37)	14.29	11(10.00)	52.38	21(5.25)	100
	5001 & Highest	4(5.41)	15.38	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	22(20.00)	84.62	26(6.50)	100
	Total	74(100)	18.50	74(100)	18.50	53(100)	13.25	89(100)	22.25	110(100)	27.50	400(100)	100
	None	43(62.32)	29.66	43(51.19)	29.66	15(21.13)	10.34	17(21.79)	11.72	27(27.55)	18.62	145(36.25)	100
	1000 & Less	3(4.35)	9.68	3(3.57)	9.68	2(2.820)	6.45	14(17.95)	45.16	9(9.18)	29.03	31(7.75)	100
BRAC	1001-2000	9(13.04)	9.68	32(38.10)	34.41	26(36.62)	27.96	8(10.26)	8.60	18(18.37)	19.35	93(23.25)	100
	2001-3000	14(20.29)	32.56	0(0.00)	0.00	13(18.31)	30.23	12(15.38)	27.91	4(4.08)	9.30	43(10.75)	100
	3001-4000	0(0.00)	0.00	0(0.00)	0.00	3(4.23)	9.68	10(12.82)	32.26	18(18.37)	58.06	31(7.75)	100
	4001-5000	0(0.00)	0.00	3(3.57)	9.68	11(15.49)	35.48	6(7.69)	19.35	11(11.22)	35.48	31(7.75)	100
	5001 & Highest	0(0.000)	0.00	3(3.570)	11.54	1(1.41)	3.85	11(14.10)	42.31	11(11.22)	42.31	26(6.50)	100
	Total	69(100)	17.25	84(100)	21.00	71(1000)	17.75	78(100)	19.50	98(100)	24.50	400(100)	100

Source: Field Survey.

Table-7.63
Membership Length and Number of Poultry Owned by the Respondent Households

Name of Org.	Status of Poultry	Length of Membership										Total	Percent
		3 Yrs & Less	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent	9.1 Yrs. & above	Percent		
GB	None	26(35.14)	20.16	18(24.32)	13.95	20(37.74)	15.50	37(41.57)	28.68	28(25.45)	21.71	129(32.25)	100
	1-5	10(13.51)	15.38	17(22.97)	26.15	6(11.32)	9.23	19(21.35)	29.23	13(11.82)	20.00	65(16.25)	100
	1-10	17(22.97)	20.48	23(31.08)	27.71	3(5.66)	3.61	24(26.97)	28.92	16(14.55)	19.28	83(20.75)	100
	1-15	9(12.16)	11.69	13(17.57)	16.88	17(32.08)	22.08	6(6.74)	7.79	32(29.09)	41.56	77(19.25)	100
	1-20	6(8.11)	30.00	0(0.00)	0.00	7(13.21)	35.00	0(0.00)	0.00	7(6.36)	35.00	20(5.00)	100
	20 & above	6(8.11)	23.08	3(4.05)	11.54	0(0.00)	0.00	3(3.37)	11.54	14(12.73)	53.85	26(6.50)	100
	Total	74(100)	18.50	74(100)	18.50	53(100)	13.25	89(100)	22.25	110(100)	27.50	400(100)	100
BRAC	None	35(50.72)	21.08	42(50.00)	25.30	32(45.07)	19.28	16(20.51)	9.64	41(41.84)	24.70	166(41.50)	100
	1-5	12(17.39)	25.00	7(8.33)	14.58	8(11.27)	16.67	12(15.38)	25.00	9(9.18)	18.75	48(12.00)	100
	1-10	10(14.49)	13.33	14(16.67)	18.67	21(29.58)	28.00	10(12.82)	13.33	20(20.41)	26.67	75(18.75)	100
	1-15	9(13.04)	11.11	15(17.86)	18.52	5(7.04)	6.17	30(38.46)	37.04	22(22.45)	27.16	81(20.25)	100
	1-20	0(0.00)	0.00	3(3.57)	20.00	2(2.82)	13.33	7(8.97)	46.67	3(3.06)	20.00	15(3.75)	100
	20 & above	3(4.35)	20.00	3(3.57)	20.00	3(4.23)	20.00	3(3.85)	20.00	3(3.06)	20.00	15(3.75)	100
	Total	69(100)	17.25	84(100)	21.00	71(100)	17.75	78(100)	19.50	98(100)	24.50	400(100)	100

Source: Field Survey.

7.5.6 Distribution of Sample According to Membership Length and Number of Large Livestock Owned by the Respondents Households: Distribution of sample according to membership length and large livestock owned by the respective borrower households of GB and BRAC has been shown in Table-7.64. Table-7.64 shows that among the group who have more than two large livestock, 31.71% GB borrowers membership length is more than 9.1 years. On the other hand this percentage for the BRAC borrowers is 28.13%. From the Table it is clear that the number of large livestock owned by the respective borrower households of GB and BRAC has increased with the increase of length of membership.

7.5.7 Distribution of Sample According to Membership Length and Number of Small Livestock Owned by the Respondents Households: From the Table 7.65, it is found that among the group who has more than two small livestock 27.27% of GB borrowers membership length is up to 3 years. On the other hand in case of BRAC borrowers this percentage is 6.67%. So it is clear from the statistics that the numbers of small livestock owned by the respective borrower households of GB and BRAC borrowers have increased with the increase of length of membership.

7.5.8 Distribution of Sample According to Membership Length and Occupation of the Respondents: Table-7.66 shows that among the group who is not involve with any income earning activities, 33.21% of the GB borrowers membership length is more than 9.1 years. On the other hand incase of BRAC borrowers this percentage is 30.17%. So it is clear that the occupation of the respondent of GB and BRAC have not improved with the increase of membership length.

7.5.9 Distribution of Sample According to Membership Length and Monthly Income of the Respondents: From the Table-7.67 it is seen that among the group who have no income, 31.98% of the GB borrowers membership length is more than 9.1 years. Incase of BRAC borrowers this percentage is 19.15%. From the Table it is argued that the income of the respective of GB and BRAC do not increase with the increase of length of membership.

Table-7.64
Membership Length and Number of Large Livestock Owned by the Respondent Households

Name of Org.	Status of large livestock	Length of Membership										Total	Percent	Percent
		3 Yrs & Less	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent	9.1 Yrs. & above	Percent			
GB	None	45(60.81)	22.61	35(47.30)	17.59	36(67.92)	18.09	40(44.94)	20.10	43(39.09)	21.61	199(49.75)	100	
	One	23(31.08)	25.56	26(35.14)	28.89	3(5.66)	3.33	12(13.48)	13.33	26(23.64)	28.89	90(22.50)	100	
	Two	3(4.05)	4.29	10(13.51)	14.29	7(13.21)	10.00	22(24.72)	31.43	28(25.45)	40.00	70(17.50)	100	
	More than two	3(4.05)	7.32	3(4.05)	7.32	7(13.21)	17.07	15(16.85)	36.59	13(11.82)	31.71	41(10.25)	100	
	Total	74(100)	18.50	74(100)	18.50	53(100)	13.25	89(100)	22.25	110(100)	27.50	400(100)	100	
BRAC	None	35(50.72)	16.83	51(60.71)	24.52	34(47.89)	16.35	36(46.15)	17.31	52(53.06)	25.00	208(52.00)	100	
	One	22(31.88)	21.78	7(8.33)	6.93	15(21.13)	14.85	26(33.33)	25.74	31(31.63)	30.69	101(25.25)	100	
	Two	9(13.04)	15.25	17(20.24)	28.81	13(18.31)	22.03	14(17.95)	23.73	6(6.12)	10.17	59(14.75)	100	
	More than two	3(4.35)	9.38	9(10.71)	28.13	9(12.68)	28.13	2(2.56)	6.25	9(9.18)	28.13	32(8.00)	100	
	Total	69(100)	17.25	84(100)	21.00	71(100)	17.75	78(100)	19.50	98(100)	24.50	400(100)	100	

Source: Field Survey.

Table-7.65
Membership Length and Number of Small Livestock Owned by the Respondent Households

Name of Org.	Status of small livestock	Length of Membership										Total	Percent	Percent
		3 Yrs & Less	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent	9.1 Yrs. & above	Percent			
GB	None	46(62.16)	20.72	38(51.35)	17.12	34(64.15)	15.32	36(40.45)	16.22	68(61.82)	30.63	222(55.50)	100	
	One	19(25.68)	16.24	30(40.54)	25.64	6(11.32)	5.13	35(39.33)	29.91	27(24.55)	23.08	117(29.25)	100	
	Two	00.00	0.00	6(8.11)	21.43	7(13.21)	25.00	9(10.11)	32.14	6(5.45)	21.43	28(7.00)	100	
	More than two	9(12.16)	27.27	00.00	0.00	6(11.32)	18.18	9(10.11)	27.27	9(8.18)	27.27	33(8.25)	100	
	Total	74(100)	18.50	74(100)	18.50	53(100)	13.25	89(100)	22.25	110(100)	27.50	400(100)	100	
BRAC	None	39(56.52)	19.02	39(46.43)	19.02	44(61.97)	21.46	38(48.72)	18.54	45(45.92)	21.95	205(51.25)	100	
	One	15(21.74)	14.29	26(30.95)	24.76	15(21.13)	14.29	28(35.90)	26.67	21(21.43)	20.00	105(26.25)	100	
	Two	12(17.39)	26.67	10(11.90)	22.22	3(4.23)	6.67	4(5.13)	8.89	16(16.33)	35.56	45(11.25)	100	
	More than two	3(4.35)	6.67	9(10.71)	20.00	9(12.68)	20.00	8(10.26)	17.78	16(16.33)	35.56	45(11.25)	100	
	Total	69(100)	17.25	84(100)	21.00	71(100)	17.75	78(100)	19.50	98(100)	24.50	400(100)	100	

Source: Field Survey.

Table-7.66

Membership Length and Occupation of the Respondent

Name of Org.	Occupation	Length of Membership										Total	Percent t
		3 Yrs & Less	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent t	9.1 Yrs. & above	Percent t		
GB	Household worker	54(72.97)	19.71	32(43.24)	11.68	27(50.94)	9.85	70(78.65)	25.55	91(82.73)	33.21	274(68.50)	100
	Poultry farming	7(9.46)	50.00	7(9.46)	50.00	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	14(3.50)	100
	Goat rearing	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	8(7.27)	100.00	8(2.00)	100
	Small shop	0(0.00)	0.00	0(0.00)	0.00	13(24.53)	100.00	0(0.00)	0.00	0(0.00)	0.00	13(3.25)	100
	Hawbery	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	2(1.82)	100.00	2(0.50)	100
	Daily labour	0(0.00)	0.00	10(13.51)	100.00	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	10(2.50)	100
	Maid servant	10(13.51)	19.23	10(13.51)	19.23	13(24.53)	25.00	13(14.61)	25.00	6(5.45)	11.54	52(13.00)	100
	Net Weaving	2(2.70)	33.33	3(4.05)	50.00	0(0.00)	0.00	1(1.12)	16.67	0(0.00)	0.00	6(1.50)	100
	Others	1(1.35)	4.76	12(16.22)	57.14	0(0.00)	0.00	5(5.62)	23.81	3(2.73)	14.29	21(5.25)	100
	Total	74(100)	18.50	74(100)	18.50	53(100)	13.25	89(100)	22.25	110(100)	27.50	400(100)	100
	Household worker	44(63.77)	18.18	45(53.57)	18.60	32(45.07)	13.22	48(61.54)	19.83	73(74.49)	30.17	242(60.50)	100
BRAC	Poultry farming	3(4.35)	50.00	3(3.57)	50.00	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	6(1.50)	100
	Goat rearing	0(0.00)	0.00	0(0.00)	0.00	3(4.23)	100.00	0(0.00)	0.00	0(0.00)	0.00	3(0.75)	100
	Cow rearing	0(0.00)	0.00	0(0.00)	0.00	4(5.63)	50.00	0(0.00)	0.00	4(4.08)	50.00	8(2)	100
	Small shop	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	3(3.85)	25.00	9(9.18)	75.00	12(3.00)	100
	Hawbery	0(0.00)	0.00	0(0.00)	0.00	3(4.23)	100.00	0(0.00)	0.00	0(0.00)	0.00	3(0.75)	100
	Agriculture	0(0.00)	0.00	3(3.57)	50.00	0(0.00)	0.00	1(1.28)	16.67	2(2.04)	33.33	6(1.50)	100
	Daily labour	9(13.04)	56.25	4(4.76)	25.00	3(4.23)	18.75	0(0.00)	0.00	0(0.00)	0.00	16(4.00)	100
	Maid servant	0(0.00)	0.00	0(0.00)	0.00	6(8.45)	35.29	10(12.82)	58.82	1(1.02)	5.88	17(4.25)	100
	Net Weaving	3(4.35)	14.29	3(3.57)	14.29	13(18.31)	61.90	2(2.56)	9.52	0(0.00)	0.00	21(5.25)	100
	Others	6(8.70)	10.71	23(27.38)	41.07	7(9.86)	12.50	14(17.95)	25.00	6(6.12)	10.71	56(14.00)	100
	Not applicable	4(5.80)	40.00	3(3.57)	30.00	0(0.00)	0.00	0(0.00)	0.00	3(3.06)	30.00	10(2.50)	100
	Total	69(100)	17.25	84(100)	21.00	71(100)	17.75	78(100)	19.50	98(100)	24.50	400(100)	100

Source: Field Survey.

Table-7.67
Membership Length and Monthly Income of the Respondent

Name of Org.	Level of Income	Length of Membership										Total	Percent	Percent t
		3 Yrs & Less	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent	9.1 Yrs. & above	Percent			
GB	No income	28(37.8)	16.28	36(48.65)	20.93	7(13.21)	4.07	46(51.69)	26.74	55(50.00)	31.98	172(43.00)	100	100
	500 & Less	39(52.7)	48.15	8(10.81)	9.88	13(24.53)	16.05	8(8.99)	9.88	13(11.82)	16.05	81(20.25)	100	100
	501-1000	5(6.76)	5.32	16(21.62)	17.02	15(28.30)	15.96	22(24.72)	23.40	36(32.73)	38.30	94(23.50)	100	100
	1001-1500	1(1.35)	3.23	9(12.16)	29.03	13(24.53)	41.94	7(7.87)	22.58	1(0.91)	3.23	31(7.75)	100	100
	1501 & above	1(1.35)	4.55	5(6.76)	22.73	5(9.43)	22.73	6(6.74)	27.27	5(4.55)	22.73	22(5.50)	100	100
	Total	74 (100)	18.50	74 (100)	18.50	53 (100)	13.25	89 (100)	22.25	110 (100)	27.50	400 (100)	100	100
BRAC	No income	43(62.32)	22.87	35(41.67)	18.62	35(49.30)	18.62	39(50.00)	20.74	36(36.73)	19.15	188(47.00)	100	100
	500 & Less	5(7.25)	22.73	5(5.95)	22.73	5(7.04)	22.73	5(6.41)	22.73	2(2.04)	9.09	22(5.50)	100	100
	501-1000	15(21.74)	19.23	13(15.48)	16.67	20(28.17)	25.64	9(11.54)	11.54	21(21.43)	26.92	78(19.50)	100	100
	1001-1500	3(4.35)	6.12	24(28.57)	48.98	7(9.86)	14.29	8(10.26)	16.33	7(7.14)	14.29	49(12.25)	100	100
	1501 & above	3(4.35)	4.76	7(8.33)	11.11	4(5.63)	6.35	17(21.79)	26.98	32(32.65)	50.79	63(15.75)	100	100
	Total	69(100)	17.25	84(100)	21.00	71(100)	17.75	78(100)	19.50	98(100)	24.50	400(100)	100	100

Source: Field Survey.

7.5.10 Distribution of Sample According to Membership Length and Income Status of the Respondents Husbands: From the Table-7.68 it is seen that among the group who earn between Tk. 1501-2000 per month, 38.78% of the borrowers of GB membership length is more than 9.1 years. In case of BRAC's borrowers this percentage is 17.65%. So it may be stated that the respondents' husbands income have been increased with the increase of membership length by the respondent.

7.5.11 Distribution of Sample According to Membership Length and Volume of Loan Used by the Respondents: Table-7.69 shows that among the group who used more than Tk. 70001, 79.59% of the respondent of GB membership length is more than 9.1 years. This percentage for the BRAC borrowers is 85.96%. So it is clearly seen that the volume of loan increased with the increase of membership length.

7.5.12 Distribution of Sample According to Membership Length and Treatment Ability of the Respondents Households: It is seen from the Table-7.70 that among the group who have no ability to treatment when they become sick 27.34% of the respondent of GB borrowers membership length is more than 9 years. On the other hand this percentage for the BRAC borrowers is 21.74%. The statistics shows from the Table that the GB and BRAC's credit could not make any impact on treatment ability of their respective borrower households.

7.5.13 Distribution of Sample According to Membership Length and Monthly Household Expenditure: Table-7.71 shows that among the groups who have monthly households expenditure, 38.78% of the respondents of GB borrowers membership length are more than 9.1 years. This percentage for the BRAC borrowers is 14.06%.

7.5.14 Distribution of Sample According to Membership Length and Food Intake Ability of the Respondents Households: Table-7.72 shows that among the group who have ability to take food three times per day 30.89% of the respondents of the borrowers of GB membership length is more than 9 years. This percentage for the BRAC borrowers is 23.38%. It is seen from the Table that the ability to take food of the borrowers of GB and BRAC are merely increased with the increase of length of membership.

Table-7.68

Membership Length and Income Status of the Respondents Husband

Name of Org.	Level of Income	Length of Membership											
		3 Yrs & Less	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent	9.1 Yrs. & above	Percent	Total	Percent
GB	No income	12(19.67)	80.00	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	3(3.30)	20.00	15(4.84)	100
	1001-1500	22(36.07)	18.97	16(32.00)	13.79	11(28.95)	9.48	36(51.43)	31.03	31(34.07)	26.72	116(37.42)	100
	1501-2000	0(0.00)	0.00	9(18.00)	18.37	1(2.63)	2.04	19(27.14)	38.78	20(21.98)	40.82	49(15.81)	100
	2001-2500	6(9.84)	9.38	9(18.00)	14.06	20(52.63)	31.25	12(17.14)	18.75	17(18.68)	26.56	64(20.65)	100
	2501-3000	4(6.56)	10.00	16(32.00)	40.00	0(0.00)	0.00	3(4.29)	7.50	17(18.68)	42.50	40(12.90)	100
	3001 & above	17(27.87)	65.38	0(0.00)	0.00	6(15.79)	23.08	0(0.00)	0.00	3(3.30)	11.54	26(8.39)	100
	Total	61(100)	19.68	50(100)	16.13	38(100)	12.26	70(100)	22.58	91(100)	29.35	310(100)	100
BRAC	No income	3(5.08)	5.26	18(29.03)	31.58	3(4.92)	5.26	11(16.18)	19.30	22(28.95)	38.60	57(17.48)	100
	1001-1500	18(30.51)	26.47	10(16.13)	14.71	11(18.03)	16.18	17(25.00)		12(15.79)	17.65	68(20.86)	100
	1501-2000	10(16.95)	40.00	0(0.00)	0.00	2(3.28)	8.00	6(8.82)	25.00	7(9.21)	28.00	25(7.67)	100
	2001-2500	9(15.25)	16.07	18(29.03)	32.14	15(24.59)	26.79	11(16.18)	19.64	3(3.95)	5.36	56(17.18)	100
	2501-3000	6(10.17)	8.96	9(14.52)	13.43	16(26.23)	23.88	13(19.12)	19.40	23(30.26)	34.33	67(20.55)	100
	3001 & above	13(22.03)	24.53	7(11.29)	13.21	14(22.95)	26.42	10(14.71)	18.87	9(11.84)	16.98	53(16.26)	100
	Total	59(100)	18.10	62(100)	19.02	61(100)	18.71	68(100)	20.86	76(100)	23.31	326(100)	100

Source: Field Survey.

Table-7.69
Membership Length and Volume of Loan Used by the Respondent

Name of Org.	Volume of Loan	Length of Membership										Total	Percent
		3 Yrs & Less	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent	9.1 Yrs. & above	Percent		
GB	10000 & Less	59(79.73)	96.72	2(2.70)	3.28	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	61(15.25)	100
	10001-20000	14(18.92)	19.72	51(68.92)	71.83	4(7.55)	5.63	2(2.25)	2.82	0(0.00)	0.00	71(17.75)	100
	20001-30000	0(0.00)	0.00	21(28.38)	47.73	13(24.53)	29.55	8(8.99)	18.18	2(1.82)	4.55	44(11.00)	100
	30001-40000	1(1.35)	1.92	0(0.00)	0.00	16(30.19)	30.77	24(26.97)	46.15	11(10.00)	21.15	52(13.00)	100
	40001-50000	0(0.00)	0.00	0(0.00)	0.00	11(20.75)	25.58	7(7.87)	16.28	25(22.73)	58.14	43(10.75)	100
	50001-60000	0(0.00)	0.00	0(0.00)	0.00	6(11.32)	14.63	23(25.84)	56.10	12(10.91)	29.27	41(10.25)	100
	60001-70000	0(0.00)	0.00	0(0.00)	0.00	3(5.66)	7.69	15(16.85)	38.46	21(19.09)	53.85	39(9.75)	100
	70001 above	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	10(11.24)	20.41	39(35.45)	79.59	49(12.250)	100
	Total	74(100)	18.50	74(100)	18.50	53(100)	13.25	89(100)	22.25	110(100)	27.50	400(100)	100
	10000 & Less	55(79.71)	100.00	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	55(13.75)	100
BRAC	10001-20000	13(18.84)	39.39	20(23.81)	60.61	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	33(8.25)	100
	20001-30000	0(0.00)	0.00	49(58.33)	71.01	20(28.17)	28.99	0(0.00)	0.00	0(0.00)	0.00	69(17.25)	100
	30001-40000	0(0.00)	0.00	12(14.29)	28.57	22(30.99)	52.38	6(7.69)	14.29	2(2.04)	4.76	42(10.50)	100
	40000-50000	0(0.00)		3(3.57)	6.00	16(22.54)	32.00	18(23.08)	36.00	13(13.27)	26.00	50(12.50)	100
	50001-60000	1(1.45)	0.00	0(0.00)	0.00	3(4.23)	9.38	19(24.36)	59.38	9(9.18)	28.13	32(8.00)	100
	60001-70000	0(0.00)	0.00	0(0.00)	0.00	7(9.86)	11.29	30(38.46)	48.39	25(25.51)	40.32	62(15.50)	100
	70001 above	0(0.00)	0.00	0(0.00)	0.00	3(4.23)	5.26	5(6.41)	8.77	49(50.00)	85.96	57(14.25)	100
	Total	69(100)	17.25	84(100)	21.00	71(100)	17.75	78(100)	19.50	98(100)	24.50	400(100)	100

Source: Field Survey.

Table-7.70
Membership Length and Treatment Ability of the Respondent Households

Name of Org.	Ability of Treatment	Length of Membership										Total	Percent	Percent
		3 Yrs & Less	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent	9.1 Yrs. & above	Percent			
GB	No	22(29.73)	15.83	43(58.11)	30.94	4(7.55)	2.88	32(35.96)	23.02	38(34.55)	27.34	139(34.75)	27.34	100
	Yes	52(70.27)	19.92	31(41.89)	11.88	49(92.45)	18.77	57(64.04)	21.84	72(65.45)	27.59	261(65.25)	27.59	100
	Total	74(100)	18.50	74(100)	18.50	53(100)	13.25	89(100)	22.25	110(100)	27.50	400(100)	27.50	100
BRAC	No	18(26.09)	26.09	10(11.90)	14.49	17(23.94)	24.64	9(11.54)	13.04	15(15.31)	21.74	69(17.25)	21.74	100
	Yes	51(73.91)	15.41	74(88.10)	22.36	54(76.06)	16.31	69(88.46)	20.85	83(84.69)	25.08	331(82.75)	25.08	100
	Total	69(100)	17.25	84(100)	21.00	71(100)	17.75	78(100)	19.50	98(100)	24.50	400(100)	24.50	100

Source: Field Survey.

Table-7.71
Membership Length and Monthly Household Expenditure

Name of Org.	Level of Expenditure	Length of Membership										Total	Percent t
		Up to 3 Yrs	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent	9.1 Yrs. & above	Percent t		
GB	Up to 1000	0(0.00)	0.00	20(27.03)	66.67	0(0.00)	0.00	4(4.49)	13.33	6(5.45)	20.00	30(7.50)	100
	1001-1500	32(43.24)	14.10	32(43.24)	14.10	36(67.92)	15.86	55(61.80)	24.23	72(65.45)	31.72	227(56.75)	100
	1501-2000	0(0.00)	0.00	12(16.22)	24.49	0(0.00)	0.00	18(20.22)	36.73	19(17.27)	38.78	49(12.25)	100
	2001-2500	0(0.00)	0.00	10(13.51)	50.00	0(0.00)	0.00	0(0.00)	0.00	10(9.09)	50.00	20(5.00)	100
	2501-3000	32(43.24)	50.00	0(0.00)	0.00	17(32.08)	26.56	12(13.48)	18.75	3(2.73)	4.69	64(16.00)	100
	3001 & above	10(13.51)	100.00	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	10(2.50)	100
	Total	74(100)	18.50	74(100)	18.50	53(100)	13.25	89(100)	22.25	110(100)	27.50	400(100)	100
BRAC	Up to 1000	9(13.04)	18.37	11(13.10)	22.45	5(7.04)	10.20	10(12.82)	20.41	14(14.29)	28.57	49(12.25)	100
	1001-1500	19(27.54)	16.52	29(34.52)	25.22	19(26.76)	16.52	18(23.08)	15.65	30(30.61)	26.09	115(28.75)	100
	1501-2000	12(17.39)	18.75	16(19.05)	25.00	13(18.31)	20.31	14(17.95)	21.88	9(9.18)	14.06	64(16.00)	100
	2001-2500	9(13.04)	20.00	12(14.29)	26.67	16(22.54)	35.56	8(10.26)	17.78	0(0.00)	0.00	45(11.25)	100
	2501-3000	7(10.14)	11.48	6(7.14)	9.84	14(19.72)	22.95	16(20.51)	26.23	18(18.37)	29.51	61(15.25)	100
	3001 & above	13(18.84)	19.70	10(11.90)	15.15	4(5.63)	6.06	12(15.38)	18.18	27(27.55)	40.91	66(16.50)	100
	Total	69(100)	17.25	84(100)	21.00	71(100)	17.75	78(100)	19.50	98(100)	24.50	400(100)	100

Source: Field Survey.

Table-7.72
Membership Length and Food Intake Ability of the Respondent Households

Name of Org.	Status of Food Intake	Length of Membership										Percent t	Total	Percent t
		Up to 3 Yrs	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent	9.1 Yrs. & above	Percent			
GB	Two times	22(29.73)	25.58	20(27.03)	23.26	0(0.00)	0.00	31(34.83)	36.05	13(11.82)	15.12		86(21.50)	100
	Three times	52(70.27)	16.56	54(72.97)	17.20	53(100)	16.88	58(65.17)	18.47	97(88.18)	30.89		314(78.50)	100
	Total	74(100)	18.50	74(100)	18.50	53(100)	13.25	89(100)	22.25	110(100)	27.50		400(100)	100
BRAC	Two times	12(17.39)	26.67	0(0.00)	0.00	11(15.49)	24.44	7(8.97)	15.56	15(15.31)	33.33		45(11.25)	100
	Three times	57(82.61)	16.06	84(100.00)	23.66	60(84.51)	16.90	71(91.03)	20.00	83(84.69)	23.38		355(88.75)	100
	Total	69(100)	17.25	84(100)	21.00	71(100)	17.75	78(100)	19.50	98(100)	24.50		400(100)	100

Source: Field Survey.

7.5.15 Distribution of Sample According to Membership Length and Landholding Status of the Respondents Households: Table-7.73 shows that among the group who are landless 51.16% of the borrowers of GB membership length is between 7.1 years to 9 years. Among the BRAC borrowers this percentage is 19.57%. From the statistics it is also seen that the land holding status of the respondent decreased with the increase of length of membership.

7.5.16 Distribution of Sample According to Membership Length and Homestead Landholding Status of the Respondents Households: From the Table-7.74, it is seen that among the group who have up to 10 decimals of land 31.88% of the GB borrowers membership length is more than 9 years. This percentage for the BRAC borrowers is 20.74%. On the other hand among the group whose membership length is more than 9 years 86.36% borrowers owned up to 10 decimals of homestead land. This percentage for the BRAC borrowers is 39.80%.

7.5.17 Distribution of Sample According to Membership Length and Cultivable Landholding Status of the Respondents Households: From the Table-7.75 it is seen that among the landless group 18.65% of the GB borrowers' membership length is more than 9 years. Among the up to 3 years membership length group 51.35% borrower households are cultivable land less. On the other hand 22.52% borrower households are landless whose membership length up to 3 years and among the up to 3 years membership length group 56.52% borrowers are landless. It is seen from the statistics that the increased length of membership has a negative impact on cultivable landholding status.

7.5.18 Distribution of Sample According to Membership Length and Mandatory Savings Made by the Respondents: Table-7.76 shows that highest 29% sample borrowers of GB lies the group of mandatory savings up to Tk. 1000. This percentage for the BRAC borrowers is 18%. Among the Tk. 2000 to 3000 group 25% borrowers' membership length is more than 9 years. This percentage for the BRAC borrowers is 23.33%.

Table-7.73

Membership Length and Landholding Status of the Respondent Households

Name of Org.	Status of Land Holding	Length of Membership										Total	Percent	Percent
		3 Yrs & Less	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent	9.1 Yrs. & above	Percent			
GB	Landless	4(5.41)	9.30	10(13.51)	23.26	3(5.66)	6.98	22(24.72)	51.16	4(3.64)	9.30	43(10.75)	100	
	0.10 & Less	34(45.95)	26.77	39(52.70)	30.71	7(13.21)	5.51	22(24.72)	17.32	25(22.73)	19.69	127(31.75)	100	
	.11-.30	0(0.00)	0.00	3(4.05)	6.38	13(24.53)	27.66	15(16.85)	31.91	16(14.55)	34.04	47(11.75)	100	
	.31-.50	13(17.57)	23.64	0(0.00)	0.00	23(43.40)	41.82	0(0.00)	0.00	19(17.27)	34.55	55(13.75)	100	
	.51-1	6(8.11)	12.24	15(20.27)	30.61	0(0.00)	0.00	15(16.85)	30.61	13(11.82)	26.53	49(12.25)	100	
	1.1-3	7(9.46)	10.14	7(9.46)	10.14	7(13.21)	10.14	15(16.85)	21.74	33(30.00)	47.83	69(17.25)	100	
	3.1 & above	10(13.51)	100.00	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	10(2.50)	100	
	Total	74(100)	18.50	74(100)	18.50	53(100)	13.25	89(100)	22.25	110(100)	27.50	400(100)	100	
	Landless	21(30.43)	22.83	13(15.48)	14.13	14(19.72)	15.22	18(23.08)	19.57	26(26.53)	28.26	92(23.00)	100	
	0.10 & Less	18(26.09)	20.00	25(29.76)	27.78	20(28.17)	22.22	17(21.79)	18.89	10(10.20)	11.11	90(22.50)	100	
BRAC	.11-.30	12(17.39)	16.22	12(14.29)	16.22	15(21.13)	20.27	10(12.82)	13.51	25(25.51)	33.78	74(18.50)	100	
	.31-.50	0(0.00)	0.00	0(0.00)	0.00	2(2.82)	12.50	8(10.26)	50.00	6(6.12)	37.50	16(4.00)	100	
	.51-1	0(0.00)	0.00	14(16.67)	46.67	2(2.82)	6.67	9(11.54)	30.00	5(5.10)	16.67	30(7.50)	100	
	1.01-3	10(14.49)	16.13	17(20.24)	27.42	11(15.49)	17.74	7(8.97)	11.29	17(17.35)	27.42	62(15.50)	100	
	3.01 & above	8(11.59)	22.22	3(3.57)	8.33	7(9.86)	19.44	9(11.54)	25.00	9(9.18)	25.00	36(9.00)	100	
	Total	69(100)	17.25	84(100)	21.00	71(100)	17.75	78(100)	19.50	98(100)	24.50	400(100)	100	

Source: Field Survey.

Table-7.74

Distribution of Sample According to Membership Length and Homestead Landholding Status of the Respondent Households

Name of Org.	Status of Homestead Land	Length of Membership										Total	Percent	9.1 Yrs. & above	Percent	Percent t
		3 Yrs & Less	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent	9.1 Yrs. & above	Percent					
GB	Landless	4(5.41)	9.30	10(13.51)	23.26	3(5.66)	6.98	22(24.72)	51.16	4(3.64)	9.30	43(10.75)	100			
	.10 & Less	57(77.03)	19.13	61(82.43)	20.47	33(62.26)	11.07	52(58.43)	17.45	95(86.36)	31.88	298(74.50)	100			
	.11-20	3(4.05)	7.89	3(4.05)	7.89	17(32.08)	44.74	8(8.99)	21.05	7(6.36)	18.42	3899.50)	100			
	.21-30	3(4.05)	33.33	0(0.00)	0.00	0(0.00)	0.00	2(2.25)	22.22	4(3.64)	44.44	9(2.25)	100			
	.31-40	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	2(2.25)	100.00	0(0.00)	0.00	2(0.50)	100			
	.41-50	4(5.41)	57.14	0(0.00)	0.00	0(0.00)	0.00	3(3.37)	42.86	0(0.00)	0.00	7(1.75)	100			
	.51-1.00	3(4.05)	100.00	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	3(0.75)	100			
	Total	74(100)	18.50	74(100)	18.50	53(100)	13.25	89(100)	22.25	110(100)	27.50	400(100)	100			
	.10 & Less	21(30.43)	22.83	13(15.48)	14.13	14(19.72)	15.22	18(23.08)	19.57	26(26.53)	28.26	92(23.00)	100			
	.01-10	36(52.17)	19.15	45(53.57)	23.94	33(46.48)	17.55	35(44.87)	18.62	39(39.80)	20.74	188(47.00)	100			
BRAC	.11-20	4(5.80)	8.33	12(14.29)	25.00	10(14.08)	20.83	6(7.69)	12.50	16(16.33)	33.33	48(12.00)	100			
	.21-30	0(0.00)	0.00	7(8.33)	53.85	0(0.00)	0.00	2(2.56)	15.38	4(4.08)	30.77	13(3.25)	100			
	.31-40	0(0.00)	0.00	0(0.00)	0.00	1(1.41)	33.33	2(2.56)	66.67	0(0.00)	0.00	3(0.75)	100			
	.41-50	0(0.00)	0.00	7(8.33)	19.44	9(12.68)	25.00	12(15.38)	33.33	8(8.16)	22.22	36(9.00)	100			
	.51-1.00	8(11.59)	40.00	0(0.00)	0.00	4(5.63)	20.00	3(3.85)	15.00	5(5.10)	25.00	20(5.00)	100			
	Total	69(100)	17.25	84(100)	21.00	71(100)	17.75	78(100)	19.50	98(100)	24.50	400(100)	100			

Source: Field Survey.

Table-7.75
Membership Length and Cultivable Landholding Status of the Respondent Households

Name of Org.	Status of Cultivable Land	Length of Membership											
		3 Yrs & Less	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent	9.1 Yrs. & above	Percent	Total	Percent
GB	Landless	38(51.35)	19.69	49(66.22)	25.39	20(37.74)	10.36	50(56.18)	25.91	36(32.73)	18.65	193(48.25)	100
	0.10 & Less	0(0.00)	0.00	0(0.00)	0.00	3(5.66)	50.00	0(0.00)	0.00	3(2.73)	50.00	6(1.50)	100
	.11-.30	3(4.05)	5.56	3(4.05)	5.56	23(43.40)	42.59	9(10.11)	16.67	16(14.55)	29.63	54(13.50)	100
	.31-.50	16(21.62)	45.71	0(0.00)	0.00	0(0.00)	0.00	0(0.00)	0.00	19(17.27)	54.29	35(8.75)	100
	.51-1	0(0.00)	0.00	15(20.27)	40.54	0(0.00)	0.00	15(16.85)	40.54	7(6.36)	18.92	37(9.25)	100
	1.01-3	15(20.27)	21.43	7(9.46)	10.00	7(13.21)	10.00	13(14.61)	18.57	28(25.45)	40.00	70(17.50)	100
	3.01 & above	2(2.70)	40.00	0(0.00)	0.00	0(0.00)	0.00	2(2.25)	40.00	1(0.91)	20.00	5(1.25)	100
	Total	74(100)	18.50	74(100)	18.50	53(100)	13.25	89(100)	22.25	110(100)	27.50	400(100)	100
BRAC	Landless	39(56.52)	17.57	47(55.95)	21.17	46(64.79)	20.72	40(51.28)	18.02	50(51.02)	22.52	222(55.50)	100
	0.10 & Less	3(4.35)	30.00	4(4.76)	40.00	1(1.41)	10.00	1(1.28)	10.00	1(1.02)	10.00	10(2.50)	100
	.11-.30	9(13.04)	25.71	3(3.57)	8.57	2(2.82)	5.71	8(10.26)	22.86	13(13.27)	37.14	35(8.75)	100
	.31-.50	0(0.00)	0.00	3(3.57)	15.79	3(4.23)	15.79	7(8.97)	36.84	6(6.12)	31.58	19(4.75)	100
	.51-1	0(0.00)	0.00	13(15.48)	50.00	1(1.41)	3.85	10(12.82)	38.46	2(2.04)	7.69	26(6.50)	100
	1.01-3	10(14.49)	19.23	11(13.10)	21.15	11(15.49)	21.15	3(3.85)	5.77	17(17.35)	32.69	52(13.00)	100
	3.01 & above	8(11.59)	22.22	3(3.57)	8.33	7(9.86)	19.44	9(11.54)	25.00	9(9.18)	25.00	36(9.00)	100
	Total	69(100)	17.25	84(100)	21.00	71(100)	17.75	78(100)	19.50	98(100)	24.50	400(100)	100

Source: Field Survey.

Table-7.76
Membership Length and Mandatory Savings Made by the Respondent

Name of Org.	Level of Savings	Length of Membership										Total	Percent	Percent
		3 Yrs & Less	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent	9.1 Yrs. & above	Percent			
GB	None	0(0.00)	0.00	0(0.00)	0.00	6(11.32)	0.00	24(26.97)	13.95	13(11.82)	55.81	43(10.75)	30.23	100
	1000 & Less	42(56.76)	36.21	32(43.24)	27.59	10(18.87)	27.59	6(6.74)	8.62	26(23.64)	5.17	116(29.00)	22.41	100
	1001-2000	0(0.00)	0.00	22(29.73)	50.00	0(0.00)	50.00	0(0.00)	0.00	22(20.00)	0.00	44(11.00)	50.00	100
	2001-3000	16(21.62)	17.39	4(5.41)	4.35	20(37.74)	4.35	29(32.58)	21.74	23(20.91)	31.52	92(23.00)	25.00	100
	3001-4000	13(17.57)	27.08	10(13.51)	20.83	0(0.00)	20.83	12(13.48)	0.00	13(11.82)	25.00	48(12.00)	27.08	100
	4001-5000	3(4.05)	7.89	3(4.05)	7.89	4(7.55)	7.89	15(16.85)	10.53	13(11.82)	39.47	38(9.50)	34.21	100
	5001-6000	0(0.00)	0.00	3(4.05)	50.00	0(0.00)	50.00	3(3.37)	0.00	0(0.00)	50.00	6(1.50)	0.00	100
	6001 & above	0(0.00)	0.00	0(0.00)	0.00	13(24.53)	0.00	0(0.00)	100.00	0(0.00)	0.00	13(3.25)	0.00	100
BRAC	Total	74(100)	18.50	74(100)	18.50	53(100)	13.25	89(100)	13.25	110(100)	22.25	400(100)	27.50	100
	None	6(8.70)	33.33	3(3.57)	16.67	3(4.23)	16.67	0(0.00)	16.67	6(6.12)	0.00	18(4.50)	33.33	100
	1000 & Less	18(26.09)	25.00	21(25.00)	29.17	11(15.49)	29.17	18(23.08)	15.28	4(4.08)	25.00	72(18.00)	5.56	100
	1001-2000	29(42.03)	19.21	32(38.10)	21.19	34(47.89)	21.19	23(29.49)	22.52	33(33.67)	15.23	151(37.75)	21.85	100
	2001-3000	10(14.49)	16.67	10(11.90)	16.67	12(16.90)	16.67	14(17.95)	20.00	14(14.29)	23.33	60(15.00)	23.33	100
	3001-4000	0(0.00)	0.00	12(14.29)	48.00	1(1.41)	48.00	2(2.56)	4.00	10(10.20)	8.00	25(6.25)	40.00	100
	4001-5000	3(4.35)	8.82	3(3.57)	8.82	3(4.23)	8.82	11(14.10)	8.82	14(14.29)	32.35	34(8.50)	41.18	100
	5001-6000	0(0.00)	0.00	0(0.00)	0.00	2(2.82)	0.00	3(3.85)	28.57	2(2.04)	42.86	7(1.75)	28.57	100
Total	6001 & above	3(4.35)	9.09	3(3.57)	9.09	5(7.04)	9.09	7(8.97)	15.15	15(15.31)	21.21	33(8.25)	45.45	100
	Total	69(100)	17.25	84(100)	21.00	71(100)	21.00	78(100)	17.75	98(100)	19.50	400(100)	24.50	100

Source: Field Survey.

7.5.19 Distribution of Sample According to Membership Length and Total Savings Made by the Respondents: From the Table-7.77, it is seen that among the savings group of Tk. 6001 & above 29.23% borrowers' membership length is more than 9 years. On the other hand this percentage for the BRAC borrowers is 25%. From the statistics it is seen that the status of savings has been increased with increase of membership length of the respective borrowers of GB and BRAC.

7.5.20 Distribution of Sample According to Membership Length and Pattern of Latrine used by the Respondents Households: Table-7.78 shows that among the group who use sanitary latrine in their households 32.26% of the GB borrowers membership length is more than 9 years, and income of BRAC borrowers this percentage is 25.20%. It is seen from the Table that the status of latrine has been increased with the increase of membership length of the respective borrowers of GB and BRAC.

7.5.21 Distribution of Sample According to Membership Length and Status of Decision Making Power of the Respondents: It is seen from the Table-7.79 that among the group who can take decision of their household affairs 40% of the borrowers of GB's membership length is more than 9 years. On the other hand incase of BRAC borrowers this percentage is 22.06%. It is clearly seen that the status of decision making power has been increased with the increase of membership length.

Table-7.77
Membership Length and Total Savings Made by the Respondent

Name of Org.	Level of Savings	Length of Membership										Total	Percent
		3 Yrs & Less	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent	9.1 Yrs. & above	Percent		
GB	None	0(0.00)	0.00	0(0.00)	0.00	6(11.32)	18.18	18(20.22)	54.55	998(18)	27.27	33(8.25)	100
	1000 & Less	21(28.38)	27.63	24(32.43)	31.58	10(18.87)	13.16	3(3.37)	3.95	18(16.36)	23.68	76(19.00)	100
	1001-2000	0(0.00)	0.00	18(24.32)	54.55	0(0.00)	0.00	0(0.00)	0.00	15(13.64)	45.45	33(8.25)	100
	2001-3000	9(12.16)	13.64	0(0.00)	0.00	16(30.19)	24.24	18(20.22)	27.27	23(20.91)	34.85	66(16.50)	100
	3001-4000	17(22.97)	33.33	10(13.51)	19.61	0(0.00)	0.00	15(16.85)	29.41	9(8.18)	17.65	51(12.75)	100
	4001-5000	6(8.11)	14.29	4(5.41)	9.52	4(7.55)	9.52	15(16.85)	35.71	13(11.82)	30.95	42(10.50)	100
	5001-6000	17(22.97)	50.00	10(13.51)	29.41	0(0.00)	0.00	3(3.37)	8.82	4(3.64)	11.76	34(8.50)	100
	6001 & above	4(5.41)	6.15	8(10.81)	12.31	17(32.08)	26.15	17(19.10)	26.15	19(17.27)	29.23	65(16.25)	100
BRAC	Total	74(100)	18.50	74(100)	18.50	53(100)	13.25	89(100)	22.25	110(100)	27.50	400(100)	100
	None	6(8.70)	40.00	3(3.57)	20.00	0(0.00)	0.00	0(0.00)	0.00	6(6.12)	40.00	15(3.75)	100
	1000 & Less	12(17.39)	25.00	12(14.29)	25.00	7(9.86)	14.58	14(17.95)	29.17	3(3.06)	6.25	48(12.00)	100
	1001-2000	20(28.99)	18.02	23(27.38)	20.72	17(23.94)	15.32	22(28.21)	19.82	29(29.59)	26.13	111(27.75)	100
	2001-3000	12(17.39)	20.34	6(7.14)	10.17	15(21.13)	25.42	12(15.38)	20.34	14(14.29)	23.73	59(14.75)	100
	3001-4000	3(4.35)	11.11	18(21.43)	66.67	1(1.41)	3.70	2(2.56)	7.41	3(3.06)	11.11	27(6.75)	100
	4001-5000	0(0.00)	0.00	3(3.57)	10.34	2(2.82)	6.90	6(7.69)	20.69	18(18.37)	62.07	29(7.25)	100
	5001-6000	3(4.35)	15.79	6(7.14)	31.58	3(4.23)	15.79	5(6.41)	26.32	2(2.04)	10.53	19(4.75)	100
BRAC	6001 & above	13(18.84)	14.13	13(15.48)	14.13	26(36.62)	28.26	17(21.79)	18.48	23(23.47)	25.00	92(23.00)	100
	Total	69(100)	17.25	84(100)	21.00	71(100)	17.75	78(100)	19.50	98(100)	24.50	400(100)	100

Source: Field Survey.

Table-7.78
Membership Length and Pattern of Latrine Used by the Respondent Households

Name of Org.	Pattern of Latrine	Length of Membership										Total	Percent	Percent
		3 Yrs & Less	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent	9.1 Yrs. & above	Percent			
GB	Hole in earth	44(59.46)	30.34	23(31.08)	15.86	6(11.32)	4.14	41(46.07)	28.28	31(28.18)	21.38	145(36.25)	100	
	Made by-Bamboo	0(0.00)	0.00	20(27.03)	31.75	27(50.94)	42.86	3(3.37)	4.76	13(11.82)	20.63	63(15.75)	100	
	Sanitary latrine made by self money	20(27.03)	32.26	0(0.00)	0.00	7(13.21)	11.29	15(16.85)	24.19	20(18.18)	32.26	62(15.50)	100	
	Ring slab	10(13.51)	7.69	31(41.89)	23.85	13(24.53)	10.00	30(33.71)	23.08	46(41.82)	35.38	130(32.50)	100	
	Total	74(100)	18.50	74(100)	18.50	53(100)	13.25	89(100)	22.25	110(100)	27.50	400(100)	100	
BRAC	Hole in earth	21(30.43)	23.60	19(22.62)	21.35	22(30.99)	24.72	13(16.67)	14.61	14(14.29)	15.73	89(22.25)	100	
	Open field/wood	3(4.35)	25.00	6(7.14)	50.00	2(2.82)	16.67	1(1.28)	8.33	0(0.00)	0.00	12(3.00)	100	
	Made by Bamboo	9(13.04)	25.00	3(3.57)	8.33	4(5.63)	11.11	5(6.41)	13.89	15(15.31)	41.67	36(9.00)	100	
	Sanitary latrine made by self money	20(28.99)	15.75	28(33.33)	22.05	24(33.800)	18.90	23(29.49)	18.11	32(32.65)	25.20	127(31.75)	100	
	Ring slab	16(23.19)	12.31	28(33.33)	21.54	17(23.94)	13.08	32(41.03)	24.62	37(37.76)	28.46	130(32.50)	100	
	Government aided sanitary latrine	0(0.00)	0.00	0(0.00)	0.00	2(2.82)	33.33	4(5.13)	66.67	0(0.00)	0.00	6(1.50)	100	
	Total	69(100)	17.25	84(100)	21.00	71(100)	17.75	78(100)	19.50	98(100)	24.50	400(100)	100	

Source: Field Survey.

Table-7.79
Membership Length and Status of Decision Making Power of the Respondent

Name of Org.	Decision Maker	Length of Membership											
		3 Yrs & Less	Percent	3.1-5 Yrs.	Percent	5.1-7 Yrs.	Percent	7.1-9 Yrs.	Percent	9.1 Yrs. & above	Percent	Total	Percent
GB	Self by the respondent	20(27.03)	30.77	10(13.51)	15.38	3(5.66)	4.62	6(6.74)	9.23	26(23.64)	40.00	65(16.25)	100
	Jointly with the male members	129(16.22)	28.57	9(12.16)	21.43	3(5.66)	7.14	12(13.48)	28.57	6(5.45)	14.29	42(10.50)	100
	Husband	30(40.54)	11.54	52(70.27)	20.00	44(83.02)	16.92	65(73.03)	25.00	69(62.73)	26.54	260(65.00)	100
	Father / brother / other male members	12(16.22)	36.36	3(4.05)	9.09	3(5.66)	9.09	6(6.74)	18.18	9(8.18)	27.27	33(8.25)	100
	Total	74(100)	18.50	74(100)	18.50	53(100)	13.25	89(100)	22.25	110(100)	27.50	400(100)	100
BRAC	Self by the respondent	4(5.80)	5.88	16(19.05)	23.53	16(22.54)	23.53	17(21.79)	25.00	15(15.31)	22.06	68(17.00)	100
	Jointly with the male members	11(15.94)	14.29	17(20.24)	22.08	13(18.31)	16.88	13(16.67)	16.88	23(23.47)	29.87	77(19.25)	100
	Husband	54(78.26)	24.66	39(46.43)	17.81	40(56.34)	18.26	42(53.85)	19.18	44(44.90)	20.09	219(54.75)	100
	Father / brother / other male members	0(0.00)	0.00	12(14.29)	33.33	2(2.82)	5.56	6(7.69)	16.67	16(16.33)	44.44	36(9.00)	100
	Total	69(100)	17.25	84(100)	21.00	71(100)	17.75	78(100)	19.50	98(100)	24.50	400(100)	100

Source: Field Survey.

7.6 Impact of GB and BRAC Loan on the Socio-economic Condition of Their Borrowers

7.6.1 Introduction: Changes of the socio-economic condition of the borrower households after joining in GB and BRAC and the contribution of GB and BRAC credit on the income of their respective borrower and borrowers' husband have been analyzed in this section of this chapter.

7.6.2 Changes of some Socio-economic Indicators:

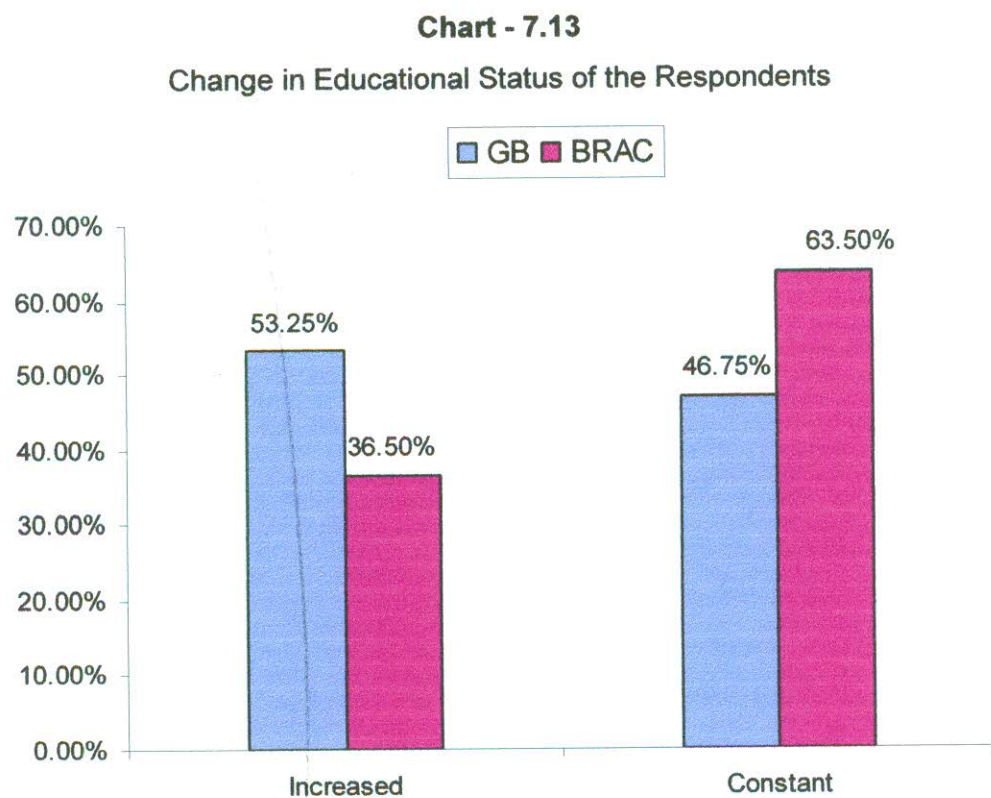
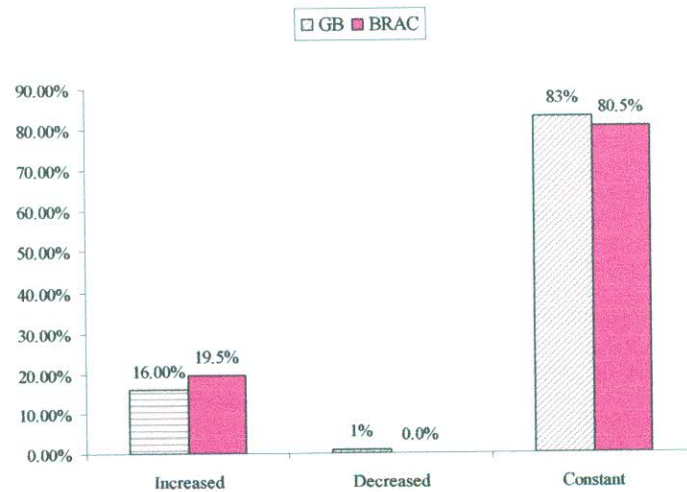


Chart-7.13 shows that the educational status of the respondents' has improved in case of GB and BRAC 53.25% and 36.50% respectively.

Chart - 7.14

Change in Value of Furniture of the Respondent Households



From the Chart-7.14 it is seen that the value of furniture has increased 16% in case of GB borrower households and 19.5% in case of the BRAC borrower households. It is also seen that the value of furniture has decreased one percent in case of borrowers of GB.

Chart - 7.15

Change in Capital Goods of the Respondents Households

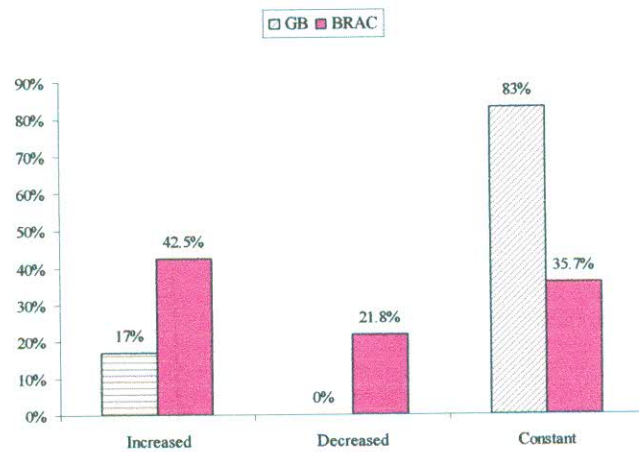
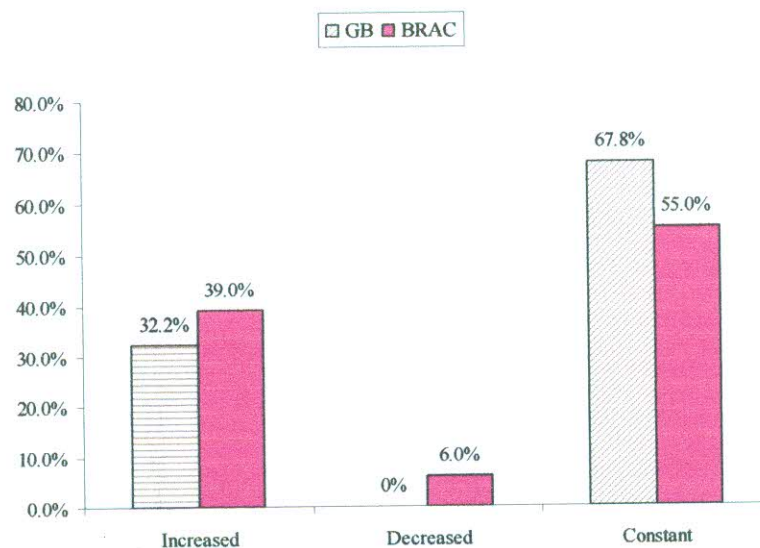


Chart-7.15 shows that value of capital goods has been increased 17% in case of borrower households of GB and 42.5% in case of BRAC borrower households. It is also seen from the chart that the value of capital goods decreased 21.8% in cases of borrower households of BRAC.

Chart - 7.16

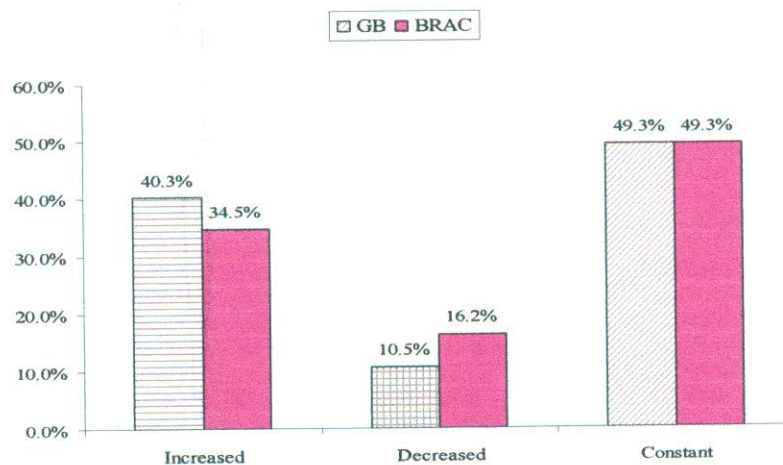
Change in Number of Poultry of the Respondents Households



It is seen from the Chart-7.16 that the number of poultry has been increased 32.2% in case of borrower households of GB and 39% in case of borrower households of BRAC.

Chart - 7.17

Change in Large Livestock of the Respondents Households



From the Chart-7.17, it is seen that GB and BRAC's credit has a positive impact on the increase of the large livestock of the respective borrower households of this two organizations.

Chart - 7.18
Change in Number of Small Livestock of the Respondents Households

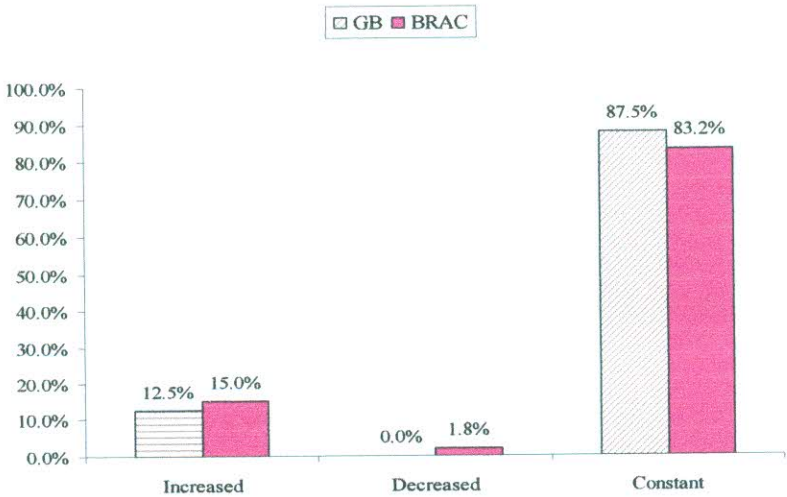
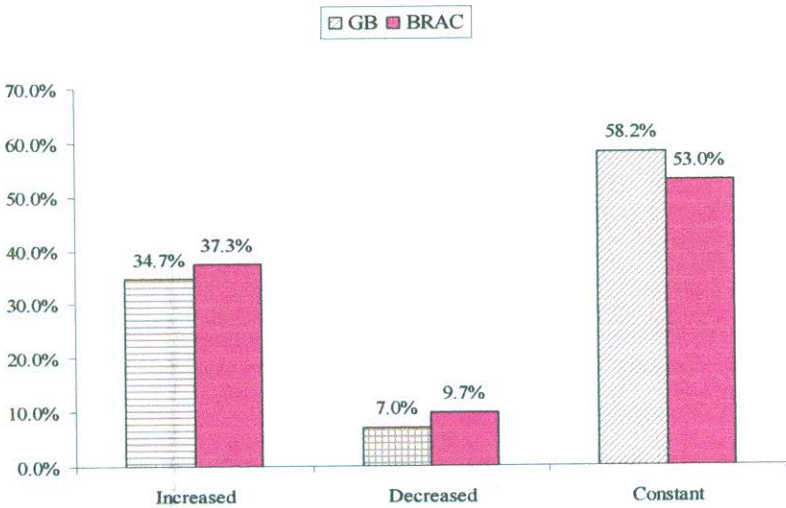
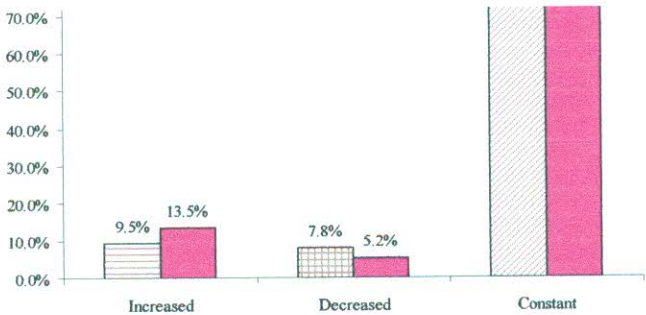


Chart-7.18 shows that the GB and BRAC's credit has a negligible impact on the number of small livestock increases of GB and BRAC borrower households.

Chart - 7.19
Change in Income of the Respondents



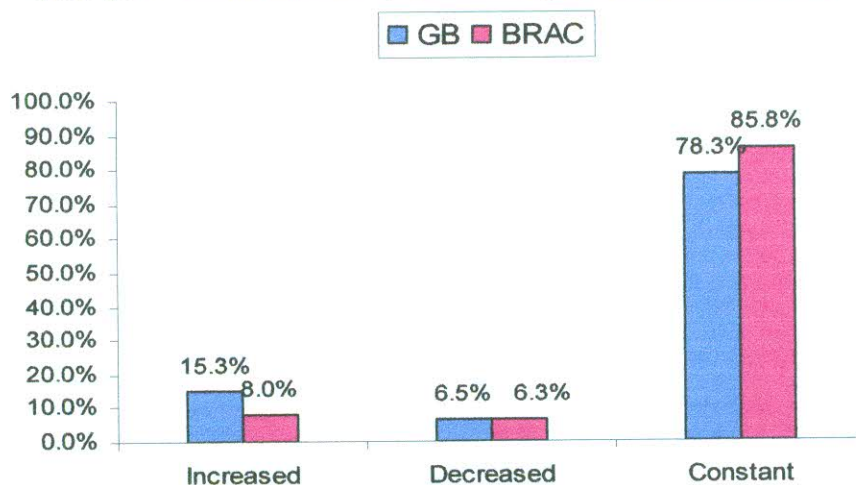
It is seen from the Chart-7.19 that the incomes of 58.2% and 53% of the respondent of GB and BRAC are remaining same. On the other hand income of 34.7% and 37.3% borrowers of GB and BRAC has been increased respectively.



It is seen from the Chart-7.21 that the ability of food intake of 82.7% and 81.3% of the respondent households of GB and BRAC are remaining constant. On the other hand 9.5% and 13.5% borrowers' households' of GB and BRAC the food intake ability has increased respectively.

Chart - 7.22

Change in Treatment Ability of the Respondents Households



From the Chart-7.22 it is seen that 6.5% and 6.3% of the GB and BRAC borrower households respectively lost their treatment ability during the time of using of GB and BRAC credit.

Chart - 7.23

Change in Land Holding Status of the Respondents Households

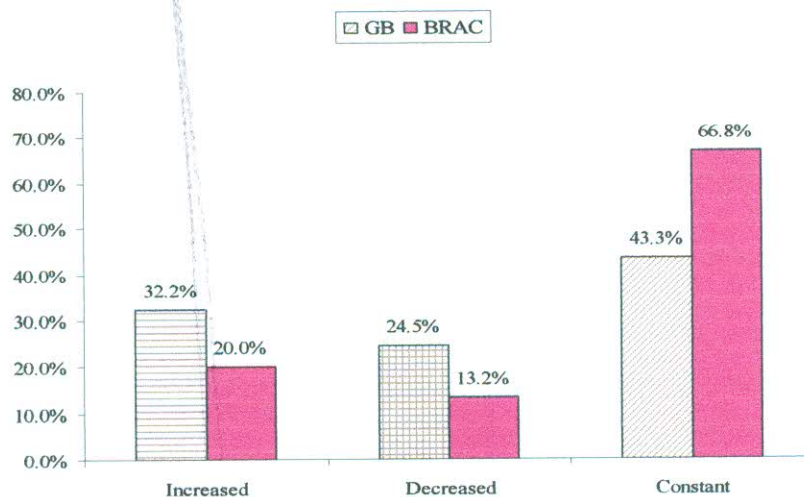
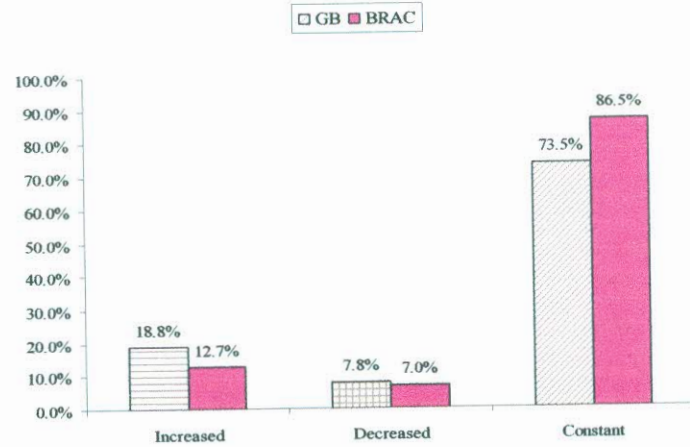


Chart-7.23 shows that 24.5% and 13.2% of the borrower households of GB and BRAC respectively lost some of their total land during the time of using the credit of their respective organizations. 32.2% and 20% of the borrower households of GB and BRAC respectively increased their total land.

Chart - 7.24

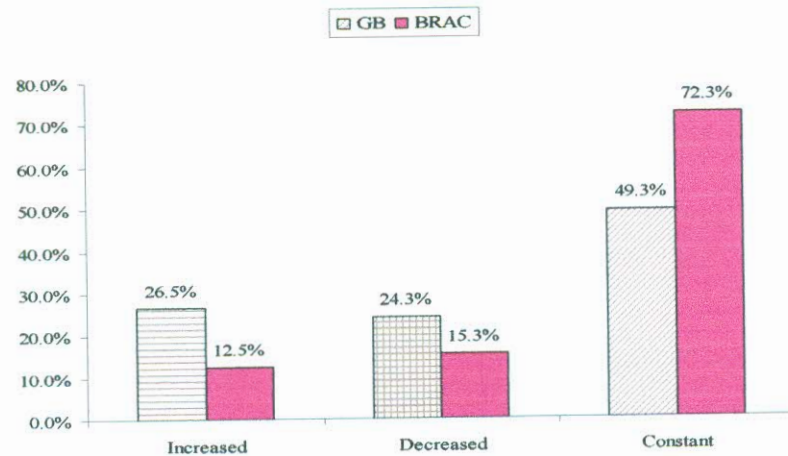
Change in Homestead Landholding Status of the Respondents Households



From the Chart-7.24, it is seen that only 18.8% and 12.7% of the borrower households of GB and BRAC respectively increased their homestead land. On the other hand, 7.8% and 7% of the borrower households respectively have lost some of their homestead land and others remained constant.

Chart - 7.25

Change in Cultivable Landholding Status of the Respondents Households



It is seen from the Chart-7.25 that 24.3% and 15.3% of the respective borrower households of GB and BRAC lost some of their cultivable land during the period of using of GB and BRAC loan. 26.5% and 12.5% of the borrower households of GB and BRAC has increased their cultivable land during the period of using of GB and BRAC loan.

Chart - 7.26

Change in Savings Position of the Respondents Households

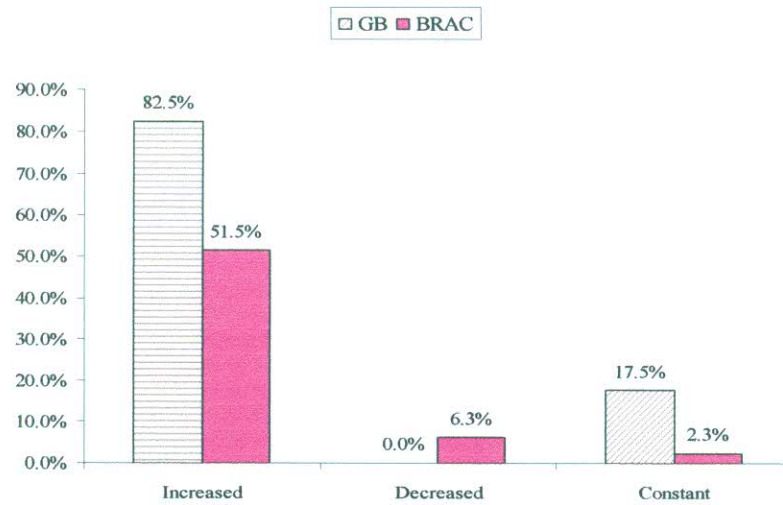
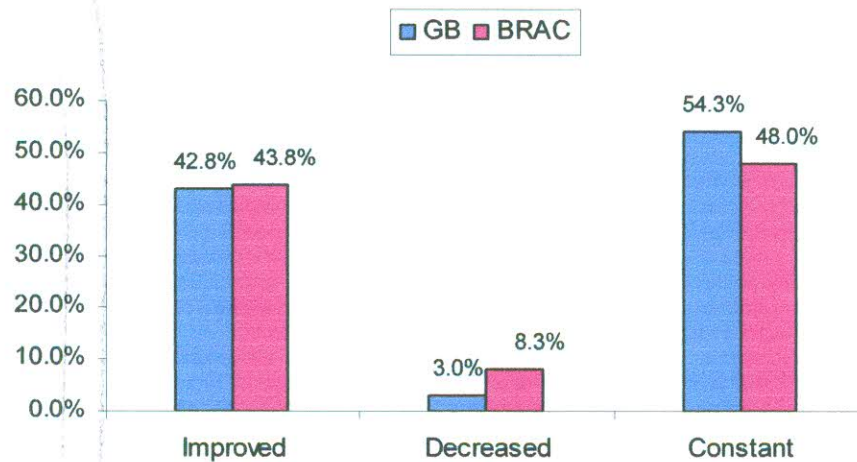


Chart-7.26 shows that 82.5% and 51.5% of the borrower households of GB and BRAC respectively increased their savings during the using of GB and BRAC credit.

Chart - 7.27

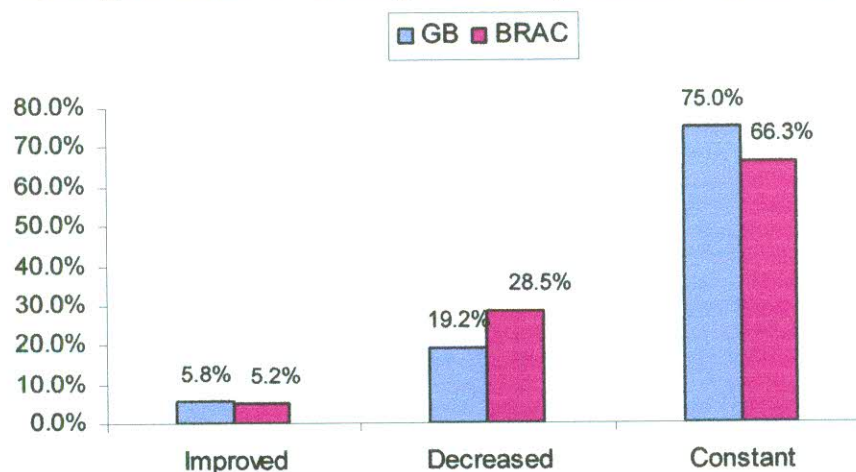
Change in Using Pattern of Latrine of the Respondents Households



From the Chart-7.27 it is seen that 42.8% of the GB borrower households and 43.8% of the BRAC borrower households mentioned that the pattern of latrine has been improved during the period of using of GB and BRAC credit.

Chart - 7.28

Change in Status of Housing of the Respondents Households



It is seen from the Chart-7.28 that the status of housing has improved 5.8% and 5.2% of the respective borrower households of GB and BRAC. But 19.2% and 28.5% borrowers' households of GB and BRAC respectively mentioned that their housing status has been reduced during the time of using of GB and BRAC loan.

Chart - 7.29

Change in Schooling Status of the Respondents Children

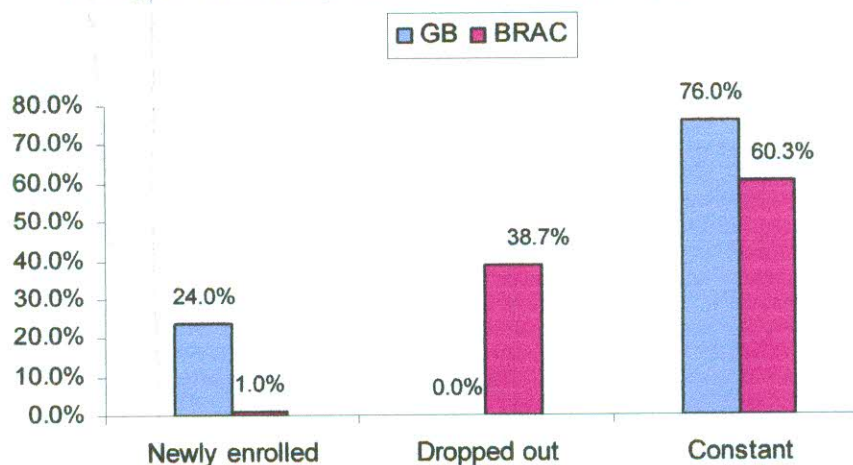


Chart-7.29 shows that during the period of using of GB and BRAC loan, 38.7% children of the borrower of BRAC have dropped out from their school, on the other hand no one dropped out from school during the using of GB's loan. At the same time 24% of the GB borrowers' children newly enrolled in school.

7.7 Hypothesis Testing of the Study

7.7.1 Introduction: In the earlier sections of this chapter, collected data from various sources have been analyzed. In this section, the hypothesis, which have been taken to conduct this study, are tested and analyzed. The first and second hypotheses of this study are tested in the earlier chapter. Socio-economic changes of the borrowers of GB and BRAC have also been tested through t-test and X^2 test in the earlier section of this chapter respectively. In this section other hypothesis are tested through X^2 test, correlation and Regression analysis. The summarized t-values and X^2 values have also been shown in this section which was tested earlier section of this chapter.

7.7.2 Variation Analysis of Socio-Economic Condition of the Borrowers (before and after joining) in the Micro-credit Program of GB and BRAC: The hypotheses of this study are tested through the statistical tools like X^2 test and t-test. From the following tables an attempt has been made to make some comment about the hypothesis which have already been tested by T-test and X^2 test and some of the statistical tools used in this section of this study.

Table-7.80**Chi-square Analysis with Length of Membership**

Name of Organization	GB			BRAC		
Length of Membership vs.	X ² Value	df	Sig.	X ² Value	df	Sig.
Respondent's Income	663.958	276	.000	961.875	450	.000
Respondent Husbands Income	1001.796	156	.000	703.248	238	.000
Value of Furniture	472.792	156	.000	983.406	315	.000
Value of Capital Goods	986.305	288	.000	1691.086	420	.000
Status of poultry	606.365	168	.000	523.103	240	.000
Large Livestock Status	120.349	36	.000	117.209	45	.000
Status of Small Livestock	113.911	36	.000	119.230	45	.000
Occupation of the Respondent	665.790	96	.000	692.178	165	.000
Occupation of the Respondent Husband	660.067	96	.000	388.905	140	.000
Household Expenditure (Monthly)	815.392	108	.000	838.785	255	.000
Food Intake	142.859	12	.000	72.860	15	.000
Treatment Ability	125.477	12	.000	81.143	15	.000
Land Holding Status	2366.561	348	.000	2012.643	630	.000
Household Land	1115.417	216	.000	769.200	330	.000
Cultivable Land	1460.100	516	.000	2520.759	645	.000
Total Savings	1621.617	288	.000	2727.936	795	.000
Pattern of Latrine	280.001	36	.000	329.644	75	.000
Facilities of Drinking Water	169.544	24	.000	106.405	30	.000
Housing Status	229.472	24	.000	226.398	75	.000
Schooling Status Of Children	191.017	24	.000	206.887	30	.000
Decision Maker	125.859	36	.000	230.373	45	.000

The above Table-7.80 of chi-square analysis shows the association of sample borrowers membership length with Respondents Income, Respondent Husbands Income, Value of Furniture, Value of Capital Goods, Status of Poultry, Large Livestock Status, Status of Small Livestock, Occupation of the Respondent, Occupation of the Respondent Husband, Household Expenditure (Monthly), Food Intake, Treatment Ability, Land Holding Status, Household Land, Cultivable Land, Total Savings, Pattern of Latrine, Facilities of Drinking Water, Housing Status, Schooling Status of Children and Decision Maker. From the analysis it is seen that the membership length of the borrowers is significantly associated with the above mentioned variables. So, membership length of the borrower (participation with GB and BRAC) has positive impacts on these variables.

Table-7.81**Chi-square Analysis with Age of the Respondents**

Name of Organization	GB			BRAC		
Age of the member vs.	X ² Value	df	Sig.	X ² Value	df	Sig.
Respondents Income	1090.006	690	.000	1540.222	690	.000
Respondent Husbands Income	1674.164	364	.000	1272.260	340	.000
Value of Furniture	1025.546	390	.000	1208.153	483	.000
Value of Capital Goods	2057.114	720	.000	1924.424	644	.000
Status of poultry	1233.882	420	.000	1407.959	368	.000
Large Livestock Status	295.050	90	.000	226.718	69	.000
Status of Small Livestock	241.387	90	.000	177.256	69	.000
Occupation of the Respondent	964.398	240	.000	839.498	253	.000
Occupation of the Respondent Husband	1235.481	224	.000	698.746	200	.000
Household Expenditure (Monthly)	2228.773	270	.000	1626.569	391	.000
Food Intake	167.061	30	.000	38.613	23	.022
Treatment Ability	214.931	30	.000	54.538	23	.000
Land Holding Status	4078.449	870	.000	3660.269	966	.000
Household Land	1808.888	540	.000	1558.589	506	.000
Cultivable Land	3711.470	1290	.000	3271.316	989	.000
Total Savings	3216.349	720	.000	3742.898	1219	.000
Pattern of Latrine	563.871	90	.000	460.403	115	.000
Facilities of Drinking Water	336.476	60	.000	122.629	46	.000
Housing Status	549.238	60	.000	656.648	115	.000
Schooling Status of Children	313.774	60	.000	314.509	46	.000
Decision Maker	335.694	90	.000	240.032	69	.000

The above Table-7.81 of chi-square analysis shows the association of sample borrowers' age with Respondents' Income, Occupation, Respondents Husbands Occupation, Respondents Husbands' Income, Value of Furniture, Value of Capital Goods, Status of Poultry, Large Livestock Status, Small Livestock Status, Monthly Household Expenditure, Food Intake Ability, Treatment Ability, Land Holding Status, Homestead Land Holding Status, Cultivable Land Holding Status, Total Savings, Pattern of Latrine Used by the Respondent Households, Facilities of Drinking Water, Status of Housing, Schooling Status of Children and Decision Maker of the Respondents Households. From the analysis it is seen that age of the borrowers is significantly associated with the above mentioned variables. So, age of the borrower has positive impacts on these variables.

Table-7.82

Chi-square Analysis with Earning Member of the Respondent Households

Name of Organization	GB			BRAC		
Earning member vs.	X ² Value	df	Sig.	X ² Value	df	Sig.
Respondents Income	135.608	115	.092	349.575	210	.000
Respondent Husbands Income	227.360	65	.000	280.184	119	.000
Value of Furniture	172.242	65	.000	518.474	147	.000
Value of Capital Goods	314.020	120	.000	605.645	196	.000
Status of poultry	222.439	70	.000	306.808	112	.000
Large Livestock Status	22.502	15	.095	45.978	21	.001
Status of Small Livestock	27.160	15	.027	69.267	21	.000
Occupation of the Respondent	153.512	40	.000	354.256	77	.000
Occupation of the Respondent Husband	212.733	40	.000	205.674	70	.000
Household Expenditure (Monthly)	466.718	45	.000	484.904	119	.000
Food Intake	10.652	5	.059	40.214	7	.002
Treatment Ability	39.930	5	.000	34.359	7	.007
Land Holding Status	653.958	145	.000	1209.848	294	.000
Household Land	405.743	90	.000	260.807	154	.000
Cultivable Land	921.688	215	.000	1098.146	301	.000
Total Savings	527.159	120	.000	1264.371	371	.000
Pattern of Latrine	101.553	15	.000	95.156	35	.000
Facilities of Drinking Water	46.532	10	.000	38.581	14	.000
Housing Status	110.314	10	.000	67.276	35	.001
Schooling Status Of Children	26.077	10	.004	54.145	14	.000
Decision Maker	68.978	15	.000	83.213	21	.000

Table-7.82 of chi-square analysis shows the association of earning member of the sample borrowers households with Respondents Income, Respondents Husbands Income, Value of Furniture, Value of Capital Goods, Status of Poultry, Large Livestock Status, Status of Small Livestock, Occupation of the Respondent, Occupation of the Respondent Husband, Household Expenditure (Monthly), Food Intake, Treatment Ability, Land Holding Status, Household Land, Cultivable Land, Total Savings, Pattern of Latrine, Facilities of Drinking Water, Housing Status, Schooling Status of Children and Decision Maker. From the analysis it is seen that earning member of the borrower households is significantly associated with the above mentioned variables. So, earning member of the borrower households has positive impacts on these variables.

Table - 7.83
Summarized t-values

Name of Organization Particulars	Period	GB				Sig.	BRAC				table value	Sig.
		Mean	Std	CV	t-value		Mean	Std	CV	t-value		
Respondent income	At the time of survey	526.93	888.77	117.80	1.6219	.05	1109.38	2903.77	261.75	1.7727	1.9629	.05
Respondent income	Before enrolment	285.00	957.63	119.53			776.38	2383.97	307.06			
Income of resp. husband	At the time of survey	2100.00	1106.07	52.67	6.1900	.05	2436.50	2049.23	84.11	2.9467	1.9629	.05
Income of resp. husband	Before enrolment	1625.48	1061.71	65.32			2051.23	1624.40	79.19			
Household expenditure	At the time of survey	1841.63	924.36	50.19	2.6922	.05	2358.63	1497.36	63.48	4.0758	1.9629	.05
Household expenditure	Before enrolment	1684.50	712.75	42.31			1941.33	1396.80	71.95			
Landholding status (acrs)	At the time of survey	0.56	0.77	137.36	-0.3548	.05	1.48	3.94	265.80	-0.3813	1.9629	.05
Landholding status (acrs)	Before enrolment	0.59	0.96	163.69			1.60	4.64	290.17			
Homestead land (acrs)	At the time of survey	0.08	0.11	135.31	2.5983	.05	0.15	0.24	157.47	1.6042	1.9629	.05
Homestead land (acrs)	Before enrolment	0.07	0.07	106.88			0.13	0.23	183.94			
Cultivable land (acrs)	At the time of survey	0.49	0.75	152.56	-0.4811	.05	1.33	3.74	281.13	-0.4912	1.9629	.05
Cultivable land (acrs)	Before enrolment	0.52	0.94	180.22			1.47	4.45	302.29			
Status of savings	At the time of survey	3678.88	3414.81	92.82	16.6750	.05	5350.39	6949.89	129.90	7.2332	1.9629	.05
Status of savings	Before enrolment	553.75	1545.54	279.11			2103.50	5683.19	270.18			
Value of furniture	At the time of survey	618.00	879.35	142.29	2.1108	.05	734.25	917.12	124.91	4.1877	1.9629	.05
Value of furniture	Before enrolment	492.50	800.47	162.53			495.50	677.55	136.74			
Status of poultry	At the time of survey	7.30	6.72	92.00	9.1981	.05	6.41	6.66	103.90	9.8214	1.9629	.05
Status of poultry	Before enrolment	3.51	4.82	137.37			2.61	3.97	152.22			
Value of capital goods	At the time of survey	1446.75	1806.17	124.84	4.5506	.05	1714.00	1886.16	110.04	4.3815	1.9629	.05
Value of capital goods	Before enrolment	917.25	1467.48	159.99			1153.75	1726.93	149.68			
Status of large livestock	At the time of survey	0.88	1.04	117.29	7.9393	.05	0.79	0.97	123.42	4.1709	1.9629	.05
Status of large livestock	Before enrolment	0.39	0.70	179.45			0.52	0.86	165.27			
Status of small livestock	At the time of survey	0.68	0.92	135.96	3.5285	.05	0.83	1.02	124.03	3.6754	1.9629	.05
Status of small livestock	Before enrolment	0.47	0.79	170.74			0.58	0.85	147.35			
Status of food intake	At the time of survey	2.79	0.41	14.77	0.5932	.05	2.89	0.32	10.96	3.4199	1.9629	.05
Status of food intake	Before enrolment	2.77	0.42	15.28			2.80	0.42	15.04			

The above Table-7.83 of summarized t values show the Pre Loan and Post Loan situation of the selected Borrowers of GB and BRAC. According to the field level survey, Income of Respondents Husband, Household Expenditure, Homestead Land, Savings Value of Furniture, Status of Poultry, Value of Capital Goods, Status of Large and Small Livestock of the Borrowers are increased after participation in the Micro-credit Program of GB and BRAC. The table indicates that the Mean Income of the Respondent, Income of Respondent Husband, Monthly Household Expenditure, Homestead Land, Savings, Value of Furniture and Capital Goods, Status of Large and Small Livestock of the GB Borrowers were Tk. 526.93, Tk. 2100, Tk. 1841.63, 0.08 acres, Tk. 3678.88, Tk. 618.00, 7.3 Tk. 1446.75, 0.88 and 0.68 respectively. These position for the BRAC Borrowers were Tk. 1109.38, Tk. 2436.50, Tk. 2358.63, 0.15 acres, Tk. 5350.39, Tk. 734.25, 6.41, Tk. 1714.00, 0.79 and 0.83 respectively. Incase of GB Borrowers before Participation these position were Tk. 430.95, Tk. 1625.48, Tk. 1684.50, 0.07 acres, Tk. 553.75, Tk. 492.50, 3.51, Tk. 917.25, 0.39 and 0.47 respectively. On the other hand before Participation these positions for the BRAC Borrowers were Tk. 776.38, Tk. 2051.23, Tk. 1941.33, 0.13 acres, Tk. 2103.50, Tk. 495.50, 2.61, Tk. 1153.75, 0.52 and 0.58 respectively. From the table, the t values also show the variations in 5 percent level of significance. It is interesting to mention that though the mean income of the Respondents of GB and BRAC have been increased but it is not statistically significant.

Table-7.84
Summarized Chi-square Values of the Variables

Name of Organization	Period	GB			BRAC		
Particulars		X ² value	df	sig.	X ² value	df	sig.
Educational status of the Respondent	At the time of survey	344.50	3	.00	204.240	3	.00
Educational status of the Respondent	Before enrolment						
Occupation of the Respondent	At the time of survey	14.576	8	.068	21.909	12	.039
Occupation of the Respondent	Before enrolment						
Respondent Husbands Occupation	At the time of survey	39.780	8	.00	18.736	11	.066
Respondent Husbands Occupation	Before enrolment						
Housing Status of the Respondents Households	At the time of survey	67.896	2	.00	147.942	5	.00
Housing Status of the Respondents Households	Before enrolment						
Types of Latrine used by the Respondent Households	At the time of survey	121.320	4	.00	143.015	6	.00
Types of Latrine used by the Respondent Households	Before enrolment						

The above Table-7.84 of summarized X² values shows the association of the sample borrowers Educational status of the Respondents, Occupation of the Respondents, Occupation of the Respondents' Husband, Housing Status of the Respondent Households, and types of Latrine used by the Respondent Households before and after Participation in GB and BRAC Micro-credit activities. From the analysis it is seen that there is a significant association among the respective variables before and after participation in GB and BRAC loan activities. So, participation in GB and BRAC loan activities has positive impact on these variables.

Correlation Matrix of GB Variables

Table - 7.85

Correlation Matrix of Age, Occupation, Husbands' Occupation, Husbands' Income, Household Expenditure, Land Holding Status, Length of Membership and Amount of Credit of GB Variables.

	Age	Occupation of the Respondent	Husbands occupation	Income status	Husbands Income	Household expenditure	Land	Total Savings	Length of Membership	Volume of loan
Age	1	-.034	-.209(**)	.049	-.348(**)	-.135(**)	-.122(*)	.058	.541(**)	.468(**)
Occupation of the Res.		1	.097	.388(**)	.043	-.178(**)	-.213(**)	.017	-.141(**)	-.144(**)
Husbands occupation			1	.098	.103	-.278(**)	-.178(**)	.034	-.019	-.105
Income status				1	.008	-.107(*)	-.198(**)	.030	.008	-.013
Husbands Income					1	.601(**)	.488(**)	.152(**)	-.129(*)	-.057
Monthly household expenditure						1	.675(**)	-.035	-.298(**)	-.204(**)
Land holding status							1	-.024	.020	.066
Total Savings								1	.065	.086
Length of Membership									1	.876(**)
Amount of loan										1

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

The above Table-7.85 of correlation matrix of GB variables show the relationship of Age of the Respondent, Occupation of the Respondent, Occupation of Respondents' Husband, Income status of Respondents, Income Status of the Respondents' Husband, Monthly Household Expenditure, Land, Total Savings, Length of Membership and Total Amount of Credit. Age of the Respondent is negatively correlated with Respondents' Occupation, Respondents Husbands' Occupation, Respondents Husbands' Income, Household Expenditure and Land Holding Status of the Respondent Households. It is correlated with length of membership and amount of credit which is statistically significant. Occupation of the Respondent is also negatively correlated with Household Expenditure, Land, Length of Membership and Amount of Credit. It is positively correlated with Income and Savings. Income and Occupation is correlated at 5% level of significance. Income of the Respondents is also negatively correlated with Household Expenditure Land and Amount of Credit. Occupation of the Respondents' Husband is negatively correlated with Household Expenditure, Land, Membership Length and Amount of Credit. Income of the Respondents' Husband is correlated with Household Expenditure, Land and Total Savings. It is statistically significant at 5% level of significance. Amount of Loan is also positively correlated with Length of Membership. It is also significant at 5% level of significance.

Correlation Matrix of BRAC Variables

Table - 7.86

Correlation Matrix of Age, Occupation, Husbands' Occupation, Husbands' Income, Household Expenditure, Land Holding Status, Length of Membership and Amount of Credit of BRAC Variables.

	Age	Occupation of the Respondents	Husbands Occupation	Income Status	Husbands Income	Household Expenditure	Land	Total Savings	Length of Membership	Volume of Loan
Age	1	.034	-.238(**)	.137(**)	-.302(**)	.220(**)	-.068	-.058	.424(**)	.443(**)
Occupation of the Respondents		1	-.214(**)	.041	-.127(*)	-.138(**)	.009	-.103(*)	-.171(**)	-.061
Husbands Occupation			1	-.056	.233(**)	.014	.011	.075	-.091	-.104
Income Status				1	-.084	.212(**)	-.025	.346(**)	.145(**)	.123(*)
Husbands Income					1	.335(**)	.492(**)	.198(**)	-.154(**)	-.142(*)
Monthly household Expenditure						1	.347(**)	.288(**)	.049	.065
Land Holding Status							1	.040	-.039	-.035
Total Savings								1	.006	.019
Length of Membership									1	.852(**)
Volume of Loan										1

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

The above Table-7.86 of BRAC variables show the relationship of Age of the Respondents, Occupation of the Respondent, Occupation of Respondents' Husband, Income Status of Respondents, Income Status of the Respondents' Husband, Monthly Household Expenditure, Land, Total Savings, Length of Membership and Total Amount of Credit. Age of the Respondent is negatively correlated with Respondents' Husband Occupation, Husbands' Income, Land and Savings. Age is correlated with length of Membership and Amount of Loan it is significant at 5% level of significance. Occupation of the Respondent is negatively correlated with all the variables except Land. Income Status of the Respondent is significantly correlated with Household Expenditure, Savings, Length of Membership and Amount of Credit at 5% level of significance. Income of the Respondents' Husband is correlated with Household Expenditure, Land and Total Savings significantly, but it is negatively correlated with Length of Membership and Amount of Credit. Length of Membership is also correlated with Amount of Credit significantly. Landholding status of the Respondents Households are negatively Correlated with Length of Membership and Amount of Credit.

Table-7.87
Regression Analysis of GB Variables

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	R = .525 R Square=.275 Adjusted R Square=.248 Std. Error=431.31174 F=10.284 Sig. Level = 0.04
	B	Std. Error	Beta			
(Constant)	-70.089	183.327		-.382	.702	
Age of the Respondents	9.953	3.006	.205	3.311	.001	
Number of Family Member	1.380	18.313	.007	.075	.940	
Number of Earning Member	-26.992	37.091	-.061	-.728	.467	
Occupation of the Respondents	52.810	6.302	.442	8.380	.000	
Respondent Husbands Occupation	1.992	10.015	.012	.199	.842	
Husbands' Income	.076	.034	.169	2.238	.026	
Household Expenditure	-.054	.053	-.104	-1.015	.311	
Total Land	-47.816	45.340	-.079	-1.055	.292	
Amount of Loan used by the Respondent	-.002	.001	-.112	-1.696	.091	
Total Savings	.024	.010	.134	2.363	.019	

a Dependent Variable: Income Status of the Respondent

The above Table-7.87 of multiple regression analysis of GB variables show the dependency between the dependent variable like Income Status of the Respondents and the independent or Explanatory variables like Age, Number of Family Member,

Number of Earning Member, Occupation of the Respondent, Occupation of the Respondents' Husband, Income of the Respondents' Husband, Household Expenditure, Land, Total Amount of Credit and Total Savings. The explanatory variables like Age, Number of Family Member, Occupation of the Respondents, Occupation of the Respondents Husbands', Income of the Respondents Husbands', and Total Savings show the positive relationship with the dependent variable but the Explanatory Variables like Number of Earning Member, Household Expenditure, Total Land and Amount of Loan has negative relationship with the dependent variable. So the Explanatory Variables like Age, Number of Family Member, Occupation of the Respondents, Occupation of the Respondent's Husband, Income of the Respondents Husbands, and Total Savings has positive impact on the dependent variable i.e. The value of dependent variable increases with the increases in the value of any of these explanatory or vice versa. On the other side the explanatory variables like Number of Earning Member, Household Expenditure, Total Land and Amount of Loan has negative impact on the dependent variable i.e., the value of Income of the Respondents' increases when the value of these explanatory variables decreases. The R^2 -value shows that the explanatory variables can explain 27.5% of the variation in dependent variable at 4% significance level.

Table-7.88**Regression Analysis of GB Variables**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	R = .672 R Square=.452 Adjusted R Square=.432 Std. Error=19286.47313 F=22.333 Sig. Level = 0.03
	B	Std. Error	Beta			
(Constant)	17078.560	8139.721		2.098	.037	
Age of the Respondents	1175.536	118.709	.471	9.903	.000	
Number of Family Member	-795.922	817.579	-.073	-.974	.331	
Number of Earning Member	3337.270	1648.713	.148	2.024	.044	
Occupation of the Respondents	-31.997	313.238	-.005	-.102	.919	
Respondents' Husbands Occupation	-1508.208	439.247	-.170	-3.434	.001	
respondent Income	-4.373	2.578	-.085	-1.696	.091	
Husbands' Income	9.062	1.434	.392	6.318	.000	
Household Expenditure	-20.607	2.075	-.771	-9.932	.000	
Total Land	10347.791	1940.736	.331	5.332	.000	
Total Savings	1.149	.458	.123	2.508	.013	

a Dependent Variable: Amount of Loan used by the Respondents

The above Table-7.88 of regression equation analysis of GB variables show the dependency between the dependent variables like Amount of Loan and the independent variables like Age, Number of Family Member, Number of Earning Member, Occupation of the Respondent, Husbands' Occupation Respondents Income, Husbands' Income, Household Expenditure, Land and Total Saving. The Explanatory variables like Age, Number of Earning Member, Husbands' Income, Total Land and Savings shows the positive relationship with the dependent variable like Amount of Loan, but the explanatory variables like Number of Family Member Occupation, Husbands' Occupation, Respondents' Income and Household Expenditure has negative relationship with the dependent variable. So, the explanatory variables like, Age, Number of Earning Member, Husbands' Income, Total Land and Savings has positive impact on dependent variable i.e., the value of dependent variable increases when the values of these explanatory variables increases. On the other side, the explanatory variables like Number of Family Member, Occupation, Husbands' Occupation, Income and Household Expenditure has negative impact on the dependent variable Total Amount of Loan i.e., the value of Total Amount of Loan increases when the value of these explanatory variables decreases. The R^2 value shows that the explanatory variables can explain 45.2% of the variation in dependent variable at 3% significance level.

Table-7.89

Regression Analysis of GB Variables

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	R = .503 R Square=.253 Adjusted R Square=.226 Std. Error=2412.98917 F=9.182 Sig. Level = 0.045
	B	Std. Error	Beta			
(Constant)	1220.342	1023.441		1.192	.234	
Age of the Respondents	-23.863	17.066	-.089	-1.398	.163	
Number of Family Member	160.172	102.031	.138	1.570	.118	
Number of Earning Member	-538.216	205.335	-.222	-2.621	.009	
Occupation of the Respondents	-149.363	38.224	-.227	-3.908	.000	
Respondent Husbands Occupation	-25.987	56.012	-.027	-.464	.643	
Respondents Income	.759	.321	.138	2.363	.019	
Husbands' Income	.177	.191	.072	.930	.353	
Household Expenditure	.190	.299	.066	.634	.527	
Total Land	-296.391	253.549	-.088	-1.169	.243	
Amount of Loan used by the Respondent	.018	.007	.168	2.508	.013	

a Dependent Variable: Total Savings

The above Table-7.89 of multiple regression equation of GB variables show the dependency between the dependent variable like Total Savings and the independent variables like Age, Number of Family Member, Number of Earning Member, Occupation, Husbands' Occupation, Respondents' Income, Husbands' Income, Household Expenditure, Land and Savings. The explanatory variables like Number of Family Member, Respondents' Income, Respondent Husbands' Income, Household Expenditure and Amount of Loan shows the positive relationship with the dependent variable like Total Savings, but the explanatory variables like Age, Number of Earning Member, Occupation, Husbands' Occupation and Total Land has negative relationship with the dependent variable. So the explanatory variables like Number of Family Member, Respondents' Income, Income of the Respondents' Husband, Household Expenditure and Amount of Loan has positive impact on dependent variable i.e., the value of dependent variable increases when the value of these explanatory variables increases. On the other hand, the explanatory variables like Age, Number of Earning Member, Occupation, Husbands' Occupation and Total Land has negative impact on the dependent variable Total Savings i.e., the value of Total Savings increases when the value of these explanatory variables decreases. The R^2 value shows that the explanatory variables can explain 25.3% of the variation in dependent variable at 4.5% significance level.

Table-7.90

Regression Analysis of BRAC Variables

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	R = .478 R Square=.228 Adjusted R Square=.201 Std. Error=2848.66312 F=8.439 Sig. Level = 0.049
	B	Std. Error	Beta			
(Constant)	-2667.059	1083.809		-2.461	.014	
Age of the Respondents	21.000	21.052	.075	.998	.319	
Number of Family Member	50.276	200.783	.041	.250	.802	
Number of Earning Member	-250.317	317.156	-.114	-.789	.431	
Occupation of the Respondents	41.530	35.352	.062	1.175	.241	
Occupation of the Respondents Husbands	-10.643	46.126	-.012	-.231	.818	
Respondents' Husband Income	-.287	.107	-.185	-2.693	.007	
Household Expenditure	.426	.158	.205	2.693	.007	
Total Land	-32.801	52.801	-.039	-.621	.535	
Amount of Loan used by the Respondent	.004	.008	.034	.575	.566	
Total Savings	.154	.023	.351	6.655	.000	

a Dependent Variable: Income

The above Table-.90 of multiple regression equation of BRAC variables show the dependency between the dependent variable like Income and the independent variables like Age, Number of Family Member, Number of Earning Member, Occupation of the Respondent, Occupation of the Respondents' Husband, Income of the Respondents' Husband, Household Expenditure, Land, Total Amount of Credit and Total Savings. The explanatory variables like Age, Number of Family Member, Occupation of the Respondent, Household Expenditure, Value of Loan and Total Savings shows the positive relationship with the dependent variable like Income, but the explanatory variables like Number of Earning Member, Respondents Husbands' Occupation, Husbands' Income, and Total Land has negative relationship with the dependent variable. So, the explanatory variables like Age, Number of Family Member, Occupation, Household Expenditure, Amount of Loan and Savings has positive impact on dependent variable i.e., the value of dependent variable increases when the values of these explanatory variables increases. On the other hand, the explanatory variables like Number of Earning Member, Occupation of the Respondents' Husband, Husbands' Income and Total Land has negative impact on the dependent variable income i.e., the Value of Income increases when the value of these explanatory variables decreases. The R^2 value shows that the explanatory variables can explain 22.8% of the variation in dependent variable at 4.9% significance level.

Table-7.91

Regression Analysis of BRAC Variables

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	R = .532 R Square=.284 Adjusted R Square=.258 Std. Error=20860.28436 F=11.296 Sig. Level = 0.038
	B	Std. Error	Beta			
(Constant)	6967.815	8003.059		.871	.385	
Age of the Respondents	1259.169	137.082	.590	9.186	.000	
Number of Family Member	-3476.439	1457.299	-.371	-2.386	.018	
Number of Earning Member	1933.936	2322.221	.116	.833	.406	
Occupation of the Respondents	-862.285	254.840	-.170	-3.384	.001	
Respondent Husbands Occupation	-198.688	337.616	-.030	-.589	.557	
Respondents Income	.237	.413	.031	.575	.566	
Respondents Husband Income	-.158	.789	-.013	-.201	.841	
Household Expenditure	1.176	1.169	.075	1.006	.315	
Total Land	40.438	386.883	.006	.105	.917	
Total Savings	.053	.180	.016	.294	.769	

a Dependent Variable: Amount of Loan

The above Table-7.91 of multiple regression equation of BRAC variables show the dependency between the dependent variable like Amount of Loan and the independent variables like Age, Number of Family Member, Number of Earning Member, Occupation of the Respondent, Occupation of the Respondents' Husband, Income of the Respondents' Husband, Household Expenditure, Land and Total Savings. The explanatory variables like Age, Number of Earning Member, Respondents Income, Household Expenditure, Total Land and Total Savings shows the positive relationship with the dependent variable like Amount of Loan, but the explanatory variables like Number of Family Member, Respondent Occupation, Respondents Husbands' Occupation and Husbands' Income has negative relationship with the dependent variable. So, the explanatory variables like Age, Number of Earning Member, Respondent Income, Household Expenditure, Total Land and Savings has positive impact on dependent variable i.e., the value of dependent variable increases when the values of these explanatory variables increases. On the other hand, the explanatory variables like Number of Family Member, Occupation of the Respondents', Occupation of the Respondents' Husband and Husbands' Income has negative impact on the dependent variable like Amount of Loan i.e., the Value of Amount of Loan increases when the value of these explanatory variables decreases. The R^2 value shows that the explanatory variables can explain 28.4% of the variation in dependent variable at 3.8% significance level.

Table-7.92**Regression Analysis of BRAC Variables**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	R = .476 R Square=.226 Adjusted R Square=.199 Std. Error=6523.12661 F=8.354 Sig. Level = 0.047
	B	Std. Error	Beta			
(Constant)	6006.888	2482.583		2.420	.016	
Age of the Respondents	-96.558	47.975	-.150	-2.013	.045	
Number of Family Member	425.440	459.189	.151	.927	.355	
Number of Earning Member	-867.020	725.325	-.173	-1.195	.233	
Occupation of the Respondents	-100.597	80.931	-.066	-1.243	.215	
Respondent Husbands Occupation	41.734	105.606	.021	.395	.693	
Respondents Income	.805	.121	.352	6.655	.000	
Respondents Husband Income	.485	.245	.136	1.978	.049	
Household Expenditure	.943	.362	.199	2.604	.010	
Total Land	-52.176	120.947	-.027	-.431	.666	
Amount of Loan used by the Respondent	.005	.018	.017	.294	.769	

a Dependent Variable: Total Savings

The above Table-7.92 of multiple regression equation of BRAC variables show the dependency between the dependent variable like Total Savings and the independent variables like Age, Number of Family Member, Number of Earning Member, Occupation of the Respondent, Occupation of the Respondents' Husband, Income of the Respondents' Husband, Household Expenditure, Land and Amount of Loan. The explanatory variables like Number of Family Member, Respondents Husband Occupation, Respondents Income, Respondent Husbands' Income, Household Expenditure, and Amount of Loan shows the positive relationship with the dependent variable like Total Savings but the explanatory variables like Age of the Respondent, Number of Earning Member, Respondents' Occupation, and Total Land has negative relationship with the dependent variable. So, the explanatory variables like Number of Family Member, Respondents Husband Occupation, Respondents Income, Respondent Husbands' Income, Household Expenditure, and Amount of Loan has positive impact on dependent variable i.e., the value of dependent variable increases when the values of these explanatory variables increases. On the other hand, the explanatory variables like Age, Number of Earning Member, Occupation of the Respondents and Total Land has negative impact on the dependent variable like Total Savings i.e., the Value of Total Savings increases when the value of these explanatory variables decreases. The R^2 value shows that the explanatory variables can explain 22.6% of the variation in dependent variable at 4.7% significance level.

7.8 Conclusion

The field level data have been used to analyze the socioeconomic condition of the borrowers of GB and BRAC before and after participation in GB's and BRAC's micro-credit program. From the above analysis, it has been found that over 72 percent of the GB borrowers' age is between 31 to 50 years of age and this percentage for the BRAC borrowers are 48 percent. Among the GB and BRAC borrowers 69.75 percent and 64 percent respectively are illiterate or can sign only. 68.50 percent of the GB borrowers and 60.50 percent of the BRAC borrowers' occupation is household worker i.e. only housewife. It is also found that only 36.75 percent of the GB borrowers earn Tk. 500 and more per month and this percentage for the BRAC borrowers are 44.75 percent. From the analysis it is seen that most of the GB and BRAC borrowers husbands' occupation has been changed as well as income of the respondents' husband are also increased. 72.25 percent and 71.50 percent the GB's and BRAC's finance respectively reached to

their target group. After joining in microfinance program of GB and BRAC the average land holding status of the borrowers decreased. Status of poultry, small livestock and large livestock has been increased positively after joining in GB's and BRAC's micro-credit program. The housing status of the borrowers is also increased. Average savings position of the GB and BRAC borrowers has also increased rapidly.

From the analysis it has been revealed that the rural credit program of GB and BRAC have positive impact on their respective borrowers' husbands' income. GB's and BRAC's finance has no impact on borrowers' income. But the socioeconomic condition of the borrowers households improved due to improvement of the borrowers' husbands' income and it is improving with the increase of the length of membership.

Changes of the socioeconomic condition of the borrower households have been analyzed after joining in the micro-credit program of GB and BRAC. From the charts it is revealed that the status of education, value of furniture, value of capital goods, number of poultry, large livestock, monthly expenditure, land holding status, savings, using pattern of latrine has been changed positively.

Some of the hypotheses are tested and summarized. Some relationships within different variables are also tried to ascertain. It has been found that the performance of GB and BRAC credit is satisfactory. From the analysis, it has been found that the GB and BRAC credit programs have significant impact on the socioeconomic condition of the borrowers. Pre and post loan situation analysis of the borrowers revealed that most of the borrowers could not enter into the earning process i.e. GB and BRAC finance did not make any impact on borrowers income but their socioeconomic condition improved after participation in the GB and BRAC micro-credit programs because income status of the Respondents Husband has been improved significantly.

Chapter Eight

CAUSES OF DROPOUT OF THE BORROWERS

8.1 Introduction

During the field survey we have observed that some borrowers have dropped out from GB and BRAC. But to find out the actual picture of dropout borrowers of GB and BRAC is too difficult. In this present chapter attempts have been made to examine the causes and nature of dropout. The length of membership in the GB and BRAC and the socio-economic changes of the sample dropout borrower households during the period of using GB and BRAC loan have also been analyzed.

8.2 Socio-economic Profiles of the Dropout Borrowers

8.2.1 Age structure of the Respondents: The age structure of the dropout borrowers of GB and BRAC has been shown in the following Table.

Table-8.1
Age Structure of the Respondents

Name of Organization Age (in Years)	GB				BRAC			
	At the time of leaving		At the time of joining		At the time of leaving		At the time of joining	
	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent
Up to 20	-	-	6	12	-	-	9	18
21 - 30	9	18	28	56	7	14	23	46
31-40	23	46	9	18	29	58	11	22
41-50	12	24	5	10	9	18	5	10
51 & more	6	12	2	4	5	10	2	4
Total	50	100	50	100	50	100	50	100

Source: Field Survey.

From the Table-8.1, it is seen that most of the dropout borrowers of GB and BRAC are belong to 31-40 and 41-50 years of age groups respectively.

8.2.2 Marital Status of the Respondents: The marital status of the dropout borrowers of GB and BRAC is shown in Table-8.2.

Table-8.2
Marital Status of the Respondents

Name of Organization	GB				BRAC			
Marital Status	At the time of leaving		At the time of joining		At the time of leaving		At the time of joining	
	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent
Unmarried	-	-	2	4	-	-	5	10
Married	35	70	38	76	30	60	37	74
Separated	5	10	4	8	4	8	3	6
Widow	6	12	4	8	7	14	3	6
Divorced	4	8	2	4	4	8	2	4
Total	50	100	50	100	50	100	50	100

Source: Field Survey.

Table-8.2 shows that most of the dropout borrowers of GB and BRAC were married. It is revealed from the Table that total numbers of 'divorced' and 'separated' have increased among the dropout borrowers after joining in GB and BRAC, which indicates the critical situation and causes of dropout of women borrowers.

8.2.3 Occupation of the Respondents: Occupation of the dropout borrowers of GB and BRAC has been shown in the following Table.

Table-8.3
Occupation of the Respondents

Name of Organization	GB				BRAC			
Time	At the time of leaving		At the time of joining		At the time of leaving		At the time of joining	
Occupation	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent
Only housewife	35	70	40	80	36	72	39	78
Housewife & house maid	8	16	5	10	9	18	5	10
Daily labour	5	10	3	6	4	8	5	10
Others	2	4	2	4	1	2	1	2
Total	50	100	50	100	50	100	50	100

Source: Field Survey.

It is seen from the Table-8.3 that most of the respective dropout borrowers were only housewife. That is more than 70 percent micro credit of female borrowers are used by

their husbands and the female borrowers are totally depended on their husbands characters or decisions which is one of the important causes of dropout. That's why GB's and BRAC's credit could create income generating employment of their respective dropout borrowers marginally.

8.2.4 Income Status of the Respondents: Income status of the dropout borrowers of GB and BRAC is shown in Table-8.4.

Table-8.4
Income Status of the Respondents

Name of Organization	GB				BRAC			
Time	At the time of leaving		At the time of joining		At the time of leaving		At the time of joining	
Income (in Tk.)	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent
No income	28	56	25	50	30	60	24	48
Up to 500	4	8	5	10	12	24	15	30
501 - 1000	15	30	15	30	5	10	8	16
1001-1500	4	8	3	6	2	4	2	4
1501 & more	2	4	2	4	1	2	1	2
Total	50	100	50	100	50	100	50	100

Source: Field Survey.

Table-8.4 shows that most of the dropout borrowers of GB and BRAC had no income. So, it is seen that the impact of GB and BRAC's credit on income of their respective dropout borrowers is insignificant as because they did not use their micro credit properly.

8.2.5 Total Amount of Loan Used from GB and BRAC: The total amount of loan during their membership used by the respondents before their dropout from GB and BRAC has been shown in the following Table.

Table - 8.5
Total Amount of Loan Used from GB / BRAC

Name of Organization	GB		BRAC	
Amount of Loan	No. of Resp.	Percent	No. of Resp.	Percent
Up to 20000	4	8	3	6
20001-30000	12	24	14	28
30001-40000	25	50	20	40
40001-50000	5	10	8	16
50001 & above	4	8	5	10
Total	50	100	50	100

Source: Field Survey.

It is seen from the Table-8.5 that most of the dropout borrowers of GB and BRAC used more than Tk. 30000 of their respective organization before their dropout. That is sometimes loans are not properly and purposively disbursed by the GB and BRAC personnel's.

8.2.6 Duration of Using of GB and BRAC Loan: Duration of using of GB and BRAC loan by their respective dropout borrowers is shown in Table-8.6.

Table - 8.6
Duration of Using of GB / BRAC Loan

Name of Organization	GB		BRAC	
	No. of Resp.	Percent	No. of Resp.	Percent
Up to 5 years	5	10	4	8
5.1-7	25	50	29	58
7.1-9	12	24	10	20
9.1 & above	8	16	7	14
Total	50	100	50	100

Source: Field Survey.

From the Table-8.6 it is observed that most of the dropout borrowers of GB and BRAC could continue their membership for a period over five years.

8.2.7 Occupation of the Respondents' Husband: Occupation of the respondents' husband of GB and BRAC at the time of joining and leaving from their respective organizations respectively is shown in the following Table.

Table-8.7
Occupation of the Respondents Husband

Name of Organization	GB				BRAC			
	At the time of leaving		At the time of joining		At the time of leaving		At the time of joining	
Occupation	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent
Only agriculture	5	10	7	14	5	10	8	16
Agriculture & daily labour	9	18	15	30	9	18	12	24
Petty business	14	28	11	22	13	26	12	24
Van pullar	14	28	9	18	13	26	7	14
Vagabond	3	6	6	12	5	10	5	10
Others	5	10	2	4	5	10	6	12
Total	50	100	50	100	50	100	50	100

Source: Field Survey.

From the Table-8.7 it is evident that the occupation of the respondents' husband has changed slightly at the time of leaving and joining of their respective organizations respectively.

7.2.8 Amount of Obligatory Savings Made by the Respondents: Amount of obligatory savings made by the respective dropout borrowers of GB and BRAC till losing their membership is shown in the following Table.

Table - 8.8

Amount of Obligatory Savings made by the Respondent

Name of Organization	GB		BRAC	
Savings (in Tk.)	No. of Resp.	Percent	No. of Resp.	Percent
Up to 1000	5	10	7	14
1001-2000	15	30	17	34
2001-3000	17	34	13	26
3001-4000	8	16	9	18
4001-5000	3	6	2	4
5001 & above	2	4	2	4
Total	50	100	50	100

Source: Field Survey.

From the Table-8.8 it is observed that most of the respective dropout borrowers of GB and BRAC made more than taka 2000 as their obligatory saving until their dropout from their respective organizations.

8.2.9 Nature of Dropout: The nature of dropout of the selected dropout borrowers of GB and BRAC has been shown in Table-8.9

Table - 8.9

Nature of Dropout

Name of Organization	GB		BRAC	
Nature of Dropout	No. of Resp.	Percent	No. of Resp.	Percent
Willingly Stopped	15	30	13	26
Expelled by GB / BRAC	35	70	37	74
Total	50	100	50	100

Source: Field Survey.

It is seen from the Table-8.9 that most of the respective dropout borrowers of GB and BRAC were expelled by their respective organizations. Only 30% of the dropout borrowers of GB and 26% of the dropout borrowers of BRAC stopped borrowing willingly.

8.2.10 Causes of Expulsion: The causes of expulsion of the respondents by their respective organizations are shown in Table 8.10.

Table - 8.10
Causes of Expulsion

Name of Organization	GB		BRAC	
Causes of Expulsion	No. of Resp.	Percent	No. of Resp.	Percent
In ability to pay the installment	35	100	37	100
Violation of other discipline	00	00	00	00
Total	35	100	37	100

Source: Field Survey.

From the Table-8.10 it is observed that all the dropout borrowers were expelled by their respective organizations due to inability to repay the weekly installments in proper time.

8.2.11 Number of Installment Failed to Repay Before Expelled from the GB and BRAC: The number of installment failure for which the borrower were expelled from their respective organizations is shown in Table-8.11

Table - 8.11
Number of Installment Failed to Repay Before Expelled from the GB / BRAC

Name of Organization	GB		BRAC	
No. of installment	No. of Resp.	Percent	No. of Resp.	Percent
1	1	2.86	1	2.70
2	2	5.71	2	5.41
3 or more	32	91.43	34	91.89
Total	35	100	37	100

Source: Field Survey.

From the Table-8.11 it is seen that among the dropout borrowers 91.43% and 91.89% were expelled by the GB and BRAC respectively due to the failure of 3 or more weekly installment. Actually borrowers are expelled from GB and BRAC due to their negative attitude of repayment.

8.2.12 Amount of Unpaid Loan: Amount of unpaid loan of the respective dropout borrowers of GB and BRAC is shown in the following Table.

Table - 8.12
Amount of Unpaid Loan

Name of Organization Amount (in Tk.)	GB		BRAC	
	No. of Resp.	Percent	No. of Resp.	Percent
Up to 1000	6	12	5	10
1001-2000	13	26	14	28
2001-3000	15	30	16	32
3001-4000	7	14	6	12
4001 -5000	5	10	4	8
5001 & above	4	8	5	10
Total	50	100	50	100

Source: Field Survey.

Table-8.12 shows that 12%, 26%, 30%, 14%, 10% and 8% of the dropout borrowers of GB have unpaid loan up to taka 1000, taka 1001-2000, taka 2001-3000, taka 3001-4000, taka 4001-5000 and taka 5001 and above respectively. On the other hand, this percentage for the dropout borrowers of BRAC is 10%, 28%, 32%, 12%, 8% and 10% respectively. From this table we can understand the role of GB and BRAC's officials towards their dropout borrowers.

8.2.13 Sources of Repayment of the Unpaid Loan: The sources of repayment of the unpaid loan of the respective dropout borrowers of GB and BRAC have been shown in Table-8.13.

Table - 8.13
Sources of Repayment of the Unpaid Loan

Name of organization	GB		BRAC	
Source	No. of Resp.	Percent	No. of Resp.	Percent
Adjusted with the obligatory saving that was deposited in GB / BRAC	38	76	40	80
Selling assets	5	10	6	12
Did not repay	1	2	2	4
Borrowing from other sources	6	12	2	4
Total	50	100	50	100

Source: Field Survey.

Table-8.13 shows that most of the repayment of the unpaid loan of dropout borrowers adjusted with the obligatory savings which was made by their respective dropout borrowers. 10% of the dropout borrowers of GB and 12% dropout borrowers of BRAC compelled to sale of their assets to repay unpaid borrowed loan.

8.2.14 Cultivable Land Holding Status of the Respondent Households: Cultivable land holding status of the respondent households is shown in Table-8.14.

Table-8.14
Cultivable Land Holding Status of the Respondent Household

Name of Organization	GB				BRAC			
Time	At the time of leaving		At the time of joining		At the time of leaving		At the time of joining	
land (in acre)	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent	No. of Resp.	Percent
Up to 0.5	35	70	30	60	36	72	26	52
0.51 & above	15	30	20	40	14	28	24	48
Total	50	100	50	100	50	100	50	100

Source: Field Survey.

It is seen from the Table-8.14 that a significant number of dropout borrowers of GB and BRAC has lost some of their cultivable land during the period of using of GB and BRAC loan.

8.3 Conclusion

From the foregoing field survey and analysis it is observed that GB and BRAC expelled all of the dropout borrowers due to their ill motive to repay the weekly installment of loan. 64 percent and 72 percent of the dropout borrower of GB and BRAC were in age group between 21-40 years respectively. Sufficient time and scope are given them to repay their unpaid loan. Sometimes, due to non-seriousness of GB and BRAC official borrowers misused their micro credit. On the other hand, repayment of borrowers mostly depend on their husbands attitude. Finally it can be concluded that the nature and causes of dropout from GB and BRAC are multifarious and attitudes of these borrowers towards GB and BRAC's loan repayment was not positive.

Chapter Nine

MAJOR FEATURES OF GB's & BRAC's ACHIEVEMENT OF THE RURAL FINANCING PROGRAMS

9.1 Introduction

In this chapter the researcher has attempted to analyse and find out the major features of GB and BRAC, and tried to make a comparative analysis of aims, objectives, methods, procedures and nature of financing in order to find some similarities and discrepancies with an intention to identify some lessons for future planning and designing of similar micro-credit organizations. Methods and Procedures of lending of these two organizations have been discussed in chapter four. A comparative analysis of these two organizations has been made in the next section of this chapter.

9.2 Major Achievements of the Rural Financing Programs of GB and BRAC

After analyzing the Table-9.1 from the following page we can observe that these two organizations under study have separate programs for men and women, in accordance with the socio-cultural norms of Bangladesh. Membership is strictly limited to people who own less than half an acre of land and members of the same household are not member of another program. All members have similar socio-economic background, resources and they all live in the same village. Experience shows that the spatial and social cohesiveness developed among individuals of the same gender, residing in the same village, and having similar economic backgrounds are important factors in the smooth functioning of the groups.

Table-9.1**Major Features of Micro-credit Programs of GB and BRAC**

Program Feature	GB	EDP of BRAC
Membership Criteria	Maximum land holding of half an acre of land. - Only one member allowed per household.	Maximum landholding of half an acre of land At least one households member must work for wages Since 1992 one member allowed per household - People who sells their labour at least hundred days a year
Group Features	Five member form a group Five to eight groups constitute a center Separate groups for men and women Weekly meeting of groups	Vos are divided into solidarity groups of 5-7 members 30-40 members form village organizations Each man's group has a counterpart women's group Weekly meetings of solidarity groups
Savings Mobilization	Tk. one per week (from 2001 it is Tk. 5 per week) 5 percent of each loan goes to group fund (but from the year 2001, group fund replaced to personal savings account, special savings account and deposit pension scheme). 0.5 percent of each loan used for group insurance. Option to buy shares worth Tk. 100 per member.	Tk. 5 per week 4 percent of loan goes to group fund. 1 percent of each loan used for group insurance. There is no option to buy shares.
Credit Delivery Mechanism	No collateral but group liability (but from the year 2001 no more form of group liability).	No collateral but group liability

Program Feature	GB	EDP of BRAC
	46 week installment of loan (which was previously 52 weeks) Interest at the end of loan cycle and calculated using declining balance method 20 percent interest rate for general loan 8 percent interest for housing loan Education loan, Micro enterprise loan & Pension fund Maximum loan size is Tk. 15000 per member.	46 week installment of loan Interest at the end of loan cycle and calculated declining balance method 15 percent interest for production loan. Not found Maximum loan Tk. 10000 per member
Social development components	Training duration 30-40 days Review of code of conducts at weekly center meetings Minimal skills - based training provided	Training duration 3-6 months Review of code of conducts at VO meetings Substantial skills-based trainings

Source: Chapter four of this Dissertation, Khan, 2000, 217-218; Yunus, M. (2005), GB at a Glance, P-1.

The central unit of GB's activities is the five member groups. BRAC uses VOs, which is comprised of 30-40 members from the target population. These VO's are the central pillar of all works of EDP of BRAC. As because the VOs are difficult to manage the credit delivery and repayment, BRAC has introduced solidarity groups of five to seven people within the VOs to monitor groups' performance. The VOs, not the solidarity groups are the principal functionaries of EDP of BRAC.

GB and BRAC programs' functional groups hold weekly meetings regularly in the presence of a group organizer to review the respective group's performance and deposit their weekly savings of a particular amount of taka which has been mentioned earlier according to their organizational procedure. The members learn, practice, and discuss the rules and regulations of their program and also participate in other group activities. Weekly loan installments repaid and other activities are done at these weekly meetings.

Each group elects a leader who is responsible for the discipline of group members. Every member has equal chance to lead their groups by turns. The group leader initiates loan proposals at the monthly center or VO meeting. A center or VO leader is elected to manage the centers and VOs. He is responsible for monitoring loan activities and performing other non-economic services and institution building process. In addition to above functions, GB and BRAC targeted credit programs emphasizing non-economic capacity enhancement and social development issues through intensive institution building process, such as marriage, dowry, kitchen gardening and childrens' education etc. Each program has its own agenda for social development, which it pursues through their respective groups. All programs provide human and social development inputs, including skill development, and other types of training, such as health, nutrition, and family planning, in order to improve the productive capacity of the poor. The extent of training varies from program to program. Training is an essential precondition for access to credit for EDP of BRAC, but it is not a requirement for GB. GB believes that initially only training in Bank procedures is necessary for a member to have access to credit. According to GB, the poor already have the skills, if they get credit, they can generate self employment. GB does encourage members to practice and follow various rules and regulations governing group behavior and members' social conditions to promote group performance and discipline.

Empowerment and involvement of women is another dimension of the group-based social development model. It is very much difficult to reach women individually in rural Bangladesh due to purdha system, which secludes women in order to uphold standards of modesty and morality. On the other hand, women in rural areas of Bangladesh called double poor. For this, women may find it easier to counter seclusion as a group than as individuals. Although group solidarity is effective with men as well, it is particularly effective with women in Bangladesh, who find it more convenient to attend weekly group meetings, adhere to the rules and regulations of group solidarity and prosperity, and make small transactions with the programs. While other programs bypassed women, because they were perceived as high credit risks, the targeted credit program promote womens' participation. This emphasis partly reflects the programs' emphasis on equity and long term social and economic development and partly reflects the realizations that loan recovery rate are higher for women than men. Experience shows that the women

are regular payers than men, and they maintain the rules and regulations of respective micro-finance institutions than men.

In the context of Bangladesh, like other micro-finance institutions GB and BRAC practice group based credit delivery system, which have yielded better loan recovery rates than the individual based credit model. This superior performance of group based credit partly reflects peer pressure, from group monitoring, where micro-credit programs have been able to create social capital through group formation and training. Lending to individuals with group liability and monitoring helps reduce the loan default cost resulting from behavioral risk. Group lending enables programs to reduce the cost of obtaining information about borrowers and types of projects. It relies on peer pressure to monitor and enforce contracts, provides an incentives for borrowers to repay, and helps avoid adverse selection of borrowers.

It may also be noted that micro-credit institutions also introduced a number of instruments to reduce the risk of loan default attributable to production risk. As for example, savings mobilization is an integral part of financial intermediation of micro credit institutions, like GB and BRAC. The status of borrowing of members is irrespective; every member is bound to save a minimum taka in every week according to the scheme and rules of such micro-credit institutions. During the time of taking loan every borrower is asked to contribute about 5 percent of their loan principal to a group fund (GB presently abolished the group fund and group fund replaced to personal savings account). Borrowers are also required to contribute a certain portion of interest payments or principal to an insurance fund that protects both borrowers and lenders in the case of un-willful defaults caused by health and natural causes. This aspect is critical for lowering the risk of loan default in poor agro-climatic areas without an insurance market (Khan, 2000, 221).

GB has not been active in mobilizing savings from nonmembers without GB pension deposit scheme. GB does not lend to the nonmembers and allows only its member to purchase share of Tk. 100 each. GB also has easy access to foreign donor funds (Activities of the Banks and Financial Institutions, 2001-2002, 136, Khan, 2000, 221). BRAC also does not allow mobilizing savings from non-members. BRAC is not a bank, so there is no question to sell its share to its members, because it does not have this feature. BRAC also mobilize savings from its members.

Successful financial intermediation also requires transparency in transactions. Many rural credit institutions developed by Government have failed partly because of corruption and embezzlement (Braverman and Guash, 1989, cited in Khan, 2000, 222). Such issues are carefully dealt within the institutional framework of the targeted credit programs. The small groups meet monthly or weekly in a community level organizational meeting, i.e. center or VO meeting for GB and BRAC, where each transaction is made openly in front of all members. All transactions are made only with the consensus of all members. Both group leader and center or VO leader is accountable to the group members. If a leader does not behave properly, a new leader may replace him/her. Both center or VO leader and group leaders jointly monitor loan use daily. Loan use is also monitored at the outset by program staff. Any irregularity is reported at the center or VO meeting, and a solution is sought jointly by members. Group based financial intermediation mitigates problems of entrenchment of vested interest and defers individuals from taking actions that are not in the interest of the group (Fuglesang and Chandler, 1988, cited from Khan, 2000, 222). Finally, peer monitoring of group based financial intermediation works at both the group level and at the center or VO level, thereby eliminating the possibility of collusion among members.

Table 9.2 provides more detailed analysis of GB and BRAC. In this Table two organizations under study have been compared in details in terms of their common criteria and activities. Reader and researcher can find some of these analysis and comparison very interesting and useful.

Table-9.2**Major Achievements of Micro-credit Programs of GB and BRAC**

Criteria	GB	EDP of BRAC
1. Basic Information		
(a) Nature of Organization	(a) Specialized Financial Institution (some called it as Quasi – Governmental Organization)	(a) Non-Governmental Organization
(b) Year of Establishment	(b) Experimental - 1976 As project - 1979 As Bank - 1983	(b) As BRAC - 1972 RDP Started - 1986 As BDP - 2001 As EDP – 2002
2. Origin of the Project/Program	Originated in 1976 as an action research project to test the hypothesis if financial resources are made available to the poor at reasonable terms and conditions, they can be able to generate productive self employment without any external assistance. The hypothesis proved very successful and in 1983 the Government converted the project into a scheduled specialized financial institutions for the poor.	BRAC was established in 1972 as a relief organization. EDP is the largest program of BRAC and it was established as the successor of RDP and BDP. RDP was started in 1986 by marginal of outreach and RCTP and BDP was established in 2001 as the successor of RDP, EDP is the core of all works of BRAC.
3. Management of the Program	A 13 member Governing Board is responsible for overall management of GB of which 9 are to be selected from the borrower share holders and another 4 are to be appointed by the Government of Bangladesh. The Board composed of the chairman, managing director and eleven other members. The Managing Director is the Chief Executive Officer of the Bank. Presently the founder of GB is holding the position of Managing Director	An 11 member Governing body is responsible for overall management of BRAC. All existing Directors and key executives of BRAC and one or two reputed social scientist are members of the Governing body. The founder of BRAC in the chief executive of the organization.

Criteria	GB	EDP of BRAC
4. Goals and Objectives	(a) To extend banking facilities to the poor men and women (b) To eliminate exploitation of the money lenders (c) To create opportunities for self employment for unutilized and underutilized man power. (d) To bring the disadvantaged poor people within the fold of some organizational formal which the poor can't understood and to find socio-political and economic strength.	(a) Alleviation of poverty (b) Empowerment of the rural poor, who dominate the rural areas of Bangladesh, specially for women. (c) Making target group aware of their own problems (d) To give them tools of organize in homogeneous groups
	(e) To reverse age old various circle of poverty through credit and investment.	(e) Increase the capability of poor to secure themselves and to enable them to enjoy their legitimate share from public service sector.
5. Strategies	(a) Organize people in homogeneous back ground of five and with six or more of such groups in to a center (b) Making center is the key point of all activities of GB (c) Provide credit to the member of GB without collateral. (d) Arrange training for bank staff and work ships for staff and borrowers of the bank	(a) Conseientization and mobilization of participating poor men and women through functional education. (b) Develop self sustaining credit entities (c) Increase employment through various ways (d) Increase knowledge about their legal and human rights (e) Increase income for the beneficiaries (f) Improved organizational capacity of BRAC (g) Training and skill development (h) Provide credit to the beneficiaries and other social inputs.

Criteria	GB	EDP of BRAC
6. Criteria for Selecting Target Group	[Landless & Assetless] Rural people who do not own more than 0.5 acres of land including homestead and earn their livelihood by selling manual labor.	[Same as GB]
7. Components of Program (a) Institution Building	(a) Group formation is essential part. members have to attend weekly meetings at the center. Center acts as a platform of on going institution building process. Not that much tied with social activities like BRAC.	(a) Essential part and pre condition of having credit. Group members have to attend regular weekly meeting and undergo Functional Education course and have to successfully complete the course.
(b) Credit	(b) Easily available in individual with the consent of the groups.	(b) Credit is provided without collateral only when 10% matching fund is accumulated in savings account and, successfully completed functional education course.
(c) Employment & Income Generation.	(c) Important component and executed liberally.	(c) Important component and executed as per guideline of central office.
(d) Training and Skill Development.	(d) Very essential part initially for the Bank staff only.	(d) Very rigid, structured and essential part for BRAC staff and as well as for members.
8. Scale of Operation.	Members .4.06 million. Villages 48472	Members 4.07 million. Village 61924. million.
9. Organizational Units	Branches 1358.	Area office- 464. Team office-1190
10. Budget ..2004 (a) Income (b) Expenditure (c) Profit	(a) 7.70 billion (b) 4.23 billion (c) TK.466 million.	(a) TK...8119.46 million (b) TK 7202.25 million (c) .Not found
11. Sources of Funds (in 2003)	No Loan and donation from Local & Foreign Institutions	14.05% Retained earnings 72.08% Loan Realization 12.97% Donors contribution

Criteria	GB	EDP of BRAC
12. Number of Staff	13492	32652
13. ownership	Borrowers 94% GOB 6%	[Not found]
14. Cumulative Credit disbursement in 2004	Tk25591.43 million.	Tk133212 million.
15 Interest Rates (a) General (b) Housing	(a) 20% (b) 8%	(a) 15% (b) Not found
16. Mode of Repayment	46 weekly installments (earlier it was 52 weeks installments)	(a) Same as GB
17. Realization or Recovery	98.91%	98.74%
18. Participation of Women	3883383	4727286.
19. Unit level field staff	For Branch Office: 1. Branch Manager 6 Bank Workers 1 Accountant 2 Assistants 10 Total	For Area Office: 1 Area Manager 5 Program Officers 15 Village Cadres 21 Total
20. Coverage at Field Unit Level.	15-20 Villages 1500 to 3500 Members (approximately)	120 VOs 4000 to 6000 Members
21. Advantages	(a) Combination of state and civil (b) Can work grassroots and policy level (c) Accountable to the members and also to the Government	(a) Can better identify the target groups (b) Provides social mobilization (c) Provides guided support

Criteria	GB	EDP of BRAC
	(d) Not so much dependable on foreign funds	(d) Very complex in implementation
22. Limitations	(a) Concentrated only in the informal sector (b) Provides only credit (c) Dependent on Market and demand system (d) Going very larger scale	(a) Lack of social and political space (b) Dependent on mostly foreign funds (c) Also working very large scale (d) Not accountable to the beneficiaries
23. Code of Conduct for members	16 Decisions	17 Promises
24 Impacts (Average)		
(a) Employment	(a) 4% increased	(a) 1.25% decreased
(b) Income	(b) 34.7% increased	(b) 37.3% increased
25. Sustainability of the Program	Highly participatory, accountable, and transparent organization. Some branches are running by their own income. Need more observation to predict.	Very organized and complex organization. Some of its RDP programs are running by their own income. Need more observation to predict.
26. Replication	More then 50 countries of the world are replicating the model	It is also replicating some of the Country in the World
27. Role in policy reforms	The GOB and the World Bank has reformed its policy towards micro-credit on being influenced by the organization.	Not applicable
28. Nature of the Intervention	Credit plus Institution building	Credit with Social Development towards creating enabling environment.

Source: Chapter four, five, six and seven of this dissertation; Khan, 2000, 223-228.

It is clear from the above comparative analysis (Table-9.2) that the GB originated from an Action Research Project to test the hypothesis that poor people have their ability to develop themselves; if they are provided with necessary inputs. BRAC started RDP through experience and by combining their 'Outreach, and 'Rural Credit and Training' programs together for bringing positive changes in the life style of rural poor. Although the origins of these two organizations were different, the ultimate goals and objectives of the GB and BRAC were almost similar, such as alleviation of poverty through empowerment of the poor. These two organizations also selected the same criteria to identify their target groups, i.e. landless and asset less rural poor.

This two organizations have common integrated package of program components (sl. no. 7 of Table 9:2); such as (1) institution building; (2) extending credit without collateral; (3) income and employment generation activities; and (4) providing human resource development training.

In examining the general performance of these two programs, it can be seen that all of these are by and minimum successful and effective program. GB have generated minimum amount of employment in rural informal sector but BRAC could not make any impact on employment generation to their borrowers, and both of these programs have minimum impact on income raised among their target population. Effectiveness of these two organizations are almost same. In employment generation the GB's performance has increased while by 4% that of has decreased by BRAC 1.25%. In recovery loan of both this organizations show almost more than 98 percent recovery.

In analyzing various components of the programs, it has been indicated that the level of emphasis and focus on particular component of the programs varied from one program to another. Initially the GB was an institution providing a dependable forum through which the banking system extended credit to the landless and assetless poor without collateral. The GB differs fundamentally from other micro enterprises support programs, which offer training first and then credit. The GB, by contrast, believes that borrowers already possess relevant skills to use credit productively without formal training, and thus concentrates on credit to finance activities with which borrowers are already familiar. On the other hand, EDP of BRAC is different from the Grameen approach. EDP has been designed for the comprehensive development of the poor. Apart from the credit, the components of EDP included consciousness raising, technical training and

logistic support. The main difference between the GB with EDP is that GB organizes people in homogeneous groups of five people and, with six to eight of such groups into a center. The focal point of the GB is the center and it makes the center a forum of socio economic development. The GB relies on people who own capability while BRAC emphasize on their own organizational strength in order to increase people's capability.

Even in the disbursement of credit, the principles of EDP are in many ways different from those of the GB, while the GB's credit is available almost immediately after the formation of group, EDP takes approximately six months to develop the group into a standard considered necessary before disbursing credit. But the researcher found in the field level that, this feature is absent in practice. EDP forms men and women's village organizations for exercising greater political power, but the GB forms a group with five homogeneous people (separately for men and women) to receive credit.; EDP credit is strictly supervised and is intended to be used for the purpose for which it is granted. GB borrowers are left to individual choice as to how to utilize the loans as long as they earn some income and repay the loans. Loans for collective activities are encouraged in EDP, while loans from the GB are mostly to individuals.

It is also seen from the Table 9:2 that although the strategies of EDP differ from the GB. but it is having almost similar impact on their borrowers. Among these two institutions the BRAC is effectively serving larger number of borrowers than GB. At the same time EDP's members are also getting other benefits than just credit, which should have a much wider impact of BRAC emphasis on mobilization and conscientization component of training, but that is very difficult to measure at this stage.

If we look into the management aspect of these two organizations, we can see the GB's governing body is comparatively more participatory in nature and is of a representative character. Out of the GB's 13 member governing body 9 are to be selected from the members i.e. from landless and assetless rural poor and 4 are to be appointed by the GOB. At present, the founder of GB is the Chief Executive of the Bank and he is simply a member of the Board of Directors; where chair of the Board and other members are different persons. In case of BRAC the participatory and accountability aspects to the members have been ignored and the management system seems to be not that transparent. In case of BRAC it did not include members (landless and assetless poor) representatives in the Governing body. BRAC's Governing body is headed by one

chairman and its founder is one of the members of Board of Directors and he is also the Chief Executive of the organization. Out of BRAC's 11 member governing body, most of the members are existing directors and other key officials of BRAC and one or two reputed professionals nominated by its Governing body.

In analyzing the management system of GB and BRAC, we can see the GB's management has the unique combination of state component and also civil society component (professionals, representatives from primary groups); where class interest seems to have been merged towards socio-economic uplift of the country. The management approach of the GB can be termed as reformist approach. The management of BRAC seems biased because the NGO's component is very dominant in BRAC's governing body and there is no representative neither from the Government side nor from the members.

9.3 Noncredit Services Introduced by GB and BRAC

A combination of credit and noncredit services are the main characteristics of micro-credit institutions mentioned above. This characteristic varies from one institution to another. As mentioned before the GB relies heavily on credit, while BRAC has an elaborate noncredit component in their activities. Both of these two organizations evolved over a period of time through trial and error mechanism and are conditioned by the philosophy of the concerned organization.

BRAC began with the idea that economic dependency on exploitative money lenders in the existing society is the main cause of poverty in rural areas of Bangladesh. So BRAC began to mobilize the landless and assetless poor and teach them through consciousness raising training about this exploitative situation. In this process the poor also tried to learn how to access public resources distributed by the Government machinery. BRAC also provided them literacy and health education. BRAC soon observed that providing only training was inadequate to improve the conditions of the poor who did not own productive means, such as land or capital. They found that credit is very essential at this stage to make the poor productive through self employment. From this empirical view and experience BRAC decided that in order to receive credit from BRAC, the program participant must go through rigorous training for at least six months.

The GB differs in its approach from that of BRAC. It believes that the poor need training only on how to transact with an institution such as GB. Since they are familiar with an informal activity, such as processing, transportation, or poultry raising, they can begin a productive activity immediately once they have access to credit. Hence GB provides credit soon after its members are familiar with banking formalities. During this training period, group members are instructed in other areas, such as kitchen gardening, health care, nutrition, productivity, and housing. GB distributes seeds and seedlings to members, supplies low cost housing materials to borrowers, and encourages members to open nursery schools at centers for preschool children so that preschool children are taken care of while mothers attend GB meetings. Training in social and health issues is also part of regular programs in Grameen.

On the other hand, BRAC offer similar training in social and health issues. BRAC also has developed a functional education program for many illiterate members and a Non Formal Primary Education (NFPE) program directed at school age children who are out of school or have never attended school primarily for economic reasons. The objective of the NFPE is to help these children achieve basic literacy, numeric and social awareness. Older children complete this course in one and a half years and then become eligible to enroll in class six of formal middle school. Younger children complete this course in three years and follow the same path. BRAC employs the teachers of the NFPE schools and provides books and learning materials; parents of BRAC members help run the school. Because of the success of the NFPE program, BRAC has helped a World Bank funded general education project incorporating this idea nationwide. BRAC has developed similar innovative primary health care programs too.

What makes BRAC distinct from GB is its skill development training programs. GB believes that skill development is not necessary for the poor at the initial stage to become productively self-employed; only the provision of credit is necessary. In contrast, BRAC assumes that while credit only programs help the poor to become self employed and generate cash income, the poor would benefit even more if they could use more modern methods and skills. This has led BRAC to invest staff time and other resources in developing training materials that improve productivity in key economic sectors, including poultry, livestock, sericulture, fisheries, and agriculture. BRAC's efforts have helped break the sectoral bottlenecks for improved productivity and have increased the

income and employment of members. They have also helped spread technology to other members of the community.

9.4 Conclusion

In this chapter attempts have been made to compare between GB and BRAC. From the discussion about the main features of these two organizations it is found that though the objectives of these two organizations are common, but the method of lending is not same. According to GB the poor already have the skills. So, if the financial assistance is given to them they can generate self employment. But BRAC believes that the poor first need training then credit. From the analysis it is seen that BRAC covers larger villages and members than GB. GB is established as a special financial institution. On the other hand BRAC is established as an NGO. Both this two organizations are replicating world wide. Impacts of the activities of these two organizations on income, occupation, as well as socio-economic condition of their respective borrowers are almost same.

Chapter Ten

FINDINGS, CONCLUSION AND RECOMMENDATIONS

10.1 Major findings

The present study has evaluated the micro-credit programs of GB and BRAC introduced in rural areas of Bangladesh that target the landless and assetless poor, basically disadvantaged rural poor women. GB and BRAC has developed a sustainable micro-credit delivery mechanisms and savings mobilization scheme that target the specified poor with their separate method of lending. Though both the programs follow the group based techniques to deliver credit and mobilize savings, offer financial intermediation to its members, adhere to strict loan recovery mechanisms, and offer non-credit social development services to augment the effective use of loans, but the methods and procedures of lending of these two institutions are not same. Disbursement of loan to the rural poor is the main target for GB. But BRAC gives them loan after one year training and management development program. The ultimate objective of GB and BRAC is to give micro-credit services to the disadvantaged rural poor people and to help them to promote self employment for the unemployed poor men and women in the informal sector in order to reduce poverty.

Bangladesh is a successful provider of micro-credit programs. Micro-credit activities in Bangladesh, through GB, BRAC, ASA, Proshika, and other Governmental and Non-Governmental Organizations have succeeded in reaching a good number of rural poor people. The micro-finance programs have reached more than 10 million households in Bangladesh. The annual disbursement of micro-finance programs is about US\$1 billion with an outstanding loan balance of \$700 million. Above ninety five percent of the members of the micro-finance programs are women.

It has been found from the study that the rural finance comes from two sources like formal and informal sources i.e. institutional sources and non-institutional sources. It is observed that before 1990's about 80-85 percent of the rural credit comes from the non-institutional sources and rest 15-20 percent comes from institutional sources. Currently it is estimated that only 30-40 percent demand for credit is made by the rural credit giving

agencies. It is evident that still the role of village money lenders is predominant in the rural financial market. Further it is observed that the role of semiformal institutions i.e. NGOs are dominating among the formal i.e. institutional sources of rural finance. 85.71% of the total institutional credit has been delivered by NGOs.¹

According to the Government statistics, the micro-finance industry has been classified in four categories i.e. Government Administrative Departments, Nationalized Commercial Banks, Specialized Financial Institutions and NGOs. GB is one of the Specialized Financial Institution and BRAC is one of the NGO. By the end of the financial year 2001-2002, GBs credit stood at 45.98 percent of total credit disbursement by the Government Administrative Departments, Nationalized Commercial Banks, and three Specialized Financial Institutions and 72.96 percent of the three Specialized Financial Institutions. But by the financial year 1997-98, it was 41.17 percent of total credit and 80.09 percent of three Specialized Financial Institutions credit disbursement. It is interesting to mention that the proportion of GBs credit is increased among total credit but the proportion of credit by the year declined among the three Specialized Financial Institutions compared by the year 1997-98 with 2001-2002, but it is fluctuating over the years.

On the other hand, the country is now teeming with 721 micro-finance NGOs. Each and every NGO has taken up micro-credit as a core activity. Up to the financial year 2001-02 BRAC's credit stood at 41.42 percent of all NGOs and 53.68 percent of four big NGOs credit disbursement. During the financial year 1997-98, it was 47.81 percent of total NGOs disbursement. It is seen from the study that though the percentage of BRAC's credit disbursement among the big four NGOs are dominating but the proportion is declining among the total NGOs disbursement compared with the financial year 1997-98.

Further it is observed that the disbursement of loan to the rural areas of Bangladesh by big NGO's (up to December 2002) and Specialized Financial Institutions (up to June 2003) were Tk. 59361.6 million, Tk. 86610.2 million, Tk. 22594.5 million, Tk. 2933.2 million, Tk. 180209.3 million, Tk. 13896.4 million and Tk. 24302.9 million by ASA, BRAC, Proshika, Swanivor Bangladesh, GB, PKSf and BRDB respectively. It is worthwhile to mention that the disbursement of credit was more by GB than BRAC and others.

¹ Calculated from Table 3.1, Page 58.

The GB emerged as a unique banking system for the rural poor people of Bangladesh to improve their socio-economic condition by creating opportunity for self employment for the unutilized and underutilized manpower resources by extended banking facilities to them and eliminate exploitation of the money lenders. It is a target group oriented credit institution that gives credit facilities to the poorest of the rural poor, basically the rural destitute women. It does not follow the conventional banking system of advancing loans against collateral security and strict conditions.

On the other hand, BRAC was established initially as a relief organization. Later the BRAC turned its focus on long-term issue to achieve two goals, one is alleviation of poverty and another is empowerment of the rural poor, who dominate the rural areas of Bangladesh, specially for women. It is also a target group oriented organization that gives credit facilities without collateral to the poorest of the poor people of Bangladesh, basically the disadvantaged rural poor women. GB and BRAC both are being replicated in many countries.

At the end of December, 2004, the GB, through its 1358 branches was serving 4.06 million members. It had disbursed, by the end of the year 2004, Tk. 25591.43 million to its borrowers as loans. GB members had saved Tk. 13793.14 million and the non-members saved Tk. 20717.79 million. The bank's operation reached 48472 villages out of 87000 in the country by its 685083 centers. The rate of recovery of GBs loan is more than 98 percent. The historical data of GB and BRAC have been analysed to measure the progress and performance of coverage of members, villages, and disbursement of loan etc. The analysis showed that the number of branches of GB increases faster for the period 1984-1992 and 2003-2004 than the period 1993-2002. The coverage of villages were also increased faster for the period of 1983 to 1993. Further the data shows that GB covered a good number of members and it preferred to deal with female members than the male members. The upward trend of disbursement of general loan was observed from the year 1983 to 1994 gradually. But from the year 1995 the disbursement of loan was fluctuating.

On the other hand, by the end of the year 2004, the BRAC through its 498 area offices and 1172 team offices was serving 4.86 million members. It had disbursed by the end of the year 2004 US \$442.76 million to its borrowers as loans. The BRAC members had saved US\$ 130.89 million. The BRAC operation reached 68408 villages of the country

with 142117 VOs. The recovery of BRAC's loan is over 98 percent. From the analysis it is seen that the number of area offices increased gradually from its inception and it increased faster from the year 1999. The number of members and borrowers were increasing gradually, but from the year 1992 the number of male members were decreasing. The BRAC is also emphasizing to give credit to the poor women of the rural area of Bangladesh. According to BRAC, women are the regular payers and they obey the rules and regulations of BRAC properly. Though the amount of loan fluctuated over the years yet the disbursement of loan to the borrowers has shown increasing trends. Balance of savings made by the members was also increasing. It is interesting to mention that the coverage of members and disbursement of loan by BRAC is greater than GB. The progress and performance of GB and BRAC operation in all over the country is satisfactory. The trend of coverage of members, disbursements and savings made by the members showed the increasing trend.

The sample branches and area offices level analysis revealed that the rural credit activities and the performance of these branches and area offices are at the satisfactory level. The average members and borrowers of the sample branches of GB were 2234.43, 2577.86, 2912.14, 2328.29, 2132.29, 2164.71, 2527.43 and 2179.57 respectively. At the same time average members and borrowers of the selected area offices of BRAC were, 4776.71, 4647.71, 5724.43, 4535.29, 3966.43, 3806.57, 4711.14 and 3585.43 respectively. The average credit disbursement of the selected branches and area offices of GB and BRAC were Tk. 16.32 million, Tk. 15.30 million, Tk. 20.07 million, Tk. 24.91 million, Tk. 20.63 million, Tk. 13.82 million, Tk. 23.80 million and Tk. 18.81 million respectively. At the same time the average recovery of these same branches and area offices were Tk. 11.40 million, Tk. 13.11 million, Tk. 12.37 million, Tk. 14.41 million, Tk. 19.68 million, Tk. 16.52 million, Tk. 22.77 million and Tk. 16.71 million respectively. The average micro-credit outstanding of the sample branches of GB were Tk. 8.10 million, Tk. 8.57 million, Tk. 7.70 million and Tk. 10.22 million respectively. At the same time the average micro-credit outstanding for the sample area offices of BRAC were Tk. 12.15 million, Tk. 10.38 million, Tk. 14.06 million and Tk. 10.31 million respectively. The average savings made by the GB and BRAC members of the selected branches and area offices were Tk. 10.45 million, Tk. 4.01 million, Tk. 12.35 million, Tk. 7.86 million, Tk. 3.05 million, Tk. 2.14 million, Tk. 3.19 million and Tk. 2.40 million respectively. The financial position analysis of the sample branches and area offices

show that the performance of these branches and area offices. The average profit / loss position of these branches and area offices were Tk. 0.16 million, Tk. -0.99 million, Tk. 0.11 million, Tk. 0.02 million, Tk. 0.53 million, Tk. -0.42 million, Tk. 0.66 million and Tk. 0.42 million respectively. From the study of branch and area office level analysis, it has been found that the performance of all the branches and area offices is satisfactory. The average profit was earned by all the branches and area offices of GB and BRAC except Nazirpur branch of GB and Gurudaspur area office of BRAC. From the study it is clearly seen that the coverage of members and disbursement of credit is more by the area offices of BRAC than the branches of GB.

From the borrowers' level analysis, it has been found that 50.8 percent of the GB borrowers age are within 21 to 40 years. This percentage for the BRAC borrowers is 61 percent. The analysis has been shown that the BRAC selected the most potential age group than the GB as their member. Among the GB and BRAC borrowers 53.25 percent and 36.50 percent were illiterate during the time of joining in their respective organizations, but after joining in GB and BRAC micro-credit program no illiterate person has been found. From the statistics it is seen that the educational status of the members has been improved significantly. 68.50 percent of the GB borrowers and 60.50 percent of the BRAC borrower's occupation is household worker i.e. only housewife and others were engaged with another occupation like, poultry farming, goat rearing, cow rearing, small shop, daily labour, howkery, agriculture cultivation, home servant, net weaving and others etc. The employment generation among the women borrowers of GB and BRAC are not satisfactory i.e. GB and BRAC loan could not make satisfactory impact on occupation and employment generation of their respective borrowers. The female borrowers generally invest the credit through the male members of their family. Actually, most of the borrowers are not engaged themselves in any income generating activities. Only 0.5 percent and 1.75 percent of the GB and BRAC borrowers respectively entered into the earning process. The average income of the borrowers of GB and BRAC has been increased, but it is not statistically significant. So, it may be revealed that the GB and BRAC loan have minimum impact on their borrowers' income.

The analysis shows that most of the borrower households of GB and BRAC are headed by borrowers' husband or other male members. So, according to the socio-political norms of Bangladesh, male members enjoy the right of decision making power to their household affairs and they are the main income earners of their respective family. The

impact of GB and BRAC programs on borrowers' households regarding division making is merely successful. The occupational status of the respondent's husband is a vital indicator of their socio-economic condition. From the study it is seen that after using GB and BRAC loan the occupational status of the respondent's husband has changed significantly. As well as the income status of the respondent's husband has also increased significantly. Though the status of occupation of the respondents' husband of GB and BRAC has changed but still 34.19 percent and 9.20 percent of the respondents' husband respectively remained daily labour.

Expenditure status of a family is a vital indicator of socio-economic condition. From the study, it may be seen that the expenditure level of GB and BRAC borrower households has been increased. According to the GB and BRAC, their target peoples are the rural poor, who own less than 0.5 acres of cultivable land. From the study it is seen that 72.25 percent of the GB finance and 71.50 percent of the BRAC finance have reached their target groups. After using the GB and BRAC loan some of the borrower households have lost some of their cultivable land but after joining in GB and BRAC micro-finance program some of the borrower households entered into the homestead land owing group.

The socio-economic position of the borrower households of GB and BRAC borrower in terms of small livestock, poultry, large livestock, savings and value of furniture and value of capital goods has improved. The types of housing, pattern of latrine and sources of drinking water have improved after participation in GB's and BRAC's micro-credit program. As regards borrower perception in change of their economic condition after joining in GB and BRAC, it is reported that 39.75 percent of the GB borrowers believed that their financial condition is improving slightly. Only 2.50 percent borrower believed their financial condition is improving very much. But 22 percent borrower opined that their financial condition is not improving and 26.25 percent borrower believed that their financial condition is deteriorating. On the other hand, 81.75 percent of the BRAC borrower believed that their financial condition is improving slightly and 5.25 percent believed their financial condition is not improving. Only 2.50 percent borrower believed that their financial condition is worsening. So it may be stated that socio-economic condition of the borrowers is improving with the increase of length of membership. As regards borrowers' perception on rate of interest of loan, it is reported that only 8 percent and 27.50 percent borrower of GB and BRAC respectively believed that the rate of interest of loan of their respective organization is reasonable. On the other hand, 92

percent and 72.50 percent borrower of GB and BRAC respectively opined that the rate of interest of GB and BRAC loan is high.

From the dropout borrowers' level analysis it has been found that the nature and causes of dropout from GB and BRAC are multifarious and attitudes of these borrowers towards GB and BRAC's loan repayment was not positive

10.2 Conclusion

From the above findings of the study following conclusions can be drawn.

- GB and BRAC has established in the rural areas of Bangladesh a strong parallel money market, which is really usurious type in nature.
- GB and BRAC could reduce slightly the dependence of the rural poor from informal money lenders.
- GB and BRAC have been successful to select the targeted landless and assetless rural people.
- The GB and BRAC are successful to create employment generation of their borrowers' husband or other male member of the borrower households.
- The contribution of GB's and BRAC's credit on the total income generated by the borrower's husband is significant.
- GB's and BRAC's credit are not actually collateral free. Group responsibility is collateral against loan and pressure by the group members' act as a tool for recovery of loan.
- Female members could not use loan in most of the cases, i.e. they have not significant control over the using of loan.
- A significant number of GB's and BRAC's borrowers are also using loan from other similar institutions simultaneously.
- GB's and BRAC's credit has a positive impact on the socio-economic condition of their borrower households.
- Due to negative attitude of some borrowers of GB and BRAC towards their loan repayment, dropout picture is seen and the nature and causes of which are multifarious.

10.3 Recommendation

To make GBs and BRACs rural finance programs effective, some policy prescriptions are suggested here.

- In initial stage GB and BRAC should provide loan in terms of capital goods rather than giving loan in cash. Vocational and motivational training should impose strictly and discussion should be made about the various investment alternatives with its merits and demerits with the borrowers.
- The loan proposal should be strictly verified and examined that the borrowers are capable to handle the business which has been mentioned in loan proposal and whether it is viable for investment or not.
- The size of loan should be fixed in terms of purposes which the borrowers want to invest. But it should be not more than Tk. 15000 in initial stage.
- GB and BRAC should reduce the interest rate on lending (like government industrial loan or rate of interest like government commercial bank) and interest rate should calculate reducing balance method. The interest rate should be equal in all the MCIs working in rural areas in Bangladesh.
- To avoid the undesirable situation of over lapping, the MFIs should have co-ordination with each other and the operational areas of MFIs should be strictly separated.
- To achieve the objectives of education for all and better use of loan the GB and BRAC should impose adult education program.
- GB and BRAC should start recovering the loan on the basis of investment alternatives which the borrowers mentioned during the time of taking loan so that the borrowers can have a reasonable time to generate some income from their investment before starting to repay.
- One technical expert must be appointed in each of the branches and area offices to provide vocational knowledge among the borrowers and supervise the activities run by GB and BRAC loan to the local areas.
- Both the male and female youth, literate and potential persons of poor households should be included into the credit program of GB and BRAC to make the loan more effective and reduction of unemployment.
- The appropriate statistics should be maintained regarding dropout and be published in every annual report of GB and BRAC.

- GB and BRAC should appoint a person from the adjacent areas of branches and area offices and need to make comprehensive efforts with the local agent of government to identify the actual poorest borrowers and avoid overlapping in different MFIs.
- GB and BRAC needs to introduce loan as contract grower systems. Because marketing of products is a big problem in our country. So, by contract GB and BRAC can help their respective borrower to sell their product which was produced by them.
- Government should have control and monitor on entire flow of GB and BRAC funds including their sister organization.
- GB and BRAC should avoid to sell various goods by force during the time of sanction of loan.
- GB and BRAC should raise the rate of interest on savings which is made by the respondents.
- GB and BRAC should reduce the amount / percentage of obligatory savings from loan money.
- The GB and BRAC can establish various small and large scale industries jointly with their borrowers in the rural areas of Bangladesh to create employment opportunity of their borrowers.
- A certain percentage of employees of GB, BRAC and their sister organizations should be selected from the borrower households.
- GB and BRAC should avoid giving credit to those women whose husbands are drug addicted.
- The overall impacts of MFIs activities working in rural areas on national economy need to be studied properly.
- The GB and BRAC should not give further loan to those borrowers who take loan for others and the borrowed money used by others.

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ANNEXURE

Annexure-1: Grumman's 16 Decision.

1. The four principles of the Grameen Bank discipline, unity, courage, and hard work we will follow and advance in all walks of our lives.
2. We shall bring prosperity to our families.
3. We will not live in dilapidated house. We will repair our houses and work toward constructing new houses.
4. We will grow vegetables all year round. We will eat plenty of them and sell the surplus.
5. During the plantation seasons, we will plant as many seedlings as possible.
6. We will plan to keep our families small. We will minimize our expenditures. We will look after our health.
7. We will educate our children and ensure that we can pay for their education.
8. We will always keep our children and the environment clean.
9. We will build and use pitlatrines.
10. We will drink tubewell water. If it is not available, we will boil water or treat it with alum.
11. We will not take any dowry in our son's wedding, neither will we give any dowry in our daughters' wedding. We will keep the center free from the curse of dowry. We will not practice child marriage.
12. We will not inflict injustice on anyone, nor will we allow anyone to do so.
13. For higher incomes we will collectively undertake bigger investments.
14. We will always be ready to help each other. If anyone is having difficulty, we will help him.
15. If we learn of any breach in discipline in any center. We will take part in all social activities collectively.

Annexure-2: BRAC's 17 Promises

1. We will not engage in malpractice or injustice.
2. We will work hard and bring prosperity to our family.
3. We will send our children to school.
4. We will adopt family planning and keep our family size small.
5. We will try to be clean and keep our house tidy.
6. We will always drink pure water.
7. We will not keep our food uncovered and will wash our hands and face before we take our meal.
8. We will construct latrines and will not leave our stool where it doesn't belong.
9. We will cultivate vegetables and trees in an around our house.
10. We will try to help each other under all circumstances.
11. We will fight against polygamy and injustice to our wives and all women.
12. We will be loyal to the organization and abide by its rules and regulations.
13. We will not sign anything without having a good understanding of what it means (we will look carefully before we act).
14. We will attend weekly meetings regularly and on time.
15. We will always abide by the decisions of the weekly group meetings.
16. We will regularly deposit our weekly savings.
17. If we receive a loan we will pay it.

Annexure-3: Questionnaire Prepared for the GB / BRAC Borrowers

1. (a) Name of the borrower:
 Branch/Area, Center/VO, Center/VO No.
 (b) Name of the borrowers father/husband
 (c) Age of the borrower
 (d) Gender: Married ☐ Female ☐
 (e) Marital status:
 Married ☐ Unmarried ☐ Widow ☐
 Separated ☐ Divorced ☐
2. Number of children: Male Female Total
3. Educational Qualification:
 (a) At present
 Illiterate ☐ Class five ☐ Class eight & above ☐
 Can sign only ☐ Can sign only after joining in GB/BRAC ☐
 (b) At the time of joining in GB/BRAC
 Illiterate ☐ Class five ☐ Class eight & above ☐
 Can sign only ☐ Can sign only after joining in GB/BRAC ☐
4. Head of the family
 Self ☐ Husband ☐ Son ☐ Father ☐ Brother ☐
5. Age of the family head years
6. Educational status of the family head
7. (a) Number of your family members ☐ and their doings
 (b) Number of your family members ☐ and their doings at the
 time of joining in GB/BRAC
8. Type of family:
 Nuclear ☐ Joint ☐ Others ☐
9. How ever you have heard the name of GB/BRAC
 Neighbour ☐ Friends/relatives ☐ Husband ☐
 GB/BRAC workers ☐ Others ☐
10. How far long have you been the member of GB/BRAC?
 Month ☐ Year ☐
11. Is there any more member of your family in GB/BRAC
 No ☐ Yes ☐ if yes, number ☐
12. Do you have the membership of GB/BRAC in your own desire?
 No ☐ Yes ☐

(a) If no, by whom?

Friends ☐ Relatives ☐ Husband pressure ☐

GB/BRAC workers motivation ☐ Others ☐

13. Do you have the membership of other financial institutions? No. ☐ Yes ☐
If yes, please mention

14. (a) Mention your present occupation

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

(b) Mention your occupation before the membership of GB/BRAC.

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

- 15.(a) Mention the present occupation of your husband.

Household worker	☐	Poultry farming	☐	Goat rearing	☐
Cow rearing	☐	Small shop	☐	Self nursery	☐
Agriculture cultivation	☐	Daily labour	☐	Street business	☐
Rickshaw/van puller	☐	Others	☐		

- (b) Mention the occupation of your husband before the membership of GB/BRAC.

Household worker	☐	Poultry farming	☐	Goat rearing	☐
Cow rearing	☐	Small shop	☐	Self nursery	☐
Agriculture cultivation	☐	Daily labour	☐	Street business	☐
Rickshaw/van puller	☐	Others	☐		

- 16.(a) Mention your present income (in Tk.)

Daily ☐ Weekly ☐ Monthly ☐ Yearly ☐

- (b) Mention your income before the membership of GB/BRAC (in Tk.)

Daily ☐ Weekly ☐ Monthly ☐ Yearly ☐

- 17.(a) Mention your husband's present income (in Tk.)

Daily ☐ Weekly ☐ Monthly ☐ Yearly ☐

- (b) Mention your husband's income at the time of joining in GB (in Tk.)
 Daily ☐ Weekly ☐ Monthly ☐ Yearly ☐
- 18.(a) Mention about the earning member of your family. ☐ Persons
 (b) Mention about the earning member of your family at the time of joining in GB/BRAC ☐ Persons
19. How much loan have you taken from GB/BRAC in first time? Taka
20. How much loan have you taken from GB/BRAC in last time? Taka
21. How many times have you taken loan from GB/BRAC? ☐ Times
22. Mention your present loan amount Tk. There is no loan
23. Mention the total amount of loan which you have taken from GB/BRAC
24. Which purpose have you taken loan in first time?
 Poultry raising ☐ Goat rearing ☐ Cow rearing ☐
 Small shop ☐ Hawkey ☐ Self nursery development ☐
 Agriculture ☐ Marriage of daughter ☐ For treatment ☐
 To meet up consumption crisis ☐ Others ☐
25. For which purpose have you taken loan in last time?
 Poultry raising ☐ Goat rearing ☐ Cow rearing ☐
 Small shop ☐ Hawkey ☐ Self nursery development ☐
 Agriculture ☐ Marriage of daughter ☐ For treatment ☐
 To meet up consumption crisis ☐ Others ☐
26. Mention your loan using pattern
 Used by self ☐ Used by husband/son ☐
 Used by neighbours ☐ Others ☐
27. Mention the action taken by GB/BRAC worker if they heard a member takes loan for others and used by others.
 Takes no action ☐ Do not sanction further loan ☐
 Give reminder not to do such ☐ Others ☐
- 28.(a) Do you have treatment ability?
 Yes ☐ No ☐
 (b) Did you have treatment ability during the time of joining in GB/BRAC?
 Yes ☐ No ☐
- 29.(a) Please mention about the land holding status of your family (in acre).
 Home stead land ☐ Cultivable land ☐ Others ☐ Total ☐

- (b) Please mention about the land holding status of your family at the time of joining in GB/BRAC (in acre)
 Home stead land ☐ Cultivable land ☐ Others ☐ Total ☐
30. Mention your present wealth
 Value of capital goods ☐ Value of furniture ☐
 Number of large livestock ☐ Number of small livestock ☐
 Number of poultry ☐ Others ☐
31. Mention your wealth during the time of joining in GB/BRAC?
 Value of capital goods ☐ Value of furniture ☐
 Number of large livestock ☐ Number of small livestock ☐
 Number of poultry ☐ Others ☐
- 32.(a) Please mention the nature of savings made by you (in Tk.)
 Obligatory ☐ Voluntary ☐ Total ☐
- (b) Please mention the nature of savings made by you at the time of joining in GB/BRAC (in Tk.)
 Obligatory ☐ Voluntary ☐ Total ☐
- 33.(a) Mention the pattern of your latrine.
 Hole in earth ☐ Open field/wood ☐ Made by bamboo ☐
 Sanitary latrine made by self money ☐ Government aided sanitary latrine ☐
 Others ☐
- (b) Mention the pattern of your latrine at the time of joining in GB/BRAC.
 Hole in earth ☐ Open field/wood ☐ Made by bamboo ☐
 Sanitary latrine made by self money ☐ Government aided sanitary latrine ☐
 Others ☐
- 34.(a) Have you got any training from GB/BRAC?
 Yes ☐ No ☐
- (b) If yes, mention the type of training?
 Poultry raising ☐ Goat rearing ☐ Cow rearing ☐
 Small shop ☐ Hawkey ☐ Nursery development ☐
 Agriculture work ☐ Others ☐ Nursery development ☐
- 35.(a) Mention your present household expenditure (in Tk.)
 Daily ☐ Weekly ☐ Monthly ☐
- (b) Mention your household expenditure at the time of joining in GB/BRAC?
 Daily ☐ Weekly ☐ Monthly ☐

- 36.(a) Mention your daily food taking ability (with family members)
 One time ☐ Two time ☐ Three times ☐
- (b) Mention your daily food taking ability at the time of joining in GB/BRAC.
 One time ☐ Two times ☐ Three times ☐
- 37.(a) What are the sources of your drinking water?
 Well water ☐ Self tubewell ☐ Government tubewell ☐
 Neighbours tubewell ☐ Others ☐
- (b) What were the sources of your drinking water at the time of joining in GB/BRAC?
 Well water ☐ Self tubewell ☐ Government tubewell ☐
 Neighbours tubewell ☐ Others ☐
38. Do you face any problem during the time of enrolment in GB/BRAC?
 Yes ☐ No ☐
- 39.(a) If yes, mention the problem
 Collision in groups ☐ Mis behaviour of GB/BRAC's worker ☐
 Satisfaction of group leader is needed ☐ Tips is needed to GB/BRAC worker ☐
 Others ☐
40. Do you face any problem to pay the installments?
 Yes ☐ No ☐
 If yes, what type of problem you face?
41. Give your opinion about the amount of GB/BRAC loan?
 Sufficient ☐ Not sufficient ☐
42. What do you think about the interest rate of GB/BRAC's loan?
 Very high ☐ Reasonable ☐ Slightly high ☐
43. Who selects group member?
 Selected by self ☐ Selected by GB worker ☐ Village leader ☐
- 44.(a) Please mention the pattern of your house
 Building ☐ Tin shed ☐ Bamboo made ☐
 Reside in others house ☐ House given by the government ☐ Others ☐
- (b) Please mention the pattern of your house at the time of joining in GB/BRAC.
 Building ☐ Tin shed ☐ Bamboo made ☐
 Reside in others house ☐ House given by the government ☐ Others ☐
45. How do GB/BRAC loan help you to improve the financial conditions?
 Please mention

46. How do you manage money for paying installments?
 Sale of assets ☐ Daily salary ☐ Loans from friends ☐
 Income from business ☐ Taking new loans from GB/BRAC ☐
 Income from mini poultry ☐ Loans from money lenders ☐
 Others ☐
47. Mention the situation what you face if installment of loan failed to pay.
 Create excess pressure ☐ Do not create excess pressure ☐
 No problems ☐
48. Who are the main pressure creator for the recovery of loan?
 GB/BRAC worker ☐ Other member of the group ☐
 No comment ☐
49. Give your opinion about the method of GB/BRAC lending.
 Good ☐ Very good ☐ Bad ☐ Very bad ☐
50. Do you want to continue the membership?
 Yes ☐ No ☐
 (a) If yes why?
 (b) If no why?
51. Give your opinion about the installment of GB/BRAC loan which will be fruitful for you?
 Weekly ☐ Fourth monthly ☐ Monthly ☐
 Quarterly ☐ More than quarterly ☐
52. Mention the using pattern of GB/BRAC loan
 Used in proper sector ☐ Partially used in proper sector ☐
 Can't use in proper sector at all ☐ Can't use in proper sector for various causes ☐
53. Mention how much times you have taken loan from GB/BRAC?
 Times ☐ Do not remember ☐
54. Do you feel, by taking loan from GB/BRAC your financial condition is improving?
 Slightly improving ☐ Fairly improving ☐
 Improving very much ☐ Not improving at all ☐
 Nothing but losing ☐
- 55.(a) Please mention about the decision maker of your family.
 Own ☐ Jointly with the male members ☐
 Husband ☐ Father/brother/other male members ☐
- (b) Please mention about the decision maker of your family at the time of joining in GB
 Own ☐ Jointly with the male members ☐
 Husband ☐ Father/brother/other male members ☐

56.(a) Do your children go to school?

Yes ☐ No ☐

(b) Did your children go to school at the time of joining in GB?

Yes ☐ No ☐

57. What is your opinion about the schooling status of your children?

Improved ☐ Dropped out ☐ No change ☐

58.(a) Do you think your social condition has improved after joining in GB?

Yes ☐ No ☐

(b) If yes, discuss how?

59. Mention the changes of your own income through GB/BRAC loan.

Improved ☐ Decreased ☐ Unchanged ☐

60. Mention your position in case of decision making in all household affairs of your family after joining in GB/BRAC loan.

Improved ☐ Decreased ☐ Unchanged ☐

[I am very much grateful to you for your kind co-operation and giving the answers to the questions patiently by sacrificing your valuable time. All of these above information's is related to my research work and shall be kept secret to avoid your embarrassment.]

Researchers Opinion

Signature of members

Date:

Annexure-4: Interview Schedule for GB / BRAC Personnel

1. Name:
2. Present Designation:
3. Name of Branch:
4. Number of officer in the branch / area.
5. Number of workers in the branch / area.
6. Total number of employees in the branch / area.
7. Please give the following information relating to your branch.

At Present
(a) Number of centres
(b) Number of groups:
(c) Number of members:
(i) Female:(ii) Male:
(d) Total village covered:
(e) Total number of loanees:
(i) Female:(ii) Male:
8. Please give the information of loans disbursed by your branch from beginning to till date:
9. What factors are considered at the time of loan sanction?
10. What is the normal time gap between the receipt of an application and sanction of loan?
11. (a) Do you receive any documents at time of loan sanction?
 Yes ☐ No ☐
- (b) If yes, Please mention the types of documents
12. Does your branch / area give priority to women in case to loan sanction?
 Yes ☐ No ☐
- (a) If yes, why? Please mention
13. Please mention the broad categories of activities under which micro-credit are disbursed in your branch / area.
14. What are the major activities for which women take loans?
15. Do you supervise the utilization of loan?
 (a) If yes, how many times do you meet with women loanees for suppressing the utilization of loan?
 Once a week ☐ Once a month ☐ Once a year ☐
16. Do you give them any advice for profitable investment of loan in business activities?
 Yes ☐ No ☐
- (a) If yes, please mention them
17. What type of Non-financial services do your branch offer to borrowers? Please mention
18. What are the steps that you generally take to recover the loan?
19. Do you face problems to recover the loan? If yes, what are the problems?
20. How do you solve the problems arising in recovery loans?

21. Do your branch have defaulter loanees? If yes, please mention their number and total amount of default loans?
 (i) Number: Female: Male: Total.....
 (ii) Amount of default loans: Female: Male..... Total.....
22. Do the remaining members of group help you to recover the default loans?
 Yes ☐ No ☐
23. What is your opinion about the programmes in alleviating rural poverty?
24. Do you think that behavior of GB/BRAC Officials Plays an important role in women poverty alleviation?
 Yes ☐ No ☐
- If yes, why?
25. What is the minimum amount of loan should have because empowered to sanction loan to a member? Tk.
 (a) Do you think the amount should be increased?
26. What is the amount of loans disbursed to borrowers by different categories?...
27. Please mention the major achievement of GB/BRAC in Natore district.
28. What are your suggestion for better performance and achievement of GB/BRAC?

Researchers Opinion

Signature of Officials
 Date:

Annexure-5: Questionnaire for Dropout Borrowers

1. Name: Gender: Male Female.....
2. Fathers / husbands name:
3. Age:
4. Marital status:
5. Address:
6. Branch/Area office of GB / BRAC from where you dropped out
7. Occupation:
At present Before joining During the use of GB/BRAC loan
8. The number of wives of your husband.
At present Before joining During the use of GB/BRAC loan
9. Income (daily):
Before joining During the use of loan
10. When and why did you join in GB/BRAC? Year Purpose.....
11. How many years could you continue membership in the GB/BRAC? Years
12. Mention the types and total size of loan you received from the GB/BRAC

Year	General loan in Tk.	Seasonal loan in Tk.	Housing loan in Tk.	Leasing loan in Tk.	Others loan in Tk.	Total loans	Field of utilization

13. Did you earn profit from the use of the loan?
Yes ☐ No ☐
(a) If yes, mentioned the activities and amount of profit. Activities, Amount of profit
- (b) If no. Why
14. Did you get adequate of GB/BRAC loan according to your need in any season?
Yes ☐ No ☐
15. When did you give-up/lose your membership of GB/BRAC?
Month ☐ Year ☐
16. Mention the nature of dropout, willingly ☐ expelled by GB / BRAC ☐
17. Why did GB/BRAC expel you/ Causes
18. How many installments of loan did you fail to repay before leaving GB/BRAC?
19. Why did you fail to repay the installments in time?
20. Did the GB/BRAC give notice before canceling your membership?
Yes ☐ No ☐
(a) If yes, mention the time and mature of notice? Time Nature

21. Did you borrow from other institutional sources during the period of GB/BRAC membership?

Yes ☐ No ☐

(a) If yes, mention the sources and rate of interest. Sources Interest rate

22. Do you have any loan at present?

Yes ☐ No ☐

(a) If yes, mention the source:

Source	Interest rate
NGO	
Relatives/friends	
Money lenders	

23. Did you try to get back the membership of GB/BRAC?

Yes ☐ No ☐

24. Do you think the GB/BRAC loan is helpful to gearup the financial condition of a member like you?

Yes ☐ No ☐

(a) If no, why? Please mention the causes

25. Please mention your experience about the micro-credit programs of GB/BRAC model:

.....

Thank you so much for your kind cooperation.

Researchers Opinion

Signature of the Respondents
Date:

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