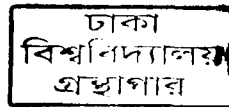
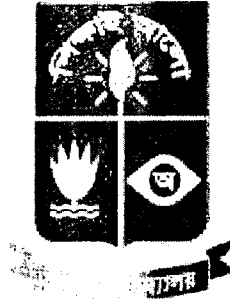


Micro-Credit: A Strategy for Empowering Women in Bangladesh

(Thesis Submitted for M.Phil Degree)
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May, 2010

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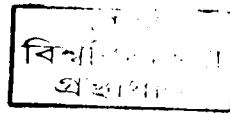
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Micro-Credit: A Strategy for Empowering Women in Bangladesh

SALMA MOBAREK

A dissertation submitted to the University of Dhaka, Dhaka, Bangladesh, in fulfillment of the requirement for the degree of Master of Philosophy in Public Administration

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**Department of Public Administration
University of Dhaka
Bangladesh**

May, 2010

Dedicated to
My Parents, Husband
and
My Little Daughter
Novera Mahmud.

Declaration


I declare that the dissertation entitled **Micro credit: A Strategy for Empowering Women in Bangladesh** submitted to the University of Dhaka, Bangladesh for the Degree of Master of Philosophy in Public Administration, is an original work of mine. No part of it, in any form has been submitted to any other university or institution for any degree or diploma.

SALMA MOBAREK
Session 2000-2001



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This is to certify that **Salma Mobarek** has prepared this thesis entitled '**Micro- Credit: A Strategy for Empowering Women in Bangladesh**' under my direct supervision. This is her original work. This thesis or any of its part has nowhere been submitted for any degree or publication.

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ABSTRACT

Bangladesh is one of the high density countries of the world. According to the UN Gender Development Index, Bangladesh is ranked 121st out of the total of 146 countries worldwide (UNDP: 2001, Human Development Report). Forty percent of its population lives below the poverty level. Among them rural women are poorer. Out of the total population 48.9 percent are women, of whom nearly 86 percent live in rural areas. The poverty reduction strategy paper (PRSP) of The Government of Bangladesh targeted to reduce the rate of poverty to 50 %(fifty percent) by the year 2015. Micro-credit has been considered to be an effective and sustainable tool to achieve this goal. This study is an attempt to get an overview about the role of Grameen Bank (GB) and BRAC in increasing awareness among women. In this regard, an attempt has been made to focus on the activities and impacts after receiving micro- credit from the GB and BRAC. The respondents were the rural poor households' credit recipients of the five branches of GB and BRAC under Godagari Upazila in Rajshahi district of Bangladesh. The credit recipients of this selected five branches of the GB and BRAC were those who didn't own or have limited cultivate land and homeland and their main sources of income came from manual labour.

Findings shows that the credit recipients of GB and BRAC received credit from the selected five branches and successfully utilized those for various purposes like small business, housing, agricultural and children education purposes. In the study, it is found that GB and BRAC are

playing a vital role to improve the position and at the same time, they are working actively to increase the awareness level of the rural poor women of Bangladesh. The study shows that the living condition of the poor women has improved, they take active participation in the decision making process at the family level as well as community level, raised awareness on their rights and responsibilities. Micro-credit increasing value of households, spreading over income generating activities, creating self-employment opportunities and totally improving the living standards of the credit recipients. They become aware about various socio-economic conditions and political issues. They can now understand the reasons behind their backward situation and achieved ability to improve their position. They are now capable to specify activities for strengthening institutional capacity and they are more organized, self-confident and powerful. The fact which has been revealed in this study is that women have been freed from the chain of their traditional role in the family.

After all the repayment rate of micro-credit were really satisfactory. The researcher found by focus group discussion that only 06 micro-credit respondents went away without paying the loan. Tragedy was it was said by some the respondents during focus group discussion that their husbands took away the money and left. No only this he married another woman by the loan but the women respondents had to pay that loan anyway, loosing her all abilities and assets.

ACKNOWLEDGMENT

Micro-credit programmes in Bangladesh have flourished to a great extent during the last decade. Specially Grameen Bank and BRAC have been plying a vital role for creating self-employment opportunities, creating self- confidence, increasing awareness among women in Bangladesh. The present study is an attempt to justify the general assessment about impact of micro credit on women empowerment.

All praises to Allah. The omnipresent, omnipotent and omniscient who has enabled author to complete this research work.

The researcher deems it a proud to express his sincere appreciation and gratitude to research supervisor Dr. Naznin Islam, Associate Professor, Department of Public Administration, University of Dhaka, whose untiring guidance; valuable suggestions, critical but constructive criticism helpful comments and continuous supervision have made the completion of this study possible. She also edited the thesis and offered valuable suggestions for its improvements.

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The researcher also would like to thanks to the staff, all the Branch Manager of the selected branches for their hearty cooperation for respondents selection, data collection period in the selected study area and some administrative supports. She is especially indebted to the respondents for providing time, patience and attention.

The author expresses her thanks to some students of Rajshahi University for their cooperation to collect the household list from five selected Braches of GB and BRAC and for data collection. The author expresses her thanks to Md. Mazharul Anowar, Assistant Director, Mr. Md. Kamrul Islam, Computer Programmer, and Miss Parul Akther, Research Investigator of Rural Development Academy (RDA), Bogra, Bangladesh for their help, suggestion for analyzing the data by using statistical tools.

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SALMA MOBAREK

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ABBREVIATIONS

ARC	After Receiving Credit
BBS	Bangladesh Bureau of Statistics
BRC	Before Receiving Credit
BARD	Bangladesh Academy for Rural Development
BRAC	Bangladesh Rural Advancement Committee
CDP	Credit Development Programme
GB	Grameen Bank
IGAs	Income Generating Activities
RDA	Rural Development Academy
MC	Micro-credit
NGO's	Non Government Organizations
Tk	Taka (Bangladesh Currency)

Chapter 1: Introduction

This chapter is giving an introductory message of the study. It contains introduction of the study, objective of the study, rationale of the study, hypothesis of the study, research questions, methodology of the study, research design, rationale of the selection of the study area and data collection tools.

1.1 Introduction

Women represent around fifty percent of the world population, and in many regions of the developing world, their contribution is immense in all the sectors of development. But still in today's world, women's position is not the same as their counterparts. Due to gender based discrimination and socially constructed sub-ordination women have inferior status everywhere in all the aspects of life-be it political, economic, familiar or social (Naz, 2006). The most extreme example of this discrimination can be seen in the third world countries. Bangladesh is a glaring example of this lowered status of women as well as of all sorts of gender based segregation. More than 60 million people of Bangladesh live below the poverty line among them 74% are women (khan, 1998). In Bangladesh, the situation of rural women are more painful. Most of the rural women are deprived, to fulfill their basic needs. They become the victims of acid throwing, dowry, high mortality malnutrition, higher illiteracy etc. Now it is a dire need to let them raise their voice regarding human rights, decision making process, and moreover socio- cultural and economic issues. One of the best ways of enabling women empowerment is access to credit, so that they can start to earn money. Bangladesh

economy is characterized by unfavorable per capita land, low per capita income, glaring and accentuating income disparity, high level of unemployment, low productivity, and persisting high levels of poverty and deprivation. Under the circumstances, micro-credit has been promoted to help the poor especially the women to take self-employment on tiny or micro scales with a view to improving their living conditions.

When income flow begins, then the right of food, shelter and everything also becomes a reality (Yunus, 1987). Micro-credit is one of the important strategies for women's socio-economic development in Bangladesh. Rural poor women have little or no property of assets to offer as collateral which is required in formal banking system, micro-credit has responded to the predicament by offering collateral-free loans. The Grameen Bank led the way, starting in the mid -1970s. Now there are hundreds of micro-credit providers of different operational sized throughout the country, mostly in rural areas but also some in urban areas. The large ones include Grameen Bank, BRAC, ASA and PROSHEKA. Among them Grameen Bank and BRAC have earned respectable status for Bangladesh in the international arena because of its poverty reduction strategies through which poor rural women are moving in the path of empowerment and development and for that reason my concentration of research was in this area. However, there are lingering questions relating to the indebtedness of the micro-credit receivers and the contribution of micro-credit to improve their socio- economic conditions. There are some endless debate and opinion about higher rate of interest also NGOs always push them to take loan but they do not think about the capacity of the borrower. They have to pay the installment weekly if one defaulted then the worker of NGOs forcefully take away

the valuable goods from their house. Not only this micro-credit makes a vicious circle, if some one takes loan once then it is tough to come out from it. Even some report mentioned that some one take loans from one NGO to pay the others installment. So the researcher interest and intension was to examine, after receiving micro credit, whether the respondents' socio-economic condition have changed or not. In fact the researcher eagerness was to assess micro-credit role empowering women at family, society and community level.

1.2 Objectives of the Study

The main objective of the study is to identify the role of micro-credit as a strategy for empowering women in Bangladesh.

The specific objectives are to

1. assess micro-credit recipients empowerment at the family as a decision maker after involving in the micro-credit program.
2. reveal their community or political empowerment in community and union parishad meetings.
3. examine their economic empowerment considering ability to make small and big purchases for herself, children and family and
4. identify the family and social problems faced by them as a result of micro-credit operation.

1.3 Rationale of the Study

Micro-credit program plays an important role in socio-economic development of rural poor especially for women. This study will help the selected organizations to know about the impact of micro-credit on women empowerment. The result of this research work will help

government, policy makers, practitioners, researcher, NGO's professionals to take accurate policy and programs for the betterment of the borrowers as well as can make the borrower conscious. It will also provide input for formulating effective policy and programs for the micro-credit recipients to identify the various problems related to micro-credit and their effective solutions. It can be compared with other research works. In fact this study will be helpful for further research in this field in future.

1.4 Hypothesis of the Study

A hypothesis is a tentative generation, the validity of which has got to be tested. A hypothesis, at its initial stage, may be an imagined idea or mere guess. It is based on accumulated previous knowledge. It is made in order to find out the correct explanation of a phenomenon through investigation. On the basis of the hypothesis, facts are observed and collected. When by verification, the hypothesis is found true; a theory is found (Ghosh, 1999).

As defined by Goode and Hatt (1952), a hypothesis is a proportion which can be put to a test to determine its validity. It may be seen contrary to or in accord with common sense. It may prove to correct or incorrect. In any event, however, it leads to an empirical test.

The following hypotheses were formulated in this study.

1. Micro-credit programs have raised the ability of women micro-credit beneficiaries to take part in decision making process at the family level.

2. After involving in micro-credit activities they can spend money to satisfy their own desires.
3. Micro-credit has increased their monthly income.
4. Micro-credit has diversified their sources of income.
5. Women's attitude and mentality have changed specially about political affairs of community and local government level.

1.5 Research Questions

1. How far they are able to take decision about the use of credit for their personal and family welfare?
2. How far they are able to participate in the local political or community political & social affairs?

1.6. Methodology of the Study

Methodology plays an important role in any research. Appropriate methodology enables the researcher to collect valid and reliable information and to analyze the information properly to draw a clear-cut conclusion.

The study used both qualitative and quantitative methods and 03 different data collection instruments. There are three possibilities for any study. It can have all quantitative data, it can have all qualitative data, or it can combine both types in any proportions. In this study the method, which the researcher used is a combination of quantitative and qualitative methods. Quantitative method refers to the empirical research where the data are in the forms of numbers while qualitative research is empirical research where the data are not in the form of numbers. The researcher used qualitative data because she didn't know what would be found in the

field and also the study didn't intends to test theory. This type of data helped in understanding the already existing theories. It is inductive in nature and focus on specific situation or people. It starts from the research context and develops as events unfold. The researcher also used quantitative data because it could also be used for exploring an area and for generating hypothesis and theory.

The question might arise here that combination of both methods are being used because it is advantageous to a researcher to combine methods to better understand a concept being tested or explored. Each approach has its strengths and its weakness and reliance on any one method is not appropriate. It was thought that combined both quantitative and qualitative would provide a general picture of study areas. Most of the micro-credit recipients are illiterate. Only using the qualitative methods might include descriptive answers which would beyond the scope of the study. The combination of both methods helped to collect reliable and valid data.

1.7 Research Design

Research design of any research can play an effective role for conducting and making good output for any research. A research design is a plan of the proposed research work. A research design is not a highly specific plan to be followed without deviation but rather a series of guideposts to keep one headed in the right direction (Ghosh, 1999).

Actually research design is classified into several categories by several classification schemes. Many researchers has been classified research

design according to the degree of formulation of problem, some by the research environment, some by the time dimension, some by the mode of the collection of data or some by the relationship among variables. So the study has been carried out on the basis of exploratory research design because this study has focused to assess the impact of micro-credit recipients of Grameen Bank and BRAC in one particular rural sector of Bangladesh.

1.8 Rationale of the Selection of the Study Area

In this study, Rajshahi district has been selected for some reasons. Several numbers of NGO's especially selected two NGO's, Grameen Bank and BRAC are working and providing micro-credit to landless women, divorced women, widow women for many years. Another reason is the researcher visited Rajshahi for several times in her life. Researcher known Rajshahi district to a great extent and had easy access to information. Having this consideration the researcher used her experience and network during data collection. Being familiar with the selected areas the researcher felt easy in communication and respondent's also expressed their opinion, view without any hesitation.

1.9 Selection of Respondents and Sample Size

By collecting a list from regional Grameen Bank Manager and BRAC officers' five branches were selected from Grameen Bank and five branches from BRAC. Among 12000 micro credit recipients approximately 2% households were the sample size of the study. All the sample size (200) was selected randomly by simple random sampling method using random number. From each selected branches 20 micro-credit beneficiaries were chosen. Head of the family may be her father,

husband, brother, elder son, legal guardian who most of the time take decision or influence the decision making process regarding micro-credit and Union Parishad Chairman, members and secretary, School teacher, aged person and village quack were selected from each branch. Their total number were 20. From GB branches 10 respondents and from BRAC branches 10 respondents were selected. 01 NGO personnel was interviewed from each branch so total numbers of NGO personnel were 10 (ten).

1.10 Distribution of Sample

Categories of Respondents	No of Respondents (Grameen Bank)	No of Respondents (BRAC)	Total Respondents
• Micro-credit Beneficiaries (women)	100	100	200
• Union Parishad Chairman, Member and Secretary, School Teacher, Aged Person and Village Quack	10	10	20
• NGO's Personnel	5	5	10
Total			230

1.11 Data Collection Tools and Analysis

Primary Data

To collect primary data for the study several methods such as questionnaire, in-depth interview and observation as well as Focus Group Discussion (FGD) were used. Collected data was analyzed and interpreted through statistical techniques-SPSS

Questionnaires

Both quantitative and qualitative data from the micro-credit recipients (the main target group) were collected by means of a structured questionnaire. Most of the micro-credit beneficiaries were not educated, so the researcher asked them about their views and filled up the questionnaire herself and by some investigators. The structures of the questionnaires were kept open ended and close ended. A closed ended questionnaire facilitated the respondents to give their immediate ideas and thoughts. It saved much time in filling a large questionnaire and covered a large sample size within a short period of time.

The draft structured questionnaire was pre-tested with 20 micro-credit recipients of Grameen Bank & 20 micro-credit recipients of BRAC in actual field situation before finalizing the questionnaire for collecting data. The pre-test was helpful to identify the faulty questions and statements in the structured questionnaire. Necessary additions, alteration and adjustment were made in the questionnaire on the basis of experience of pre-test. The structured questionnaire was then cyclostyled in its final form for collection of data.

Interview

Interview is a research method designed to understand the informants perspectives on their lives, experiences or situations expressed in their own words. Primary data was also collected through the in-depth interview methods. Interview was done with some family headed person like father, husband, brother, elder son, legal guardian who most of the time take decision or influence the decision making process regarding micro-credit. The interview was based on an interview guideline.

Observation and Field Visit

Direct observation method was also used for collecting primary data. To collect data from the respondents' households' survey was conducted by the researcher and her team. All the efforts were made to explain the purpose of the study to the respondents. Before starting interview with the selected respondents the researcher took all possible cares to establish rapport with the respondents, so that the credit recipients did not hesitate to furnish proper responses to the questions and statements in the schedule, whenever any respondent faced difficulties in understanding any question, it was carefully explained to enable the credit recipients to answer properly. The micro-credit recipients who were interviewed during pre-testing of the schedule were excluded from the sample.

No serious problem was faced by the researcher during data collection period. She got co-operation from the respondents, local leaders, school teachers, GB and BRAC Branch Manager during data collection period.

Focus Group Discussion

Beside the questionnaire survey, observation and field visit another data collection tool focus group discussion was made. To validate quantitative information focus group discussion was made with Union Parishad chairman and members, secretary, school teacher, aged person, village quack, and NGO personnel to get their reaction about micro-credit as a strategy for empowering women in Bangladesh.

Secondary Data

Secondary data is used for the reanalysis of previously collected and analyzed data. There are some clear advantages to working with an

existing data, including cost, time, and making difficult populations accessible (Punch, 1998). Secondary sources were simply published books and articles by scholars. In this study different types of books, journals, reports, official records and documents included organizational documents reports etc were collected.

The books and published documents relevant to the study were collected from various sources as follows –

- Library, Department of Public Administration, University of Dhaka.
- Central Library, University of Dhaka.
- Ekushe Book Fair, Dhaka-2007 & 2008.
- Library, Women for Women, Dhaka (A Research and Study Group).
- Library, Department of Women and Gender Studies, University of Dhaka.
- BRAC Library, Mohakhali, Dhaka.
- Grameen Bank Library, Mirpur, Dhaka.
- Relevant web sites.

1.12 Limitation of the Study

Every research area is a new world full of new problems requiring perhaps new thinking and understanding. Research is a complex, complicated and scrutinizing activity based on scientific knowledge and competence. Some limitations are therefore, inevitable in the way of conducting such a mammoth task, which are briefly listed below.

1. When the researcher visited the field for collecting the data the researcher felt a problem because it was difficult to come into contact with the beneficiary women without the help of GB and BRAC staffs.
2. The women beneficiaries were available only in the weekly meeting. So the researcher could not conduct with them when necessary. Since at home most of them seems busy with family activities and small children.
3. The rural poor women respondents expected financial support from the study in solving their problems. However, when properly explained, they appreciated the limitation. It extended the time of interviews and in filling up the questionnaires.
4. The study was confined only to the female micro-credit recipients of the five branches under Godagari Upazila in Rajshahi District. Some of the respondents could not understand some of the questions of the schedule. So the data collector had to explain some of the points in their own language. That why the respondents may be biased with the investigators personal values and beliefs.
5. The investigator faced a number of problems on account of accommodation, transport and communication, cold weather which hampered to conduct the study properly.

Chapter-2: Key Concepts of the Study

The objective of this chapter is to develop theoretical framework for describing and analyzing the role of micro credit on empowering women in Bangladesh.

2.1 Micro-credit

The word 'credit' comes from *Latin word 'credo'* meaning I believe or to trust. Hence "credit" entails some one, the lender, to believe or trust some one, the borrower with funds to be used by the borrower for his /her purposes, to be repaid to the lender with interest at a later stage on agreed terms and conditions. (Rahman, 2005). Micro credit is the extension of very small loans (micro loans) to those in poverty designed to spur entrepreneurship. These individuals lack collateral, steady employment and a verifiable credit history and therefore cannot meet even the most minimal qualifications to gain access to traditional credit. Micro credit is a part of microfinance, which is the provision of a wider range of financial services to the very poor.

Micro credit is a financial innovation that is generally considered to have originated with the Grameen Bank in Bangladesh (Parvin, 1995). It has successfully enabled extremely impoverished people to engage in self-employment projects that allow them to generate an income and, in many cases, begin to build wealth and exit poverty. Due to the success of micro credit, many in the traditional banking industry have begun to realize that these micro credit borrowers should more correctly be categorized as pre-bankable; thus, micro credit is increasingly gaining credibility in the

mainstream finance industry, and many traditional large finance organizations are contemplating micro credit projects as a source of future growth, even though almost everyone in larger development organizations discounted the likelihood of success of micro credit when it was begun. The United Nations declared 2005 the International Year of Micro credit (Wikipedia encyclopedia). Micro credit has been practiced at various times in modern history; Jonathan Swift inspired the Irish Loan Funds of the 18th and 19th centuries, in the mid-1800s, Individualist anarchist Lysander Spooner wrote about the benefits of numerous small loans for entrepreneurial activities to the poor as a way to alleviate poverty, and micro credit was included in portions of the Marshall Plan at the end of World War II. However, in its most recent incarnation, with attention paid by economists and politicians worldwide, it can be linked to several organizations starting in Bangladesh especially the Grameen Bank in the 1970s and onward (Wikipedia Encyclopedia).

Micro-credit is based on a separate set of principles, which are distinguished from general financing or credit. Micro-credit emphasizes building capacity of a micro-entrepreneur, employment generation, trust building and help to the micro entrepreneur on initiation and during difficult times. Micro-credit is a tool for socio-economic development. (Vrajlal, S. 2006).

General Koffi Annan comments Micro credit is a critical anti-poverty tool- a wise investment in human capital. When the poorest, especially women receive credit, they become economic actors with power, power to improve not only their own –lives but in a widening circle of impact, the lives of their family, their communities and their nations.

Micro-credit loan cycles are usually shorter than traditional commercial loans-typically six months to a year with payments plus interest, due weekly .Shorter loan cycles and weekly payments help the borrowers may current and not become overwhelmed by large payments. Now, in Bangladesh there are hundreds of micro-credit providers of different operational sizes throughout the country, mostly in rural areas but also some in urban areas. The large ones micro-credit provider NGO's including Grameen Bank, BRAC, ASA and PROSHIKA. In addition; there are also public sector micro-credit programmes. Grameen bank led the way; starting in the mid-1970.In recognition Dr. Muhammad Yunus and the Grameen bank were jointly awarded Nobel Peace Prize in 2006. Micro-credit has now outreached well over one third of all rural households in Bangladesh (Naz, 2006).A World Bank study by Khadker, (2003) shows that micro-credit programmes have a greater impact on extreme poverty than on moderate poverty.

The first micro-credit summit held in Washington D.C. At this NGO-sponsored event, more than 2,900 delegates from 137 countries `launched a nine-year campaign to reach 100 million of the world's poorest families, especially the women of those families, with credit and other financial and business services by the year 2005.The General Assembly of the United Nations passed a resolution designating 2005 as the International Year of Micro-credit (Critical Half, 2003). A balanced analysis of micro-credit reveals that it is not a magic bullet for addressing the complex challenges of poverty and women's empowerment; in the study it is an important strategy or tool in the process of poverty alleviation and women empowerment.

2.2 Strategy

Strategy is a term that comes from the *Greek word 'Strategia'* which means '*the art of the general or generalship*'. Such strategy is a military activity par excellence in which high ranking officers plan the overall conduct of war (Nichols, 2000). The Oxford English Dictionary in its meaning refer more or less the similar theme and action. According to the Dictionary, it is 'the art of projecting and directing larger military movement and operations of a Campaign'.

Strategy According to B. H. Liddell Hart

In his book, *Strategy*, Liddell Hart examines wars and battles from the time of the ancient Greeks through World War II. He concludes that Clausewitz' definition of strategy as "the art of the employment of battles as a means to gain the object of war" is seriously flawed in that this view of strategy intrudes upon policy and makes battle the only means of achieving strategic ends. Liddell Hart observes that Clausewitz later acknowledged these flaws and then points to what he views as a wiser definition of strategy set forth by Moltke: "the practical adaptation of the means placed at a general's disposal to the attainment of the object in view." In Moltke's formulation, military strategy is clearly a means to political ends (Hart, 1967).

Concluding his review of wars, policy, strategy and tactics, Liddell Hart arrives at this short definition of strategy: "the art of distributing and applying military means to fulfill the ends of policy." Deleting the word "military" from Liddell Hart's definition makes it easy to export the concept of strategy to the business world. That brings us to one of the

people considered by many to be the father of strategic planning in the business world.

Strategy According to George Steiner

George Steiner, a professor of management and one of the founders of *The California Management Review*, is generally considered a key figure in the origins and development of strategic planning. His book, *Strategic Planning* is close to being a bible on the subject. Yet, Steiner does not bother to define strategy except in the notes at the end of his book (Steiner, 1979). There, he notes that strategy entered the management literature as a way of referring to what one did to counter a competitor's actual or predicted moves. Steiner also points out in his notes that there is very little agreement as to the meaning of strategy in the business world. Some of the definitions in use to which Steiner pointed include the following:

- Strategy is that which top management does that is of great importance to the organization.
- Strategy refers to basic directional decisions, that is, to purposes and missions.
- Strategy consists of the important actions necessary to realize these directions.
- Strategy answers the question: What should the organization be doing?
- Strategy answers the question: What are the ends we seek and how should we achieve them?

Strategy According to Henry Mintzberg

Henry Mintzberg, in his 1994 book, *The Rise and Fall of Strategic Planning*, points out that people use "strategy" in several different ways. (Mintzberg, 1994) The most common being these four:

1. Strategy is a plan, a "how," a means of getting from here to there.
2. Strategy is a pattern in actions over time; for example, a company that regularly markets very expensive products is using a "high end" strategy.
3. Strategy is position; that is, it reflects decisions to offer particular products or services in particular markets.
4. Strategy is perspective, that is, vision and direction.

Mintzberg argues that strategy emerges over time as intentions collide with and accommodate a changing reality. Thus, one might start with a perspective and conclude that it calls for a certain position, which is to be achieved by way of a carefully crafted plan, with the eventual outcome and strategy reflected in a pattern evident in decisions and actions over time. (Wikipedia Encyclopedia: strategy: Definitions and meaning)

Basically strategy is perspective, plan and pattern. Strategy is the bridge between policy and high –order goals on the one hand and tactics or concrete actions on the other. Strategy and tactics straddle the gap between ends and means. In short, strategy is a term that refers to a complex web of thoughts, ideas, insights, experiences, goals, expertise, memories, perceptions and expectations that provide general guidance for specific actions in pursuit of particular ends. Also it is a general framework that provides guidance for actions to be taken and at the same

time is shaped by the actions taken. This means that the necessary precondition for formulating strategy is a clear and widespread understanding of the ends to be obtained. Without these ends in view, action is purely tactical can quickly degenerate into nothing more than a flailing about. In the Study, strategy is a tool, way, guideline, goals and framework for empowering women in Bangladesh.

2.3 Empowerment

In simple sense, empowerment is a process which redistributes power from the powerful to the powerless. In the context of Bangladesh, empowerment of women means women should be given freedom of choice for fulfillment and self-development, as well as equal access to domestic and community resources, opportunities and power. In this study focus will be given on the strategic needs (political participation, decision making ability in the family, economic freedom like ability to make small and big purchases for her, children and family as well as her gendered position in the family and society).

2.3.1 What precisely is empowerment itself?

- **Economic empowerment:** women's access to savings and credit gives them a greater economic role in decision-making through their decision about savings and credit. When women control decisions regarding credit and savings, they will optimize their own and the household's welfare. The investment in women's economic activities will improve employment opportunities for women and thus have a 'trickle down and out' effect. The financial sustainability and feminist empowerment paradigms emphasize women's own Income- generating activities. In the poverty alleviation paradigm, the emphasis is more on increasing incomes

at the household level and the use of loans for consumption. In the Feminist empowerment paradigm, individual economic empowerment is seen as dependent on social and political empowerment.

- **Increased well-being:** Access to savings and credit facilities and women's decision about what is being done with savings and credit strengthens women's say in economic decisions of the household. This enables women to increase expenditure on the well-being of themselves and their children. This is the main concern in the poverty alleviation paradigm. Women's control over decision-making is also seen as benefiting men through preventing leakage of household income to unproductive and harmful. Other welfare interventions are advocated in addition to micro-finance, typically nutrition, and health and literacy campaigns to further decrease vulnerability and improve women's skills. In the financial self-sustainability and feminist empowerment paradigms, improved well-being is an assumed outcome from increasing women's economic activities and incomes.

- **social and political empowerment:** A combination of women's increased economic activity and control over income resulting from access to micro-finance with improved women's skills, mobility, access to knowledge and support networks . Status within the community is also enhanced. These changes are reinforced by group formation, leading to wider movements for social and political change. The financial self-sustainability paradigm and the poverty alleviation paradigm assume that social and political empowerment will occur without specific interventions to change gender relations at the household, community or macro-levels. By contrast, the feminist empowerment paradigm

advocates explicit strategies for supporting women's ability to protect their individual and collective gender interests at the household, community and macro-levels (Mayoux,2001).

United Nations Population Information Network (POPIN) has identified five components for women's empowerment

- Women's sense of self-worth; their right to have and to determine choices
- Their rights to have access to opportunities and resources
- Their rights to have the power to control their own lives both within and outside the home and
- Their ability to influence the direction of social change to create a more just social and economic orders nationally and internationally.

Empowerment is defined by Moser (1989) as the capacity of women to increase their own –self reliance and internal strength. This is identified as the right to determine choices in life and to influence the direction of change, through the ability to gain control over material and non material resources. This concept of empowerment as propounded by Moser is focused on the individual, with control over resources seen as the central means for redistribution of power. It is similar to one of the empowerment dimensions by Oakley et al. (1997) 'power as a result of increasing access to economic resources, such as credit inputs.

In a nutshell, women's empowerment can be defined as women's control over material and intellectual resources, gaining decisions, making

authority, to increase women bargaining capacity. In fact women empowerment is the freedom of women to undertake economic activities and spending income according to their own choice, leading to their active participation in various household decisions and beyond. In the study the collateral free GB and BRAC micro-credit is considered as a strong weapon, strategy, tool for empowering women in Bangladesh. An empowered women would be one who is self-confident, who critically analyses her environment and who exercises control over decisions that affect her life.

2.4 Flat or Base Rate of Interest

The nominal rate of interest charged to the borrowers by an MCI (Micro-credit Institution) at the time of granting loans and fixing the installations of loan repayment. For example, GB charges 10% (Tk. 100 for a loan of Tk. 1,000), BRAC 15% (Tk. 150 a loan of Tk. 1,000).

Flat Rate Method:

$$RI \frac{TAI}{TAL} \times 1000$$

Where RI = Rate of Interest, TAI = Total Amount of Interest,

TAL = Total Amount of Loan.

Chapter -3 Review of Literature

The aim of this chapter is to discuss the available literatures related to utilization, control, spreading over income generating activities (IGAs), reducing poverty and improving the living standard and repayment of micro-credit and also to find out the implications with the present study. The researcher had tried to study the relevant books, journals; essay and research reports to conduct the study. The researcher could not collect all the research reports due to some unavoidable limitations.

Review of literature is an essential component of a research process. Without a comprehensive exposure to the relevant literature would remain in darkness about the essentials of a research. Such a review, as an act of meaningfully synthesizing existing knowledge in the area, help us to detect the gap in the existing knowledge and eventually to define the problems almost inevitably requires a review of the relevant literature.

A large number of studies have so far been conducted on impact of micro-credit on poverty alleviation in rural sector of Bangladesh. Most of which were limited in nature, volume of loan utilization and repayment. The aims of this chapter is to review some of the post and contemporary studies particularly concerned with utilization, control, repayment, spreading over income generation activities, impact on poverty alleviation and empowerment of women to examine the relevancy of the study.

(Kabber, 1998; Amin et al.1998; Hashesi et al, 1996) observed the group-based weekly credit meeting, an aspect common to most micro-credit, draw women out of their homes and give them an opportunity to be part of larger social processes. In many cases, this is the only significant group outside the family to which the woman has ever belonged, allowing them to develop a sense of identity. Research studies have enabled them to get over long-standing feelings of intimidation and fear of the outside world.

These group –based meetings also promote social empowerment by providing an opportunity for instilling a greater sense of awareness of social and political issues. In fact, MFPs operating from an integrated approach, such as BRAC, are likely to use these meetings to raise critical consciousness (Hashemi et al; 1996) which has been recognized to promote personal empowerment (Batliwala 1994) This is supported by Schuler’s et al. (1997) study, which indicates by providing opportunities for frequent interaction with programme staff and other members of the social network, such meeting expose women to new ideas and values. This increases their self-confidence and makes them more assertive of their rights than women who have not had similar exposure (Hashemi et al. 1996; Goetz and Sen Gupta, 1996; Ackerly, 1995).

More specially, it has been noted that when women members play leadership roles, as group leader and /or centre leader s, they experience an increased sense of self confidence and self -worth (Achkerly, 1995).Similarly, in programme where credit groups are federated at a spatially higher level, group meetings are significantly more empowering for women as they provide an enhanced status and greater bargaining power in local communities. These meeting bring together women who

previously did not know each other, thereby allowing for networking and sharing of experience on a wider scale. Federations across villages, blocks and districts make the programme more visible to outside world in fact, the pooling of financial resources, an inevitable result of federating, enhances the economic power of the women's collective. A women's association with such a visible programme can in itself prove empowering for her. Micro-credit, especially those operating from an integrated perspective and as part of larger programmes, occasionally involves training programmes and related activities. These provide women with opportunities to travel outside the village and expand their knowledge of the world outside household and immediate community. The increased mobility leads to greater sense of self-confidence and is empowering in its own right, especially so in the case of Bangladesh, where the socio-cultural norms do not permit women to move beyond the homestead (Kabbeer, 1998; Montgomery et al, 1996).

Todd, 1996 in his study "*women at the center: Grameen Bank Borrowers after one decade*" found that 10 of 40 women in the sample were passing on all or most of their loans to male family members under circumstances that gave little control over the use of this capital, On the other hand the loss of control over financial resources does not necessarily mean that women are worse off in terms of increased social and economic opportunities.

- Even when women loose control over the use of their loans, their overall status in the household may improve due to their role as a financial mediator;

- Handing over loans to men may help to secure family stability by easing cash flow bottlenecks in the household;
- Women may also use credit as a bargaining chip to gain access to other opportunities offered by financial institution, such as training, education and information.

However it seems obvious that the impact of micro-credit services is higher when women actually control the financial resources acquired in their name. Increased control is likely (Goetz and Sen Gupta, 1996; Ackerly, 1995)

- To contribute to women's empowerment
- To facilitate women's entrepreneurship
- To assist women in their reproductive tasks
- To ease their repayment burden.

Schuler and Hashemi, 1994 in their Study on "*Credit programs, women's empowerment and contraceptive use in rural Bangladesh*", studies in family planning confirms improvements in women's physical mobility, economic security, ability to make own purchase, freedom from family domination and violence, political and legal awareness and public participation, as a result of a more stable integration into microfinance circuits. It suggests that women participants in credit programs make them more conscious of their rights, better able to resolve conflicts, and have more control over decision making at the household and community levels.

Mayoux, L. (2006) in *women's Empowerment through Sustainable Micro-finance: Rethinking "Best Practice"* argued that women's access to micro-credit services has significantly increased over the past two decades. By enhancing women's ability to earn an income, these programs have the potential to initiate a series of virtuous spirals of economic empowerment and increased well-being for women and their families. However it challenges assumptions about the automatic benefits of micro-credit for women. For example, high repayment levels by women do not necessarily indicate that they have used the loans according to men's priorities. Likewise, high demand for loans by women may be a sign of social pressure to access resources for in-laws or husbands rather than an indicator of empowerment. Where women are unable to negotiate changes in intra household and community gender inequalities, they may become dependent on loans to continue in low paid occupation with heavier workloads, however it is also suggested that these shortcomings should not discourage microfinance programmers being under taken. The experience of current innovations in many programs indicates a range of ways in which contribution to women's empowerment can be increased. Suggestions include the need to provide services to reduce the burden of unpaid domestic work on women, including childcare and to **denture** that repayment schedules and interest rates reflect the reality of women's' economic activities and life cycles.

Prof. Dr. Hosne –Ara Begum in her Study "*Empowerment of women in Bangladesh: TMSS Experience*" mentioned *micro-credit and micro-finance are major tools for enhancing economic situation of women that enable them to access to market, ensure freedom of choices and reasonable participation in policy –making in every spheres of individual,*

family and social life. Micro-credit is a major tool of women's self employment generation as well as mainstreaming in development process.

In a study Pramanik P. Chandra, 2001 observes that in terms of amount of credit disbursement, Grameen Bank (GB) was at the highest position (41.64%) following by Thanga Mara Mohila Sobuj Songha (TMSS) 24.48%). Most of the credit was distributed for Income generating Activities (IGAs) and the nature of IGAs was found to be very much alike except the housing loan of Grameen Bank (GB). It also shows that a large majority (66.18%) reported used their loan for the right purposes partially, while 29.41% ensured the full utilization of their loan is compliance with their respective original purposes. A few (4.41%) deviated their loan totally. It also shows that out of total respondents, majority (86.76%) expressed their views confirming the achievement of several economic and social gains with the use of credit facilities from multiple sources.

Ahmed F. Fahmida in her Study on "*Micro credit as a Tool for Women Empowerment: The Case of Bangladesh*" opined that the impact of micro-credit has been very positive. The study shows that it has increased family income and quality of life, it has promoted saving habits among poor-women recipients, and it has raised awareness and empowered women to contribute to various socio-economic activities. This study also shows that a survey conducted in 1998 by ASA (A non-government organization) among 1200 women micro-credit recipients conclusively shows that the recipient capacity has increased; their awareness has

improved and the women are now empowered in economic and social matters.

Ms.Kejela Gemtessa in her “ *Women Empowerment through Delivery of Microfinance Services in Ethiopia.2005*” told that microfinance services brought significant changes on the level of women clients, participation in decisions such as receiving loan, loan utilization, saving, and repayment. Participation in the microfinance service has improved the women clients’ income. Furthermore, women clients expanded their economic activities horizontally and vertically compared to the non clients. The women client’s launched new economic activities such as crop production, trade, livestock husbandry, handcrafts , and others.

She also observes that micro-credit services brought significant changes on the level of women clients’ participation in decisions such as receiving loan, loan utilization, savings and repayment. Consultation and joint decision with husbands improved on such matters. Moreover Micro-credit clients own assets compared to the before and the non-clients groups. Micro-credit services contributed to women clients to have better access to and control over land as compared to the others groups. This was due to the improved decision making on receiving credit, savings and improved income of women as a result of the micro-credit services. The degree of women clients’ dependence on their husbands is the lowest from all the three groups. It was logical that the increased income due to the micro-credit intervention led women clients to self reliance and economic empowerment

One study (Islam. S. M. Fakhurul and M. Jahangir Kabir, 2005) observes that the micro-credit recipients received credit from the Bank and

successfully utilized those credit in different enterprises of crops, live stock and cottage industries. This study shows that the project played significant role in poverty alleviation interims of bringing remarkable changes in asses holding, family employment and income, livelihood of rural poor. It also shows some changes quality of life of rural poor in terms of considerably increased access to education of children, health facilities, and arsenic free pure drinking water. It also shows some positive impact on empowerment of women in terms of freedom of decision making, movement decision making movement outside home and expending self-earned money.

(Sarkar, S. Rani, 2000) suggests that out of total respondents, 95.10% received loan for undertaking different Income Generating Activities (IGAs). It also shoes that the loan was utilized by husband, respondent herself, some, and other family members. This study also shows that a large majority (76.47%) gave a negative reply regarding support services for proper utilization of loan. Finally this study shows that, a great majority of the respondents (88.9%) expressed positive opinion about their development interment of employment, income, purchase of land, tube well, tin, vangari and leasing in land.

Another study (Pramanik, P. Chandra, 2000) observes that a good number of respondents (41%) were found not to repay their loan on time and their over due loan in terms of principal amount stood at a range from Tk. 1001 to TK. 200. As a reason behind overdue loan 75% of the respondents expressed that agricultural loan was not repaid in time with a view to getting benefit of exemption and 100% KSS (Krishi Samabai

Samiti) managers mentioned that the loanee people waited for government declaration in favour of exemption.

This study also shows that out of 11 only one TCCA (Thana Center for Cooperative Association) was competent to recover all the dues (100%) from its primary societies while others could not. As all the primary societies of TCCAs were not able to repay their loan in scheduled time, the TCCAs were compelled to cover up the shortage from their own fund at the time of repayment with an intention to avail the benefit of exemption. As a result in the study areas the TCCAs got exemption benefit of TK. 288.50 lakh by spending of fund of TK. 183.44 lakh.

Sabharwal in *From the Margin to the Mainstream Micro-Finance Programmes and Women's Empowerment: The Bangladesh Experience, 2005* mentioned that BRAC has a strong effect on women's mobility and involvement in political campaigning and protests, while Grameen Bank has a strong influence on women's economic contribution to the household. Thus micro-credit adopting an integrated approach refers to as a minimalist package of intervention, furthers the chances for credit to become an empowering means by supporting a continuous process of institutional and legal changes. Enhanced women's intra-household bargaining power go beyond just concentration on skill development and technical inputs directly relevant to the loan investment activity and overcoming constrains to women's access to rural markets. Consequently micro-credit needs to incorporate to measures links to continuous investment in literacy and numeric training and attitudinal changes in men and women. These attitudinal changes need to focus on women's' rights over their own resources and to go beyond the limited

horizons of the individual credit society into the development of collective action by women solidarity group. In other words, what is required is considerable commitment and long –term investment in institution building, social development and consciousness work to ensure that micro-credit are empowering women.

Naz,2006 find out that there have been changes in the lives of the 40 borrower women On whom she has conducted her research .It may be argued or objects that there has not been complete fulfillment in all the aspects of empowerment .But it can not be denied that there was a significant transformation from a very backward, illiterate and downgraded status among these 40 borrower respondent women towards development in every aspect(personal, cognitive level, household level decision making, bargaining power, economic self-sufficiency, personal savings) of their lifestyle and they have come out as responsible and dependable caretakers o their families within a decade.

Review of some of the available literature on this study suggests that there are some positive impacts of micro-credit on the beneficiaries. But in some cases it has some negative impacts especially in case of loan disbursement. Utilization of loan and repayment of credit is not satisfactory. Though their ultimate goal is the same that alleviation of poverty and empowerment of women. Involvement of multiple credit agencies such as Grameen Bank, BRAC, ASA, TMSS etc has come under criticism because of overlapping and duplication in their work, for some certain reasons, many are skeptical about the benefit of credit programmes and its sustainability. Considering all this fact it is clear that the present study can play a significant role to empower women in rural

areas and also fulfill the knowledge gap for further study. Research is a means to the advancement of knowledge and science. No research study can cover all the sides as the volume of social problems continued to burgeon and the social life in our contemporary world has become more complex than ever. Every research area is a new world full of many problems requiring perhaps new thinking and understanding.

Here the importance lies for further investigation and to understand the reality to calculate objectivity to a considerable extent.

Chapter-4 : Overview on Grameen Bank and BRAC

In this chapter, an attempt has been made to focus light on the impact of Grameen Bank & BRAC micro credit activities on empowering women in rural areas of Bangladesh. At the same time, this chapter focuses attention on the activities of the GB and BRAC whether they are capable to improve the fallen position of the women as well as to increase the awareness among them or not.

4.1.1 Grameen Bank

Grameen Bank, the creation of Professor Dr. Yunus, began working in Jobra, Chittagong in 1976 as an action research project and became a full-fledged bank in 1983. It began up as a specialized financial micro-credit providing institution offering services to rural poor (specially the women) without collateral. As the poor women are the most vulnerable group and have no access to Formal Banking system. Close to 96 percent of Grameen bank beneficiaries gone to women, who have been found to be much more likely than men to repay loans and to devote their earnings to serving the needs of the entire family. Originally, the program started with men and women but later focused on women when data showed a dramatically lower credit risk in women.

4.1.2 Grameen Bank at a Glance

Owned by the poor

Grameen bank is owned by the poor borrowers. Borrowers of the Bank at present own 94 percent of the total equity of the bank. Remaining 6 percent is owned by the government.

No Collateral, No Legal Instrument,

No Group –Guarantee or Joint Liability

Grameen bank doesn't require any collateral against its micro-loans. Since the bank doesn't take any borrower to the court of law in case of non-repayment; it doesn't require the borrowers to sign any legal instrument.

Repayment responsibility solely rests on the individual borrower. There is no form of joint liability, group members are not responsible to pay on behalf of a defaulting member.

97 Percent Women

Total number of borrowers is 7.41 million, 97 percent of them are women.

Branches of Grameen Bank

Grameen Bank (GB) has 2,499 branches. It works in 81,334 villages. Total Staff of Grameen Bank including Branch office, are offices, zonal offices and head office are 25,283.

Beneficiaries

A member from a family which owns less than 0.50 acre of cultivable land or possesses assets worth of one acre of medium quality cultivable land in the respective area is eligible to be a beneficiary of Grameen Bank.

Formation of Group

Five eligible like minded persons of a same village who satisfy the following conditions may form a group.

- Should have similar economic background
- Relatives should not be in the same group
- Enjoy mutual trust and confidence
- Must be inhabitants of the same village
- Only one member of a household may be in a group

Each group elects a chairperson and a secretary who hold office for one year only. They can not be re-elected before all members have had the change of assuming these positions. The group chairperson is responsible for discipline in the group. Members conduct their business with the bank through Chairperson at weekly meeting. All members are obliged to attend weekly meetings and to be aware of the rules and regulations of the group.

Loan Application, Sanction and Disbursement

Loan requests are first discussed and considered within the group. They are then scrutinized and approved successively by the center chief, the bank workers and branch manager. Area manager is the final authority to sanction the loan. Normally it takes one week to complete the whole process. Loans are disbursed at the branch offices. The branch manager disburses the loan money to individual loanees.

Over Tk 366 billion disbursed

Total amount of loan disbursed by Grameen Bank, since inception, is Tk. 356.80 billion (US\$ 6.69 billion). Out of this, Tk. 320.46 billion (US\$ 5.97 billion) has been repaid. Current amount of outstanding loans stands at Tk. 36.34 billion (US\$ 5.29.53 billion). During the past 12 months (from January'07 to December'07) Grameen Bank disbursed Tk. 50.43 billion (US\$ 731.49 billion). Monthly average loan disbursement over the past 12 month was Tk. 4.20 billion (US\$ 60.96 billion).

Projected disbursement for year 2008 is Tk 60.00 billion (US\$ 874 billion), i.e. monthly disbursement of Tk. 5.00 billion (US\$ 72.87 billion). End of the year outstanding loan is projected to be at Tk. 42.00 billion (US\$ 612 billion).

Recovery Rate

Loan recovery rate is 98.02 per cent.

100 Percent Loans Financed From Bank's Deposits

Grameen Bank finances 100 per cent of its outstanding loan from its deposits. Over 56 percent of its deposits come from bank's own

borrowers. Deposits amount to 143 per cent of the outstanding loans. If we combine both deposits and own resources it becomes 159 per cent of loans outstanding.

No Donor Money, No Loans

In 1995, GB decided not to receive any more donor funds. Since then, it has not requested any fresh funds from donors. Last installment of donor fund, which was in the pipeline, was received in 1998. GB does not see any need to take any donor money or even take loans from local or external sources in future. GB's growing amount of deposits will be more than enough to run and expand its credit programme and repay its existing loans.

Earns Profit

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

Low Interest Rates

Government Bangladesh has fixed interest rate for government-run micro credit programmes at 11 per cent at flat rate. It amounts to about 22 per cent at declining basis. Grameen Bank's interest rate is lower than government rate.

There are four interest rates for loans from Grameen Bank: 20% (declining basis) for income generating loans, 8% for housing loans, 5% for student loans, and 0% (interest-free) loans for Struggling Members

(beggars). All interests are simple interest, calculated on declining balance method, this means. if a borrower taken an income-generating loan of say, Tk. 1,000, and pays back the entire amount within a year in weekly instalments, she'll pay a total amount of Tk. 1,100, i.e. Tk. 1,000 as principal, plus Tk. 100 as interest for the year, equivalent to 10% flat rate.

Deposit Rates

Grameen Bank offers very attractive rates for deposits. Minimum interest offered is 8.5 per cent. Maximum rate is 12 percent.

Beggars as Members

Begging is the last resort for survival for a poor 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, Grameen Bank has taken up a special programme, called Struggling Members Programme, to reach out to the beggars, and About 100,332 beggars have already joined the programme. Total amount disbursed stands at Tk. 105.51 million. Of that amount of Tk. 72.70 million has already been paid off.

Basic features of the programme are:

- 1) Existing rules of Grameen Bank 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 instalments 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 loan insurance programmes 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 Grameen Bank logo. She can display this as she goes about her daily life, to let everybody know that she is a Grameen Bank member and this national institution stands behind her.
- 6) Members are not required to give up begging, but are encouraged to take up an additional income-generating activity like selling popular consumer items door to door, or at the place of begging.

Housing for the Poor

Grameen Bank introduced housing loan in 1984. It became a very attractive programme for the borrowers. This programme was awarded Aga Khan International Award for Architecture in 1989. Maximum amount given for housing loan is Tk. 15,000 ((US\$ 218billion) to be repaid over a period of 5 years in weekly installment. Interest rate is 8 per cent. 6, 50839 houses have been constructed with the housing loans averaging Tk. 13,165 (US\$ 192 billion). A total amount of Tk. 8.57 billion (US\$ 204.83 billion) has been disbursed for housing loans. During the past 12 months (from January'07 to December'07) 9,743 houses have been built with housing loans amounting to Tk. 96.02 million (US\$ 1.40 billion).

Micro-enterprise Loans

Many borrowers are moving ahead in businesses faster than others for many favorable reasons, such as, proximity to the market, presence of experienced male members in the family, etc. Grameen Bank provides larger loans, called micro-enterprise loans, for these fast moving members. There is no restriction on the loan size.

Scholarships

Scholarships are given, every year, to the high performing children of Grameen Borrowers, with priority on girl children to encourage them to stay ahead to their classes.

Education Loans

Students who succeed in reaching the tertiary level of education are given higher education loans, covering tuition, maintenance, and other school expenses. By December'07 21952 students received higher education loans, of them 19624 students are studying at various universities; 252 are studying in medical schools, 432 are studying to become engineers, 627 are studying in other professional institutions.

Grameen Network

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

- 1) Grameen Phone Ltd.
- 2) Grameen Telecom
- 3) Grameen Communications
- 4) Grameen Cybernet Ltd.
- 5) Grameen Solutions Ltd.
- 6) Grameen Information Highways Ltd.
- 7) Grameen Bitek Ltd.
- 8) Grameen Uddog (Enterprise)
- 9) Grameen Shamogree (Products)
- 10) Grameen Knitwear Ltd.
- 11) Grameen Shikkha (Education)
- 12) Grameen Capital Management Ltd.
- 13) Grameen Byabosa Bikash (Business Promotion)
- 14) Grameen Trust
- 15) Grameen Health Care Trust
- 16) Grameen Health Care Service Ltd.
- 17) Grameen Danone Food Ltd.
- 18) Grameen Veolia Water Ltd.

Grameen Bank-Created Companies

The following companies in the Grameen network were created by Grameen Bank, as separate legal entities, to spin off some projects within Grameen Bank funded by donors. Donor funds transferred to Grameen Fund were given as a loan from Grameen Bank. These companies have the following loan liability to Grameen Bank:

Grameen Fund: Tk 373.2 million (US \$ 6.38 million)

Grameen Krishi Foundation: Tk 19 million (US \$ 0.33 million)

Grameen Motsho (Fisheries) Foundation: Tk 15 million (US \$ 0.26 million)

Grameen Kalyan

Grameen Kalyan (well-being) is a spin off company created by Grameen Bank. Grameen Bank created an internal fund called Social Advancement Fund (SAF) by imputing interest on all the grant money it received from various donors. SAF has been converted into a separate company to carry out its mandate to undertake social advance activities among the Grameen borrowers, such as, education

Loans Paid Off At Death

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

Coverage of the loan insurance programme has also been extended to the husbands with additional deposits in the loan insurance deposit account. A borrower can get the outstanding amount of loan paid off by insurance

if her husband dies. She can continue to borrow as if she has paid off the loan.

Total deposits in the loan insurance savings account stood at Tk 4,591.60 million (US\$ 66.55 million) as on April 30, 2009. Up to that date 127,352 insured borrowers and insured husbands died and a total outstanding loans and interest of Tk 950.79 million (US \$ 14.38 million) left behind was paid off by the bank under the programme. The families of the deceased borrowers are not be required to pay off their debt burden any more, because the insured borrowers or their insured husbands do not leave behind any debt burden to take care of.

Life Insurance

Each year families of deceased borrowers of Grameen Bank receive a total of Tk 8 to 10 million (US \$ 0.12 million to 0.15 million) in life insurance benefits. Each family receives Tk 1,500. A total of 114,887 borrowers died so far in Grameen Bank. Their families collectively received a total amount of Tk 206.54 million (US\$ 4.24 million). Borrowers are not required to pay any premium for this life insurance. Borrowers come under this insurance coverage by being a shareholder of the bank

Deposits

By the end of April, 2009 total deposit in Grameen Bank stood at Tk. 67.13 billion (US\$ 973.02 million). Member deposit constituted 55 per cent of the total deposits. Balance of member deposits has increased at a monthly average rate of 2.05 percent during the last 12 months.

Pension Fund for Borrowers

As borrowers grow older they worry about what will happen to them when they cannot work and earn any more. Grameen Bank addressed that issue by introducing the programme of creating a Pension Fund for old age. It immediately became a very popular programme.

Under this programme a borrower is required to save a small amount, such as Tk 50 (US \$ 0.72), each month over a period of 10 years. The depositor gets almost twice the amount of money she saved, at the end of the period. The borrowers find it very attractive. By the end of April 2009 the balance under this account comes to a total of Tk 22.94 billion (US \$ 332.55 million). Tk 5.70 billion (US \$ 82.99 million) was added during the past 12 months (May'08 -April, 2009). We expect the balance in this account to grow by Tk 3.79 billion (US \$ 55.07 million) in 2009 making the balance to reach Tk 26.50 billion (US \$385.62 million).

Loan Loss Reserve

Grameen Bank has a very rigorous policy on bad debt provisioning. If a loan does not get paid back on time it is converted into a special type of loan called "Flexible Loan", and 50 per cent provisioning is done on the last day of each month. Hundred per cent provisioning is done when flexible loan completes the second year. At its third year, the outstanding amount is completely written off even if the loan repayment still continues.

Balance in the loan loss reserve stood at Tk 4.66 billion (US \$ 67.98 million) at the end of 2007 after writing off an amount of Tk 0.74 billion (US \$ 10.78 million) during 2007. Out of the total amount written off in

the past an amount of Tk 0.74 billion (US \$ 10.85 million) has been recovered during 2007.

Retirement Benefits Paid

Grameen Bank has an attractive retirement policy. Any staff can retire after completing ten years or more of service. At the time of retirement he receives a retirement benefit in cash. It is usually paid out within a month after retirement. Since this benefit was introduced 7,460 staff members retired and received a total amount of Tk 4.64 billion (US \$ 79.29 million) in cash. This amounts to Tk 0.62 million (US \$ 10,629) per retiring staff. During the past 12 months 471 staff went on retirement collecting a retirement benefit of Tk 471.00 million (US \$ 6.86 million). Average retirement benefit per staff was Tk 1.00 million (US \$ 14,565).

4.1.3 Stars' for Achievements

Grameen Bank provides colour-coded stars to branches and staff for 100 percent achievement of a specific task. A branch (or a staff) having five-stars indicate the highest level of performance. At the end of Dec'2008, branches showed the following result.

1,673 branches, out of total 2,539 branches, received stars (green) for maintaining 100 per cent repayment record.

1,972 branches received stars (blue) for earning profit. (Grameen Bank as a whole earns profit because the total profit of the profit-earning branches exceeds the total loss of the loss-incurring branches.)

1,780 branches earned stars (violet) by meeting all their financing out of their earned income and deposits. These branches not only carry out their business with their own funds, but also contribute their surpluses to meet the fund requirement of deficit branches.

348 branches have applied for stars (brown) for ensuring education for 100% of the children of Grameen families. After the completion of the verification processes their stars will be confirmed. 59 branches have applied for stars (red) indicating branches those have succeeded in taking all its borrowers' families (usually 3,000 families per branch) over the poverty line.

The star will be confirmed only after the verification procedure is completed. Each month branches are coming closer to achieving new stars. Grameen staff looks forward to transforming all the branches of Grameen Bank into five star branches.

4.1.4 Basic Features of Grameen Generalised System (GGS) or Grameen 11

Grameen Bank, through its trial and error working experience since 1976 up to April 2000, has learned that their prevailing banking system (Grameen Classic System) should be remodeled and therefore introduced a thorough change in the whole system and currently has started operating under the Grameen Generalised System (GGS).

At present Grameen Bank is operated by the GGS Or Grameen 11. All the branches of GB have been switched over to Grameen 11 by August

2002. Under the new system, all varieties of the previous loans e.g., seasonal loan, family loan, zone wise and branch wise loan ceiling, group fund were abolished and only basic loan, housing loan and higher education loan, which runs parallel to the basic loan and the struggling members (beggars) loan programme were introduced. Through these changes, this second-generation micro-credit institution is believed to be better equipped for working with the poor women.

WHY GRAMEEN II?

First, Bangladesh is a riverine country and flood is a regular feature here. Furthermore cyclones and draughts often create problem in the country. Due to all these problems, borrowers sometimes fail to repay their loans in due time. Thus, the conditions of loan repayment have been made easier through GGS so that the borrowers feel relaxed.

Second

The GGS also believes that the poor always pay back and maintains that the loan repayment schedule should not be too rigid for the poor affected persons. Rather, an alternative flexible loan must be made available to them so that they can repay the loan in an extended period of time.

Third

Rational of GGS is humanitarian. We know that among poor people, women's condition is more vulnerable than men's. Besides, there are ups and downs in their small enterprises. Thus, if the conditions of repayment are made flexible, they can work in a relaxed mood towards the path of development (Naz, 2006).

4.1.5 Indicators of Grameen Bank

Every year GB Staff evaluates their work and check whether the socio-economic situation of GB members is improving .GB evaluates poverty level of the borrowers using their indicators.

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

- i) The family lives in a house worth at least 25,000 or a house with a tin roof and each member of the family is able to sleep on bed instead of on the floor.
- ii) Family members drink pure water of tube-wells, boiled water or water purified by using alum, arsenic free, purifying tables or pitches filters.
- iii) All children in the family over six years of age are all going to school or finished primary school.
- iv) Minimum weekly loan installment of the borrowers is Tk.200 Or more.
- v) Family uses sanitary latrine.
- vi) Family members have adequate clothing for every day use, warm clothing for winter such as shawls, sweaters, blankets etc and mosquito nets to protect themselves from mosquitoes.
- vii) Family has sources of additional income such as vegetables garden, fruits-bearing trees, etc. So that they are able to fall back on these sources of income when they need additional money.
- viii) The borrowers maintain an average annual balance of TK. 5,000 in her saving account.
- ix) Family experiences no difficulty in having three square meals a day through out the year i.e., no member of the year.

x) Family can take of the health. If any member of the family falls ill, family can afford to take all necessary steps to seek adequate health care.

4.1.6 Awards Received by GB

1 SWITZERLAND : Aga Khan Award For Architecture : 1989

Awarded Aga Khan Award For Architecture, 1989 by Geneva based Aga Khan Foundation for designing and operating Grameen Bank Housing Programme for the poor, which helped poor members of Grameen Bank to construct 60,000 housing units by 1989, each costing on an average \$ 300.

2 BELGIUM : King Baudouin International Development Prize : 1993

Awarded "The King Baudouin International Development Prize 1992" for its recognition of the role of women in the process of development and the novelty of a financial credit system contributing to the improvement of the social and material condition of women and their families in rural areas.

3 BANGLADESH : Independence Day Award : 1994

Awarded Independence Day Award for outstanding contribution to Rural Development.

4 MALAYSIA : Tun Abdul Razak Award : 1994

Awarded 1994 Tun Abdul Razak Award for the Bank's unique programme to lend money to the poorest of the poor and thus transform the lives of thousands of impoverished people.

- 5 UNITED KINGDOM : World Habitat Award : 1997
Awarded “World Habitat Award : 1997” by Building and Social Housing Foundation.
- 6 INDIA : Gandhi Peace Prize : 2000
Awarded "Gandhi Peace Prize :2000" by Government of India.
- 7 U.S.A. : Petersberg Prize : 2004
Awarded "Petersberg Prize 2004" by the Development Gateway Foundation, U.S.A. in 2004.
- 8 Norway : Nobel Peace Prize : 2006
Awarded "Nobel Peace Prize 2006" in October, 2006.

The Norwegian Nobel Committee has Announced the Nobel Peace Prize for 2006, divided into two equal parts, to Dr. Muhammad Yunus & Grameen Bank.

The Norwegian Nobel Committee has decided to award the Nobel Peace Prize for 2006, divided into two equal parts, to Muhammad Yunus and Grameen Bank for their efforts to create economic and social development from below. Lasting peace can not be achieved unless large population groups find ways in which to break out of poverty. Micro-credit is one such means. Development from below also serves to advance democracy and human rights.

Muhammad Yunus has shown himself to be a leader who has managed to translate visions into practical action for the benefit of millions of people, not only in Bangladesh, but also in many other countries. Loans to poor

people without any financial security had appeared to be an impossible idea. From modest beginnings three decades ago, Yunus has, first and foremost through Grameen Bank, developed micro-credit into an ever more important instrument in the struggle against poverty. Grameen Bank has been a source of ideas and models for the many institutions in the field of micro-credit that have sprung up around the world.

Every single individual on earth has both the potential and the right to live a decent life. Across cultures and civilizations, Yunus and Grameen Bank have shown that even the poorest of the poor can work to bring about their own development.

Micro-credit has proved to be an important liberating force in societies where women in particular have to struggle against repressive social and economic conditions. Economic growth and political democracy can not achieve their full potential unless the female half of humanity participates on an equal footing with the male.

Yunus's long-term vision is to eliminate poverty in the world. That vision can not be realised by means of micro-credit alone. But Muhammad Yunus and Grameen Bank have shown that, in the continuing efforts to achieve it, micro-credit must play a major part. Oslo, 13 October 2006.

(Source: The Daily Star, 14 December, 2009)

4.1.7 Difference Between GB & Conventional Banks

Grameen Bank methodology is almost the reverse of the conventional banking methodology. Conventional banking is based on the principle that the more you have, the more you can get. In other words, if you have little or nothing, you get nothing. As a result, more than half the population of the world is deprived of the financial services of the conventional banks. Conventional banking is based on collateral, Grameen system is collateral- free.

Grameen Bank starts with the belief that credit should be accepted as a human right, and builds a system where one who does not possess anything gets the highest priority in getting a loan. Grameen methodology is not based on assessing the material possession of a person; it is based on the potential of a person. Grameen believes that all human beings, including the poorest, are endowed with endless potential and hoping Halving poverty by 2015 and Actually Make it happen (2003).

Conventional banks look at what has already been acquired by a person. Grameen looks at the potential that is waiting to be unleashed in a person.

Conventional banks are owned by the rich, generally men. Grameen Bank is owned by poor women.

Overarching objective of the conventional banks is to maximize profit. Grameen Bank's objective is to bring financial services to the to help them fight poverty, stay—poor, particularly women and the poorest

profitable and financially sound. It is a composite objective, coming out of social and economic visions.

Conventional banks focus on men, Grameen gives high priority to women. 97 per cent of Grameen Bank's borrowers are women. Grameen Bank works to raise the status of poor women in their families by giving them ownership of assets. It makes sure that the ownership of the houses built with Grameen Bank loans remain with the borrowers, i.e., the women.

Grameen Bank branches are located in the rural areas, unlike the branches of conventional banks which try to locate themselves as close as possible to the business districts and urban centers. First principle of Grameen banking is that the clients should not go to the bank, it is the bank which should go to the people instead. Grameen Bank's 23,689 staff meet 7.84 million borrowers at their door-step in 84,237 villages spread out all over Bangladesh, every week, and deliver bank's service. Repayment of Grameen loans is also made very easy by splitting the loan amount in tiny weekly installments. Doing business this way means a lot of work for the bank, but it is a lot convenient for the borrowers.

There is no legal instrument between the lender and the borrower in the Grameen methodology. There is no stipulation that a client will be taken to the court of law to recover the loan, unlike in the conventional system. There is no provision in the methodology to enforce a contract by any external intervention.

Conventional banks go into 'punishment' mode when a borrower is taking more time in repaying the loan than it was agreed upon. They call these borrowers "defaulters". Grameen methodology allows such borrowers to reschedule their loans without making them feel that they have done anything wrong (indeed, they have not done anything wrong.)

When a client gets into difficulty, conventional banks get worried about their money, and make all efforts to recover the money, including taking over the collateral. Grameen system, in such cases, works extra hard to assist the borrower in difficulty, and makes all efforts to help her regain her strength and overcome her difficulties.

In conventional banks charging interest does not stop unless specific exception is made to a particular defaulted loan. Interest charged on a loan can be multiple of the principal, depending on the length of the loan period. In Grameen Bank, under no circumstances total interest on a loan can exceed the amount of the loan, no matter how long the loan remains unpaid. No interest is charged after the interest amount equals the principal.

Conventional banks do not pay attention to what happens to the borrowers' families as results of taking loans from the banks. Grameen system pays a lot of attention to monitoring the education of the children (Grameen Bank routinely gives them scholarships and student loans), housing, sanitation, access to clean drinking water, and their coping capacity for meeting disasters and emergency situations. Grameen system helps the borrowers to build their own pension funds, and other types of savings.

Interest on conventional bank loans are generally compounded quarterly, while all interests are simple interests in Grameen Bank.

In case of death of a borrower, Grameen system does not require the family of the deceased to pay back the loan. There is a built-in insurance programme which pays off the entire outstanding amount with interest. No liability is transferred to the family.

In Grameen Bank even a beggar gets special attention. A beggar comes under a campaign from Grameen Bank which is designed to persuade him/her to join Grameen programme. The bank explains to her how she can carry some merchandise with her when she goes out to beg from door to door and earn money, or she can display some merchandise by her side when she is begging in a fixed place. Grameen's idea is to graduate her to a dignified livelihood rather than continue with begging. Such a programme would not be a part of a conventional bank's work.

Grameen system encourages the borrowers to adopt some goals in social, educational and health areas. These are known as "Sixteen Decisions" (no dowry, education for children, sanitary latrine, planting trees, eating vegetables to combat night-blindness among children, arranging clean drinking water, etc.). Conventional banks do not see this as their business.

In Grameen, we see the poor people as human "bonsai". If a healthy seed of a giant tree is planted in a flower-pot, the tree that will grow will be a miniature version of the giant tree. It is not because of any fault in the seed, because there is no fault in the seed. It is only because the seed has been denied of the real base to grow on. People are poor because society

has denied them the real social and economic base to grow on. They are given only the "flower-pots" to grow on. Grameen's effort is to move them from the "flower-pot" to the real soil of the society.

If we can succeed in doing that there will be no human "bonsai" in the world. We'll have a poverty-free world (Professor Unus-June 11, 2009)

The success of the Grameen model has inspired throughout the developing world even in industrialized nations including the United States.

4.2 Overview on BRAC

Bangladesh Rural Advancement Committee (BRAC), one of the largest NGOs in the world and one of the pioneers in NGOs activities in Bangladesh, was founded in 1972 in response to the humanitarian needs of thousands of refugees returning to their homes after liberation was of Bangladesh (BRAC, Annual Report, 1999). An enthusiastic young man, a Professional accountant Mr. Fazle Hassan Abed who was working with a British oil firm, could not deny the call of the soil for starting reconstruction work of a war ravaged new nation. Mr. Abed along with some other conscious, educated persons formed a committee in 1972 at Sulla¹⁰ in former Syllhet¹¹ district¹², as a charitable organization devoted to relief and rehabilitation of the war affected families.

BRAC is currently present in all 64 districts of Bangladesh, with over 7 million micro-finance group members, 37,500 non-formal primary schools and more than 70,000 health volunteers. BRAC is the largest

NGO by number of staff employing over 120,000 people, the majority of whom are women. BRAC operates various programs such as those in microfinance and education in over nine countries across Asia and Africa, reaching more than 110 million people. The organization is 80% self-funded through a number of commercial enterprises that include a dairy and food project and a chain of retail handicraft stores called 'Aarong.' BRAC maintains offices in 14 countries throughout the world, including BRAC USA and BRAC UK. BRAC is a few years into their initiative to operate in ten African countries in the next ten years. (Wikipedia Encyclopedia downloaded on 21/07/09.).

BRAC tackles poverty from a holistic viewpoint, transitioning individuals from being aid recipients to becoming empowered citizens in control of their own destinies. Over the years, BRAC has organized the isolated poor and learned to understand their needs by piloting, refining and scaling up practical ways to increase their access to resources, support their entrepreneurship and empower them to become active agents of change. Women and girls have been the central analytical lens of BRAC's anti-poverty approach; BRAC recognizes both their vulnerabilities and thirst for change. BRAC always strives to find practical and scalable approaches to eradicate poverty wherever it is.

4.2.1 The Evolution of BRAC

At the end of 1972, when the first phase of relief work was over, BRAC turned towards long-term development needs and re-organised itself as a multifaceted development organisation focusing on the empowerment of the poor and landless, particularly women.

By 1974, BRAC had started providing micro credit and had started analyzing the usefulness of credit inputs in the lives of the poor. Till the mid 70s, BRAC concentrated on community development through multi-sectoral village development programmes that included agriculture, fisheries, cooperatives, rural crafts, adult literacy, health and family planning, vocational training for women and construction of community centres. A Research and Evaluation Division (RED) was set up by BRAC in 1975 to analyze and evaluate its activities and provide direction for the organisation to expand and evolve. In 1977, BRAC shifted from community development towards a more targeted approach by organizing village groups called Village Organizations (VO).

4.2.2 Institutional Arrangement

BRAC implements its credit project through area offices. One area office covers 80 to 100 villages in 4 to 6 unions. The Manager is responsible for the overall implementation of project activities at the area.

4.2.3 Eligibility for Membership

- Must be a member of the BRAC Village Organization (VO)
- Must not belong to any other similar organization
- Aged between 18-54 years
- Have regular attendance in the weekly Village Organization (VO) meeting
- Regular deposits weekly savings
- Must form a small group of 5 members with the Village Organization (VO).

Procedures

- Members can apply for the first loan following 8 weeks of membership in a Village Organization (VO)
- Loans are given for both individual and joint activities
- No collateral is needed.

4.2.4 Criteria of Beneficiary

An adult person belonging to a family which owns maximum 0.50 acre of land and depending mainly on manual labor is eligible to be a member of village organization. Preference is given to the lowest strata of the people.

4.2.5 Formation of Village Organization

The process starts with the identification of target population through a non-formal survey. After identification target population, formation of village organization takes place through personal contacts and group discussions initiated by BRAC program organizers. Each member is required to fill in an admission form enrollment.

40-50 eligible persons can form a Village Organization (VO). Each village Organization (VO) is sub-divided into small groups of 5 members. There is a secretary in each group who is elected by the group members for a period of 2 years. Then a managing committee for Village Organization (VO) is formed from the secretaries of the small groups with one chairperson, one secretary and cashier.

Process

- Credit need is determined in small group meeting.

- Loan application is filled and signed by the borrowers with recommendation of their small group leaders. The application is examined and signed by the Program Assistant (PA).
- The program organizer (PO) examines all information in the loan application and recommends it for approval.
- The area Manager/Regional Manager approves loan for disbursement.

In 1979, BRAC entered the health field in a major way. It established the nation-wide Oral Therapy Extension Programme (OTEP), a campaign to combat diarrhoea, the leading cause of the high child mortality rate in Bangladesh. Over a ten-year period 1,200 BRAC workers went door-to-door to teach 12 million mothers the preparation of home-made oral saline. Bangladesh today has one of the highest rates of usage of oral rehydration, and BRAC's campaign cut down child and infant mortality from 285 per thousand to 75 per thousand.[4] This initial success in scaling up propelled rapid expansion of other BRAC programmes such as Non Formal Primary Education which BRAC started in 1985 – a model that has been replicated in about a dozen countries.

In 1986 BRAC started its Rural Development Programme that incorporated four major activities – institution building including functional education and training, credit operation, income and employment generation and support service programmes. In 1991 the Women's Health Development programme commenced. The following year BRAC established a Centre for Development Management (CDM)

in Rajendrapur. Its' Social Development, Human Rights and Legal Services Programme was launched in 1996 with the aim to empower women with legal rights and assist them in becoming involved with community and ward level organizations. In 1998, BRAC's Dairy and Food project was commissioned. BRAC launched an Information Technology Institute the following year. In 2001, BRAC established a university called BRAC University with the aim to create future leaders and the BRAC Bank was started to cater primarily to small and medium enterprises.

In 2002 BRAC launched a programme called Challenging the Frontiers of Poverty Reduction – Targeting the Ultra Poor (CFPR-TUP) designed specifically for those that BRAC defines as the ultra poor - the extreme poor who cannot access conventional microfinance. The same year BRAC also went into Afghanistan with relief and rehabilitation programmes. It was the first organization in Bangladesh to establish, in 2004, the office of an Ombudsperson.

4.2.5 Mission of BRAC

BRAC has some missions that demonstrate what BRAC is and what it wants to do for the society and where it derives from.

The missions of BRAC are-

1. Want to see a positive change in the quality of life of the poor;
2. Committed to make its programs socially, financially, and environmentally sustainable;
3. Would like to use innovative methods and appropriate technologies;

4. Would like to promote human rights, human dignity, and gender equity;
5. Fosters the development of the human potential of the members of the organization and those they serve;
6. Emphasized work at the individual level
7. Endeavors to bring about change the level of national and global policy on poverty reduction and social progress.

Its mission is to work with people whose lives are dominated by extreme poverty, illiteracy, disease and other disadvantages. With a holistic approach, it strives to bring about positive changes in the quality of life of people who are poor. BRAC achieve mission by:

- Working with the poor, especially women and children;
- Engaging in multifaceted development interventions;
- Striving to promote positives changes in quality of life.
- Working towards attaining socially, financially and environmentally sustainable programmes;
- Actively promoting human rights, human dignity and gender equity;
- Helping to shape national and global policies so poverty reduction and social progress;
- Fostering the development of human potential;
- Offering professional development opportunities to our staff;
- Encouraging commitment to the goals and values of the organisation (Annual Report, 2007).

4.2.6 Beneficiaries and Formation of Village Organization

Criteria of Beneficiary

An adult person belonging to a family which owns maximum 0.50 acre of land and depending mainly on manual labor is eligible to be a member of village organization. Preference is given to the lowest strata of the people.

Formation of Village Organization

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- The program organizer (PO) examines all information in the loan application and recommends it for approval
- The area Manager/Regional Manager approves loan for disbursement

Interest

BRAC charges interest at the rate of 15 percent (except housing loan) to its borrowers. The interest rate is 10 percent for housing loan. The interest is calculated on flat method.

Loan Repayment

Loans are repaid in 23 equal bi-weekly installments within 52 weeks. Program Assistants who are the grass-root level workers attend bi-weekly meetings of the Village Organization (VO) and collect loan installments and deposit the same to the BRAC account on the same day.

4.2.7 Economic Development/Micro-finance Programme

BRAC's Economic Development programme includes micro credit or microfinance.

The Objectives of our micro-credit Programme are to:

- Provide easy, reliable and efficient access to institutional financial services for the poor that include credit and savings;
- leverage the "Process capital" of organizing the poor for microfinance to create a credit plus approach to helping them become economically solvent;
- Contribute towards attaining the Millennium Development Goals of 50% reduction in Poverty by 2015 (Annual Report, 2008)

4.2.8 Main Components

BRAC continues to play a pioneering role in providing diversified financial services to serve different segments of the population who face

difficulties in accessing institutional financial services such as savings and credit. These services are usually classified into mainstream programmes and other components. The mainstream programmes cover the majority of our microfinance clients.

4.2.9 Dabi- Poverty Alleviation for Poor Landless Women

Dabi is the core component of our microfinance programme. We organise landless groups of women in rural, semi-urban and urban slums into self-selected groups commonly known as village organisations (VOs). These VOs act as platforms for various financial and non-financial development activities including savings, credit health, education, social development and livelihood support. Dabi members have access to microloans and savings schemes that help reduce their vulnerability and support their self-employment initiatives.

The loans are used to support a wide range of activities that the poor engage in to sustain their livelihoods. These range from agricultural activities such as growing rice, maize or vegetables and livestock rearing to non-farm activities such as running a restaurant or grocery store.

All Dabi members are women and the average loan size in 2007 was BDT 8,227 (USD 121). As of December 2007, the total number of outstanding borrowers was 5.5 million and BDT 33,464 million (USD 492 million) was disbursed in 2007.

Average Loan Size BDT (USD)

Loan schemes	2005	2006	2007
Dabi	BDT 6,766 (USD 104)	BDT 7,881 (USD 116)	BDT 8,227 (USD 121)
Unnoti	BDT 13584 (USD 209)	BDT 17100 (USD 251)	BDT 16444 (USD 242)
Progoti	BDT 73366 (USD 1129)	BDT 85290 (USD 1254)	BDT 91238 (USD 1342)

4.2.10 Unnoti-Microenterprise Development for Marginal Farmers

The goal of Unnoti is provide financial services to meet the specific needs of small and marginal farmer. Agriculture is the backbone of Bangladesh' economy and to a large extent drives the livelihoods of the poor, either directly or indirectly. Crop diversification, growth in the non-crop sector and maintaining high productivity are therefore of great importance for food security, pro-poor growth and livelihoods of the poor. There is plenty of scope for intervention in agriculture and the introduction of new ideas and enterprises. We provide support to marginal farmers who own more hat one acre of land- a group that is not being targeted by the mainstream microfinance programmes. These marginal framers do not need a high amount of money to support their projects; loan size ranges from BDT 10,000 to BDT 50,000 (USD 147 to USD 735).

4.2.11 Progoti-Small Enterprise Development for Businesses

Progoti addresses the credit needs of small entrepreneurs in Bangladesh who require loan facilities to expand their commercial enterprises or to meet the needs for working capital to run their businesses. These small entrepreneurs are known as the missing middles who have difficulty accessing credit facilities from institutional sources as they neither fall into the category of commercial banks nor into the landless group members of a typical microfinance programme. Since its inception, the Progoti programme has disbursed over BDT 44,586 million (USD 685 million) and, as of December 2007, the number of outstanding borrowers was 199,442.

We also introduced the Women Entrepreneur Development Programme (WEDP) in 2000 for women entrepreneurs. Since inception, the programme disbursed 35,844 individual loans worth BDT 2,276 million (USD 33 million) as of December 2007.

4.2.12 Key Achievements 2007

microfinance Programme of BRAC has steadily grown with continued product innovation over the last five years. This growth was achieved mostly through vertical as well as horizontal expansion in terms of providing financial services in existing and new areas within Bangladesh.

4.2.13 Programme Expansion and Growth

During the last year, BRAC microfinance opened 1,484 new branch offices mostly in remote locations in Bangladesh. By December 2007, the number of microfinance branch offices was 2,867. Since 2002, the average annual membership growth rate has been around 14% with 39%

annual increase in 2007. The loan size has been increasing by 15% each year on average. Per capita savings is also increasing and currently each member has a savings deposit of BDT 1,827 (USD 27) on average.

In order to maintain the high quality of our microfinance portfolio, we work towards a savings to loan ratio of 37% and at least 95% of the field offices are financially self-sustaining.

4.2.14 Innovative Microfinance Products

Since launching our microfinance programme in the mid seventies, we have been careful to address the divers' needs of different segments of the poor population in Bangladesh. We carry our following activities under our microfinance umbrella.

4.2.15 Monga Mitigation Programme (MMP)

To reduce the vulnerability of famine affected people (Monga) due to seasonal cycles in Northern Bangladesh, it designed a special savings and credit package for the poor in those regions. This special programme was initiated in Kurigram, Lalmonirhat and Nilphamari districts in 2005. In 2007, a total of BDT 248.68 million (USD 366 million) was disbursed amongst 28166 poor people in the Monga affected region of Bangladesh.

Kallyan Project

The Kallyan Project was launched in 2005. The Project is designed to assist retrenched state-owned enterprise workers in becoming self-employed or re-entering the job market. We provide counseling, credit facilities, education stipends, medical support, job market related information and overseas work opportunities for the participants. In 2007, The project counseled 32,438 retrenched workers and provided training to

7,161 of them. Micro loans worth over BDT 131 million (USD 1.93 million) were disbursed to 3,561` borrowers during the year.

4.2.16 Employment and Livelihood for Adolescents (ELA)

The Employment and Livelihood for Adolescents (EAL) programme was initiated eight years ago in order to provide savings and credit facilities for teenage girls and young women. They use the small loans of up to BDT 20.000 (USD 249) for income generating activities such as tailoring, block-boutique, grocery, small trade, handicraft, poultry, horticulture nursery, vegetable cultivation, and livestock rearing. Adolescent centers known as ELA Kendor”organise the programme. As of December 2007, the Programme was implemented in 1534 branch offices with a participation of 337653 female adolescents. A total amount of BDT 1056 million (USD 1553 million) has been disbursed.

4.2.17 Solar Energy

BRAC has also been promotion solar energy for rural households who live in the 50,000 villages outside of the national power grid. Through micro enterprise loans, villagers choose from a selection of home packages that can provides up to four hours of power each night and are capable of running a television, a couple of light bulbs and mobile phone chargers. The system includes a solar panel. batter, charge controller, inverter, cable, switch, and accessories. The programme is currently financed by the World Bank through the Infrastructure Development Company Limited (IDCOL). To date, it has successfully installed 356830 solar panels bringing renewable energy to 180.000 rural people.

4.2.18 Strengthened Partnerships

In the last five years, we have strengthened our partnerships with the Government and other international donor agencies. The North-West Crop Diversification Project (NCDP) is collaboration between BRAC the Department of Agriculture Extension of Government of Bangladesh and the Asian Development Bank (ADB) focusing on high-value crop cultivation in the northern districts of Bangladesh. This project is currently supporting over 64,000 small farmers in the Rajshahi district and has disbursed BDT 353 million (USD 5.19 million) in loans for cultivation of high-value crops.

North-west Microfinance Expansion Project (NWEP) is another partnership project of BRAC with Aus AID targeting the poor in the North-western region of Bangladesh. To support small agro based businesses, BRAC started a joint initiative of an agribusiness financing scheme with ADB.

4.2.19 Remittance Services Throughout Bangladesh

BRAC became a pioneer in channeling foreign remittance through our microfinance branch offices in rural and semi-urban areas as a subsidiary of BRAC Bank. Since launching in 2004, the BRAC Remittance Scheme has made 391, 183 payments worth BDT 12351 million (USD 182 million).

In November 2007, the BRAC Remittance Programme, along with its implementing partner BRAC Bank, attained the highest market share in Bangladesh in terms of Western Union Transactions. As December 2007

BRAC remittance services were provided in 1450 branch offices in 62 districts of Bangladesh.

Particulars	December 2005	December 2006	December 2007
Districts Covered	64	64	64
Total no. Branch Offices	1381	1383	2867
Village Organisations	160197	170277	260.785
Number of Group Members	4.84 million	531 million	7.37lion
Active Borrowers	4.16 million	455 million	6.4lion
Member's Savings (millions)	BDT 9159 (USD 141)	BDT 10595 (USD 156)	BDT 13467 (USD 198)
Loan Outstanding (million)	BST 17928 (USD 276)	BDT 24355 (USD 1358)	BDT 36344 (USD 534)
Average Monthly Disbursement (millions)	BDT 2715 (USD 42)	BDT 3551 (USD 52)	BDT 5194 (USD 75)
Loan Recovery Rate	99.82%	99.52%	99.54%
Total number of Staff	12.582	17271	34.841

In 1996, BRAC started a programme in collaboration with the Ain O Shalish Kendra (ASK) and Bangladesh National Women Leader's Association (BNWLA) to empower women to protect themselves from social discrimination and exploitation of which dowry, rape, acid throwing, polygamy, domestic violence and oral divorce are common in rural Bangladeshi communities and to encourage and assist them to take action when their rights are infringed. The programme has two

components: the Social Development component and the Human Rights and Legal Services component.

The Social Development component focuses on building human and socio-political assets of the poor – especially women – through institution building, awareness raising, training and collective social mobilization. As part of this initiative, BRAC has initiated ward-level people's organizations called the Polli Shomaj (Rural Society) and Union Shomaj (Union Society) which poor rural women members can use as a platform to raise their voices.

The Human Rights and Legal Services component seeks to empower the poor by increasing their awareness of their rights (legal, human and social) and entitlements through participation in activities like the Popular Theatre and through Human Rights and Legal Education (HRLLE) classes arranged by BRAC for its Village Organisation members. BRAC also offers external services such as access to lawyers or the police either through legal aid clinics, by helping women report cases at the local police station or when seeking medical care in the case of acid victims. At the end of June 2006, 124,748 HRLLE classes were held and 1,332 acid victim cases and 1,735 rape victim cases were reported. {BRAC At a Glance, June 2006}

BRAC is actively involved in promoting human rights, dignity and gender equity, empowerment through poor people's socio-economic, political and human capacity building. BRAC tries to bring about changes at the national and global level policies on poverty reduction and social progress.

Chapter 5: Role of Micro credit in Empowering Women in Bangladesh

Age Distribution

In this study attempt was made to know the age of women who are engaged in micro credit activities. In fact, in a social science research age of respondents is treated as an important factor. Because there is a relationship between respondents' opinion, mentality, exploration and age. Age range of respondents is shown in the following way.

Table -01
Age Distribution of the Respondents

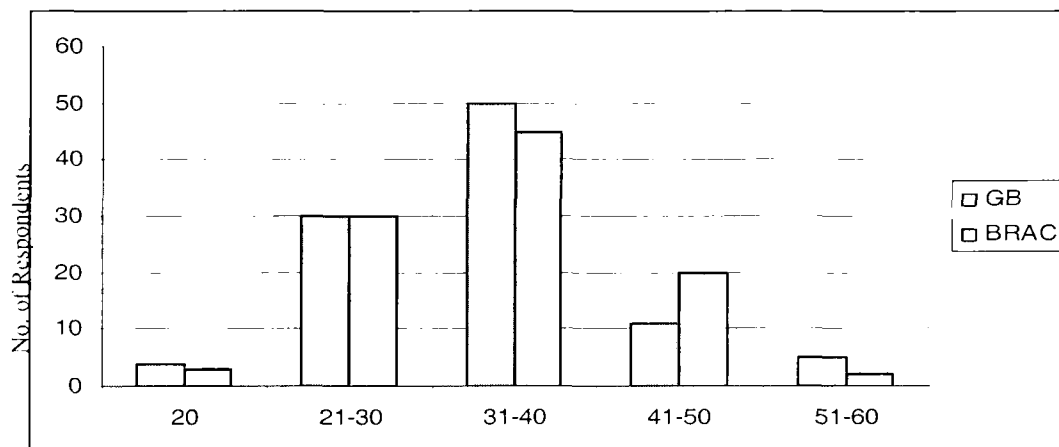
Age	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percent
<= 20	4	4	3	3	7	3.5
21-30	30	30	30	30	60	30
31-40	50	50	45	45	95	47.5
41-50	11	11	20	20	31	15.5
51-60	5	5	2	2	7	3.5
Total	100	100	100	100	200	100

(Source: Field Survey, 2008)

After analyzing the table, it was found that among the selected households those who received credit from GB and BRAC about <=20 ages women were 3.5% , 21-30 ages women were 30 % , 31-40 ages women were 47.5% , 41-50 ages women were 15.5% and 51-60 ages women were 3.5%. So from the above table it was found that 31-40 ages women received more credit from GB and BRAC.

Fig – 01

Age Distribution of the Respondents

**Marital Status**

Empowerment status of women is often determined by their marital status. Sometimes marital status pave the way for empowerment, on the other hand sometimes it creates obstacles for empowerment. In this study the researcher tried to establish a relationship between empowerment and marital status. The following table presenting the marital status of respondents.

Table -02

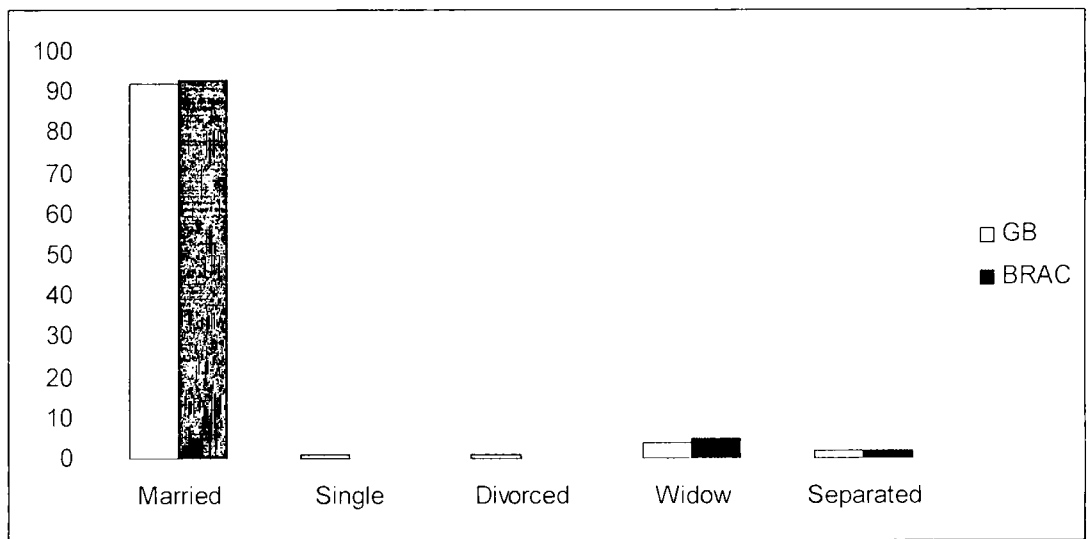
Marital Status of the Respondents

Marital Status	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percent
Married	92	92	93	93	185	92.5
Single	02	01	-	-	02	2
Divorced	01	01	-	-	01	0.5
Widow	04	04	05	05	09	4.5
Separated	01	01	02	02	04	1
Total	100	100	100	100	200	100

(Source: Field Survey, 2008)

From the above table it is seen that among the respondents 92.5% women were married, 2% women were single, 0.5% women were divorced, and 4.5 % women were widow and 1% women were separated. From the table it is clear that most of the responds were married.

Fig - 02
Marital Status of the Respondents



Educational Status

Education is another important variable for economic development. An educated woman is much more concise and aware about his economic condition than an illiterate woman. The researcher tried to find out their educational level.

Table -03
Educational Status of the Respondents

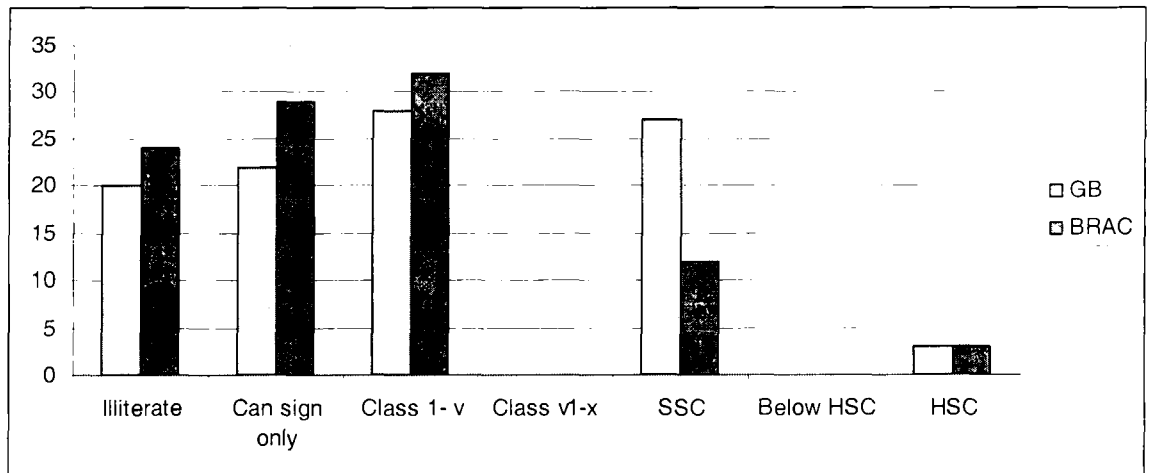
Educational Levels	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Illiterate	20	20	24	24	44	22
Can sign only	22	22	29	29	51	25.5
Class I- V	28	28	32	32	60	30
Class VI-X	0	0	0	0	0	0
SSC	27	27	12	12	39	19.5
Below HSC	0	0	0	0	0	0
HSC	3	3	3	3	6	3
Total	100	100	100	100	200	100

(Source: Field Survey, 2008)

- Can sign only means only know how to write their name.
- Illiterate means couldn't write and read

By analyzing the table, it was found that among all the respondents only 03 % respondents had completed their higher secondary school. Most of the respondents' educational levels was class 01-V, (30%). About 25.5 could sign, 22 % was illiterate and remaining 22.5 % was class VI -X and below HSC.

Fig – 03
Educational Status of the Respondents



Occupational Status

Occupation is another significant aspect for the credit recipients from GB and BRAC. The researcher tried to know the occupational status of the respondents because it is necessary for any scientific research. The following table presents the occupational status of the selected credit recipients from GB and BRAC.

Table -04
Occupational Status of the Respondents

Occupational Status	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Housewife	91	87.50	90	89.11	181	88.29
Unemployed	02	1.92	00	00	02	0.98
Self-employed	05	4.81	05	4.96	10	4.88
Wage-labour	01	0.96	02	1.98	03	1.46
Service-holder	04	3.85	04	3.96	08	3.90
Student	01	0.96	00	00	01	0.49
Total	104	100	101	100	205	100

(Source: Field Survey, 2008)

Analyzing the table it was found that among all the respondents 88.29% respondents were housewives. Remaining respondents were unemployed, self-employed, wage labour, service-holder and student and their percentages were 0.98, 4.88, 1.46, 3.90, and 0.49 respectively. From the above table it is clear that most of the respondents were housewife.

Fig – 04
Occupational Status of the Respondents



Table-05
House-hold Land of the Respondents After Receiving Credit from
GB and BRAC

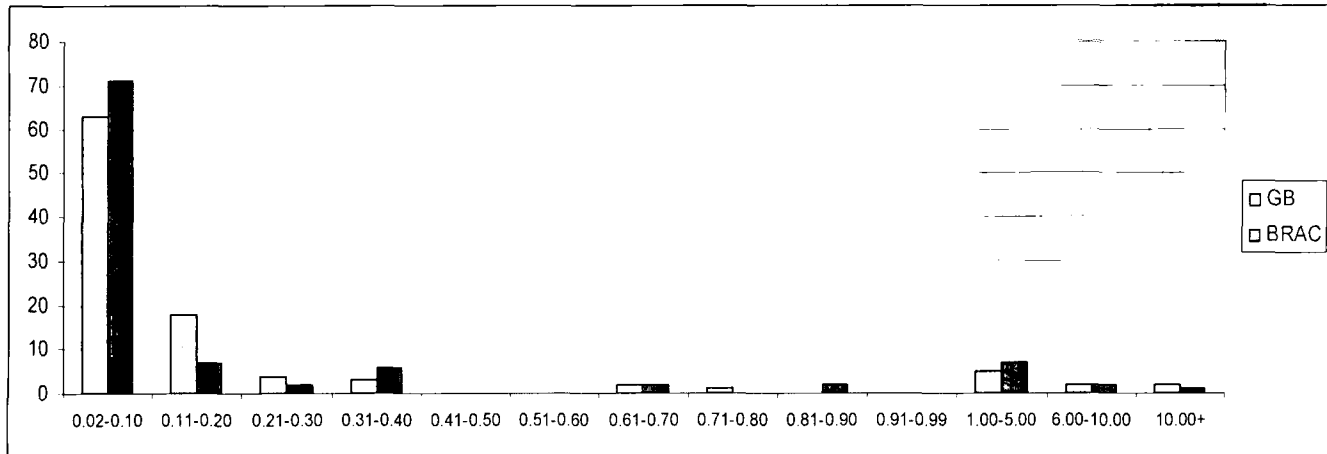
Household Land (In Acre)	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
0.02-0.10	63	63	71	71	134	67
0.11-0.20	18	18	07	07	25	12.5
0.21-0.30	04	04	02	02	06	03
0.31-0.40	03	03	06	06	09	4.5
0.41-0.50	0	0	0	0	0	0
0.51-0.60	0	0	0	0	0	0
0.61-0.70	02	02	02	02	04	02
0.71-0.80	01	01	0	0	01	0.5
0.81-0.90	0	0	02	02	02	01
0.91-0.99	0	0	0	0	0	0
1.00-5.00	05	05	07	07	12	06
6.00-10.00	02	02	02	02	04	02
10.00+	02	02	01	01	03	1.5
Total	100	100	100	100	200	100

(Source: Field Survey, 2008)

Analyzing the table it was found that 67 % respondents had 0.02-0.10 acre land and 12.5% respondents had 0.11-0.20 acre land. They told that they were landless in focus group discussion and personal interaction.

Fig – No. 05

House-hold Land of the Respondents After Receiving Credit from GB and BRAC



Sources of Income

Sources of income play a vital role for the socio –economic development. The researcher intended to find out the sources of income of the respondents before receiving micro-credit from GB and BRAC for justifying their status before and after.

Table-06
Sources of Income of the Respondents Households before Receiving
Credit from GB and BRAC

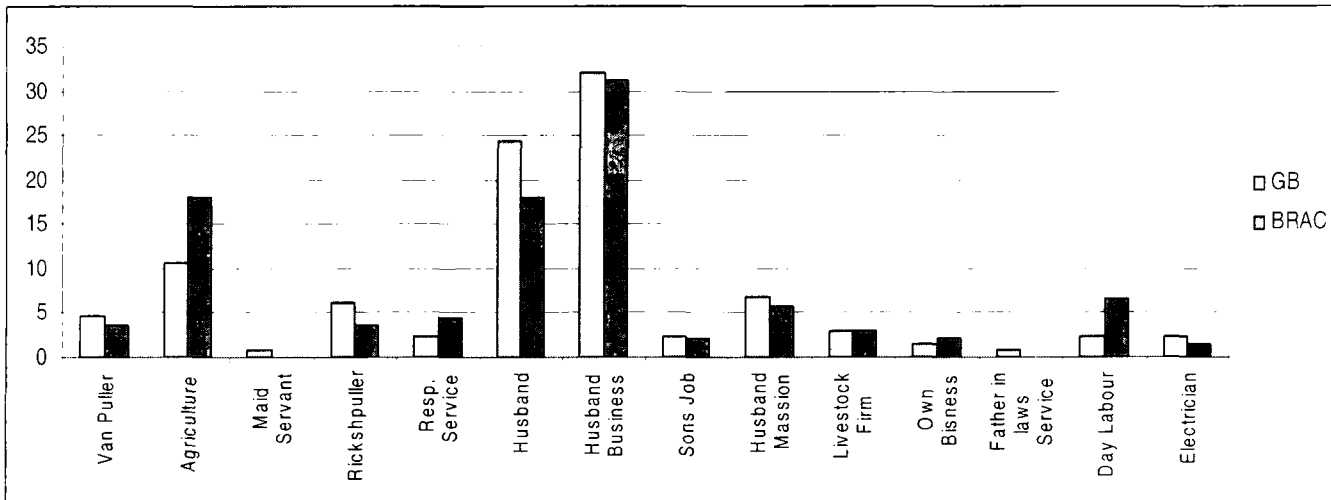
Income Source	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Van Puller	06	4.58	05	3.62	11	4.09
Agriculture	14	10.69	25	18.12	39	14.50
Maid Servant	01	0.76	00	00	01	0.37
Ricks puller	08	6.11	05	3.62	13	4.83
Resp. Service	03	2.29	06	4.35	09	3.35
Husband Job	32	24.43	25	18.12	57	21.19
Husband Business	42	32.06	43	31.16	85	31.60
Sons Job	03	2.29	03	2.17	06	2.23
Husband Massion	09	6.87	08	5.80	17	6.32
Livestock Firm	04	3.05	04	2.90	08	2.97
Own Business	02	1.53	03	2.17	05	1.86
Father in laws Service	01	0.76	00	00	01	0.37
Day Labour	03	2.29	09	6.52	12	4.46
Electrician	03	2.29	02	1.45	05	1.86
Total	131	100	138	100	269	100

(Source: Field Survey, 2008)

Analyzing the table it was found that before receiving credit 31.60% respondents' source of income was husband's business and 21.19% respondents' source of income was husbands job and rest of the sources of income were from agriculture, Van, Rickshaw, Own business, Livestock firm, day labour and electrician.

Fig – No. 06

Sources of Income of the Respondents Households before Receiving Credit from GB and BRAC



Sources of Income of the Respondents Household After Receiving Credit

Researcher intended to establish correlation between socio-economic development and micro credit. GB and BRAC are trying to increase womens' economic power by providing micro credit. Economic power can ensure empowerment of women. Micro credit made their source of income diversified.

Table-07
Sources of Income of the Respondents Household After Receiving
Credit from GB and BRAC

Sources of Income	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Van Puller	05	2.96	05	2.28	10	2.58
Agriculture	16	9.47	32	14.61	48	12.37
Maid Servant	01	0.59	00	00	01	0.26
Rickshpuller	08	4.73	07	3.20	15	3.86
Resp. Service	03	1.78	04	1.83	07	1.80
Husband Job	23	13.61	22	10.05	46	11.60
Husband Business	55	32.54	65	29.68	120	30.93
Sons Job	05	2.96	06	2.74	11	2.84
Husband Massion	17	10.06	08	3.65	25	6.44
Livestock Firm	22	13.01	31	14.16	53	13.66
Own Bisness	07	4.14	28	12.79	35	9.02
Father in laws Service	01	0.59	00	00	01	0.26
Day Labour	03	1.78	09	4.10	21	3.09
Electrician	03	1.78	02	0.91	05	1.29
Total	169	100	219	100	388	100

(Source: Field Survey, 2008)

Researcher tried to find out the sources of income of respondents after receiving credit. Interestingly, often receiving credit 'husband' remained their main source of income. Almost 31% respondents' source of income was husband's business. But a mentionable fact is that often receiving credit women established their livestock firm and own business. Agriculture also became their another source of income

Sources of information of GB and BRAC micro-credit program

Respondents' accuracy of knowledge regarding loan criteria depends on the sources of information. Respondents got information from different sources such as family, friends, bank worker, neighbors, advertisement etc. Without proper information they will be unable to get loan. So researcher attempted to know the sources of information.

Table-08

Sources of Information of GB and BRAC micro-credit program

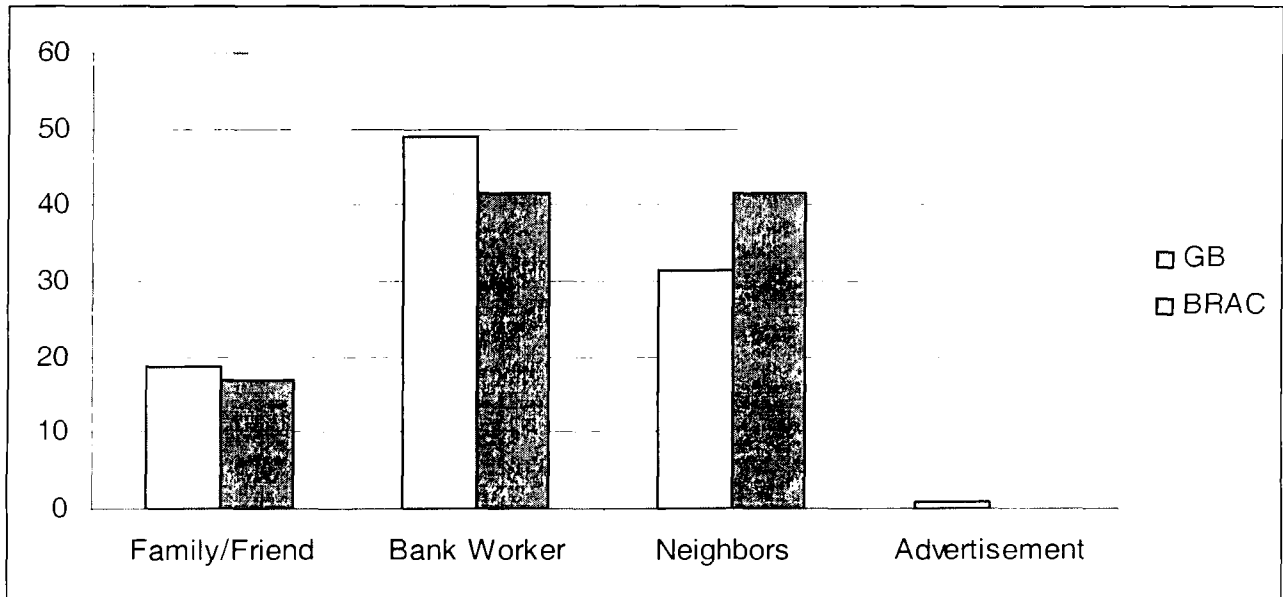
Sources of Information	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Family/Friend	19	18.63	17	16.84	36	17.74
Bank Worker	50	49.02	42	41.58	92	45.32
Neighbors	32	31.37	42	41.58	74	36.45
Advertisement	01	0.98	00	0	01	0.49
Total	102	100	101	100	203	100

(Source: Field Survey, 2008)

After analyzing, it was found that most of the respondents (45.32%) get information of getting loan from bank worker and it proved that Bank workers of GB and BRAC are very sincere on their duties and responsibilities. Sources of Information of getting loan from family/friend, neighbors and advertisement was 17.47%, 36.45% and 0.49% respectively.

Fig No-08

Sources of Information of GB and BRAC micro-credit program



Selection Criteria to be a member of GB and BRAC

Anyone can not be the member of GB and BRAC. For becoming member and receiving loan certain criteria must be fulfilled by women. Researcher tried in her research to know their depth of knowledge about the selection criteria. Following table shows their level of knowledge.

Table-09

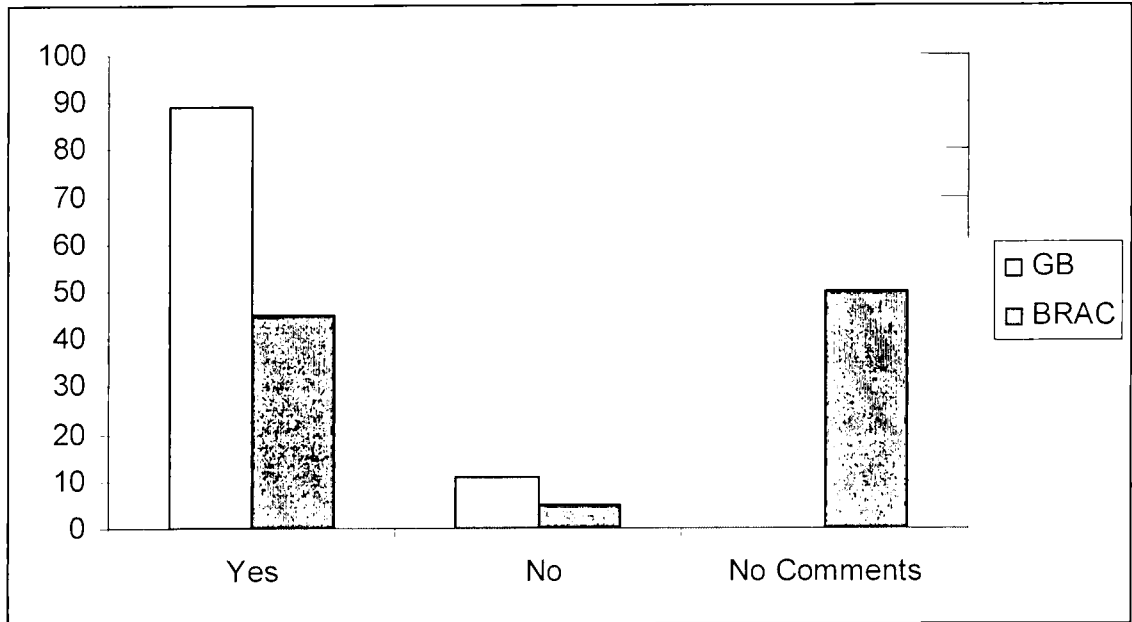
Criteria for Joining GB and BRAC

Knowledge about Selecting	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Yes	89	89	45	45	134	67
No	11	11	05	05	16	08
No Comments	00	00	50	50	50	25
Total	100	100	100	100	200	100

(Source: Field Survey, 2008)

Analyzing the table it was found that 67% of the respondents had knowledge on criteria for joining GB and BRAC and 08% didn't know the criteria for being a member of GB and BRAC.

Fig No-09
Criteria for Joining GB and BRAC



Duration of Involvement in Micro-credit Program

Time is one of the most important issues for impact analysis. Regarding the issue the researcher selected the respondents who are involved in the micro-credit activities at least four years. Without such time impact analysis was not possible.

Table: 10

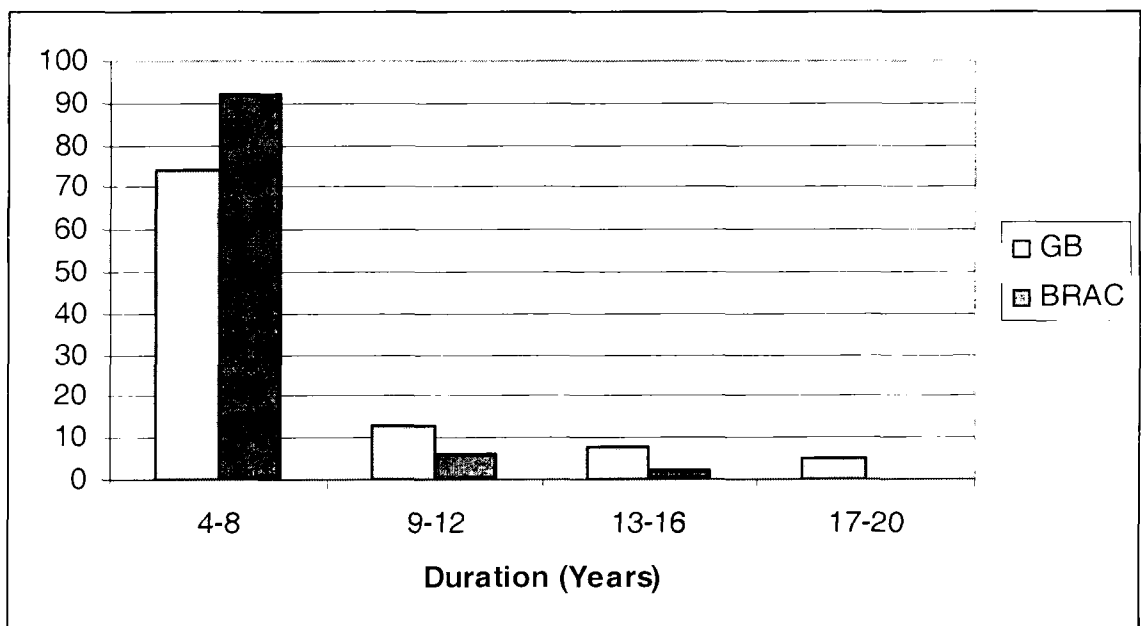
Duration of Involvement in Micro-credit program

Duration (Years)	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
4 -8	74	74	92	92	166	83
9-12	13	13	06	06	19	9.5
13-16	08	08	02	02	10	05
17-20	05	05	00	00	05	2.5
Total	100	100	100	100	200	100

(Source: Field Survey, 2008)

After analysis the table it was found that 83% of the respondents were involved in micro-credit program and duration was 04-08 years.9.5 % was involved since 9-12 years. For 13-16 and 17-20 years 05% and 2.5% of the respondents were involved in micro-credit activities. So it was seen that most of the respondents were involved in micro-credit activities since 4-8 years.

Fig No- 10
Duration of Involvement in Micro-credit program



Satisfaction on Amount of Credit

GB and BRAC are providing micro-credit for empowering rural poor women. An attempt has been made in this research to know their level of satisfaction on amount of credit. The respondents were asked whether they are satisfied with this amount or not. In the focus group discussion they opined that sometimes they need more money, but they do not prefer to take more because it would be difficult for them to repay in time.

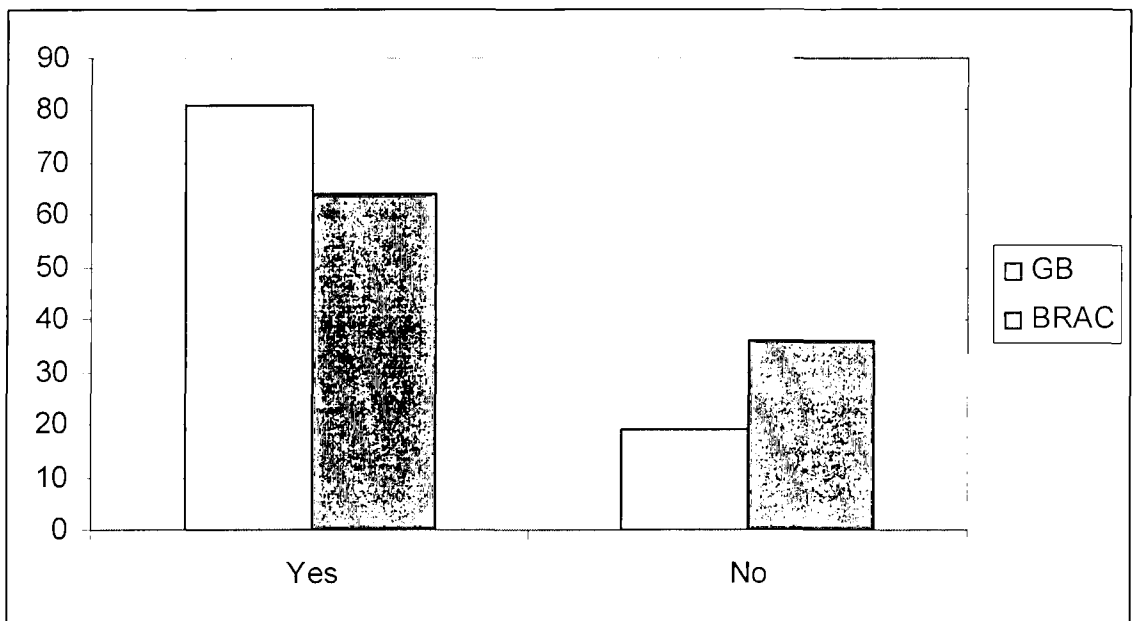
Table-11
Satisfaction on Amount of Credit

Opinion on Credit Sufficiency	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Yes	81	81%	64	64	145	72.5
No	19	19%	36	36	55	27.5
Total	100	100%	100%	100%	200	100

(Source: Field Survey, 2008)

After analyzing the table, it was found that 72.5% of the respondents told that they were satisfied on amount of money and only 27.5% of the respondent's opined negatively that they were not satisfied to the amount of money.

Fig No- 11
Satisfaction on Amount of Credit



Participation in Decision Making at the Family Level

The most important indicators for women empowerment is the decision making power and capability. And it begins from family level. Decision may be regarding personal or familial matters. Table -12 presents the status of women in making decision at the family level.

Table-12
Participation in Decision Making at the Family Level

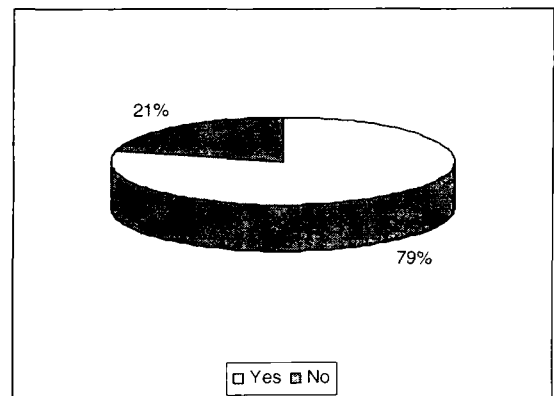
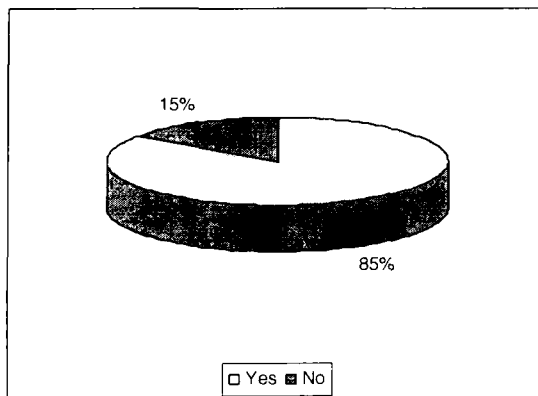
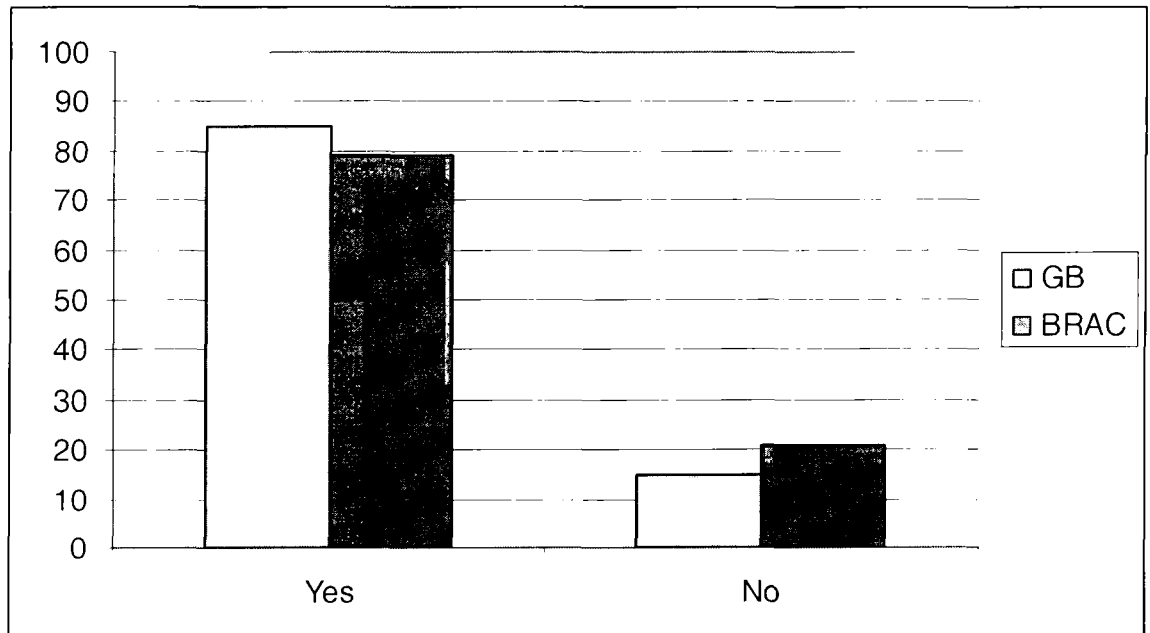
Participation in Decision Making at the Family Level	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Yes	85	85	79	79	164	82
No	15	15	21	21	36	18
Total	100	100%	100%	100%	200	100

(Source: Field Survey, 2008)

After analyzing the table, it was seen that 82 % of the respondents were able to take part in decision making process after joining in the micro-credit activities from GB and BRAC. Only 18 % of the respondents told that they could not take part in the decision making process at the family level. So the status of women participation in the family was highly satisfactory.

Fig No- 12

Participation in Decision Making at the Family Level



Beginning period of Participation in Decision Making

Most of the respondents opined that usually in a very few cases they could take part in decision making process. But often involvement in micro credit program a dramatic change has occurred. The following table presenting the beginning period of participation in the decision making process.

Table-1 3
Beginning period of Participation in Decision Making

Period	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Before joining	02	02	01	01	03	1.5
After joining	18	18	08	08	26	13
Both(before +after joining)	65	65	70	70	135	67.5
No comments	15	15	21	21	36	18
Total	100	100	100	100	200	100

(Source: Field Survey, 2008)

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After analyzing the table, it was found that respondent's participation in decision making at the family level were more after involvement in micro-credit activities. Only 1.5% of the respondents, could join in decision making process before and about 13% told that they could take part after joining in the micro-credit activities. So after joining in micro credit activities Participation in decision making had been increased.

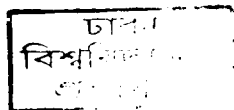
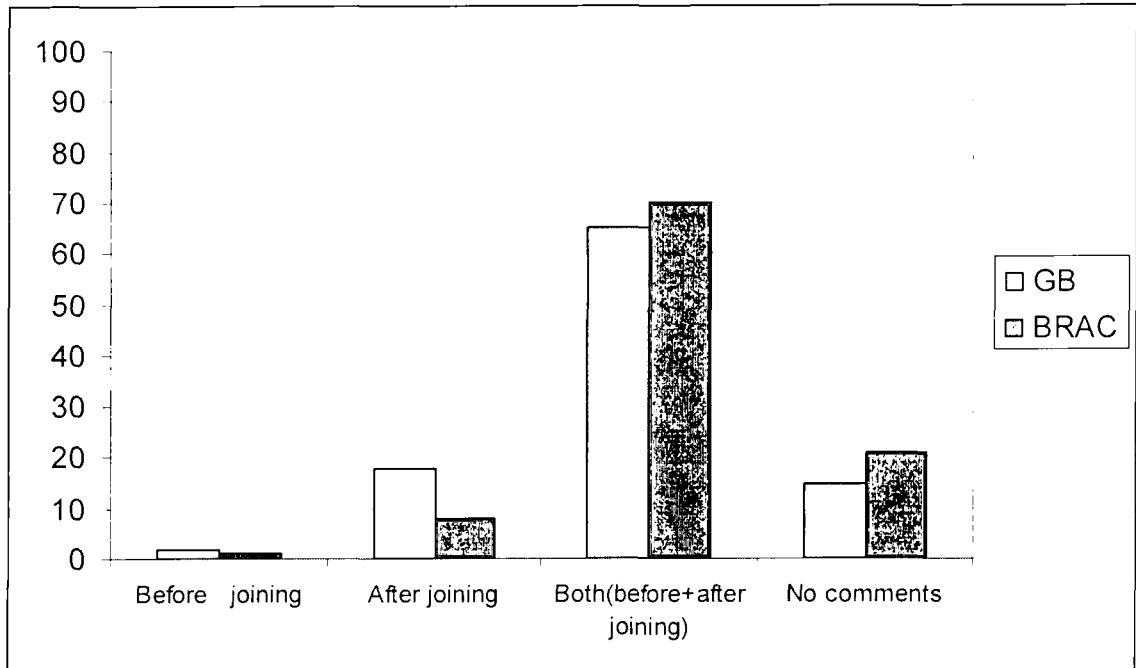


Fig No- 13

Beginning period of Participation in Decision Making



Importance of the Views of Respondents in Family Decision Making

Views mean opinion. Respondent’s personal opinion is also important. If the respondent’s don’t get chance in expressing her view, women empowerment would not be success.

Table-14

Importance of the views of Respondents in family decision making

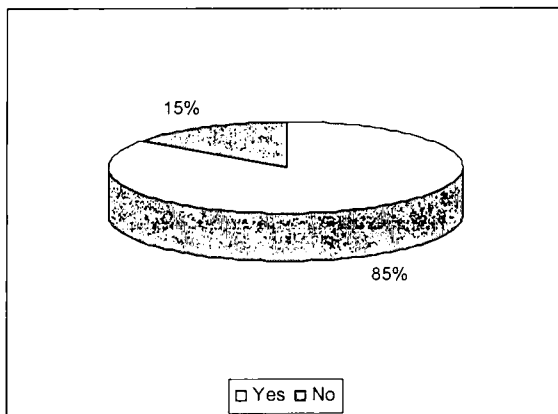
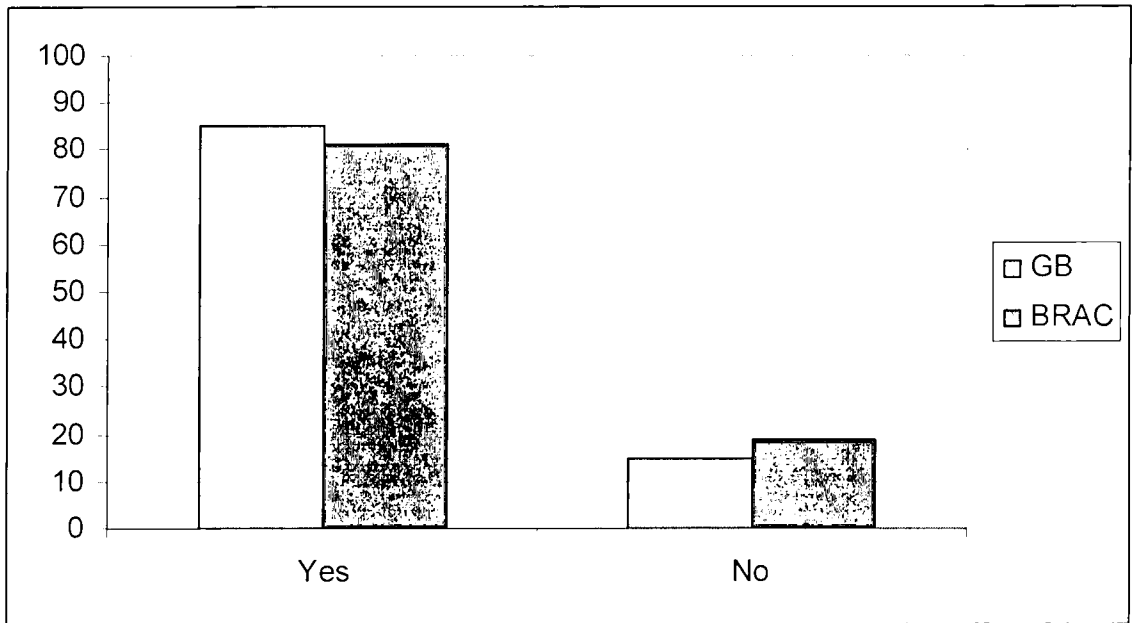
Importance in family decision making	GB		BRAC		Grand Total	
	Frequency	%	Frequency	%	Frequency	%
Yes	85	85	81	81	166	83
No	15	15	19	19	34	17
Total	100	100	100	100	200	100

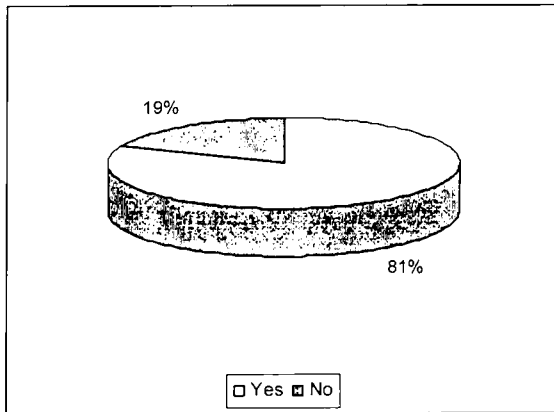
(Source: Field Survey, 2008)

After analyzing the table, it was found that 83 % of the respondent's told that their opinion was given importance. On the other hand only 17 % of the respondents mentioned their views were not given importance.

Fig. No. 14

Information on Respondents Importance of the views in family decision making





Reasons for Giving Importance

Giving importance is a significant issue for women empowerment. They were asked why they were given importance. In focus group discussion some respondent's told their husband, father in law's attitude has been changed after involving in micro-credit program. They also mentioned that they were more aware on their rights and responsibilities.

Table-15
Reasons for giving Importance

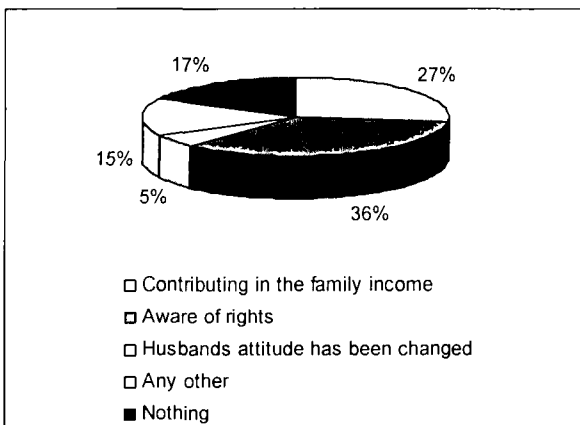
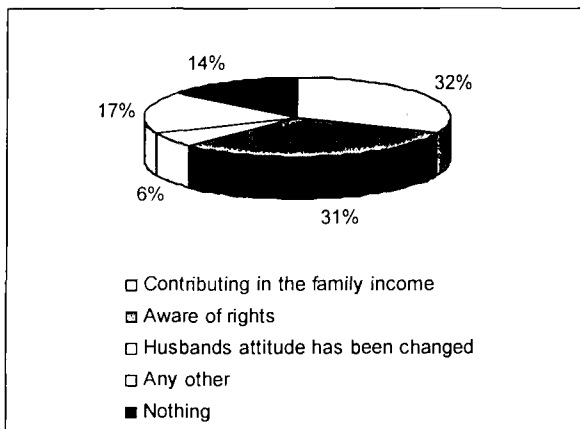
Reason	GB Frequency	BRAC Frequency	GB %	BRAC %	Grand Total	
					Frequency	%
Contributing in the family income	33	30	31.73	27.27	63	29.44
Aware of rights	32	38	30.77	34.56	70	32.70
Husbands attitude has been changed	06	06	5.77	5.45	12	5.61
Any other	18	17	17.31	15.45	35	16.36
Nothing	15	19	14.42	17.27	34	15.89
Total	104	110	100	100	214	100

(Source: Field Survey, 2008)

After analysis the table, it was found that 32.70 % of the respondent's mentioned that they were given more importance as they are aware of their rights and responsibilities and 29.44 % opined for contributing in the family income.

Fig -No-15

Reasons for giving Importance



Decision Maker in the Family before Involvement in the Micro credit Program

Expressing independent opinion is one of the indicators of women empowerment. But expressing opinion is not enough, how far it is considered or accepted that is important. So two related questions were asked: can you express your independent opinion in community level meeting after joining in micro-credit program? And do you think your opinion get or receive due importance?

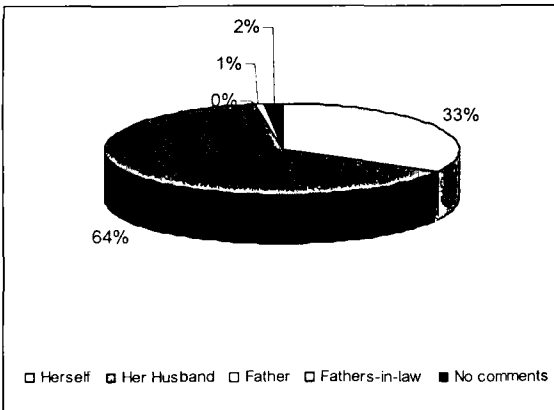
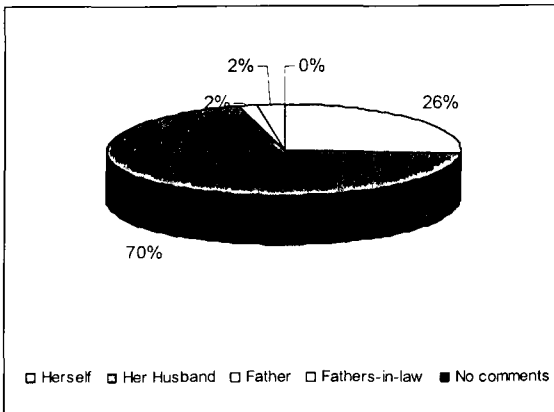
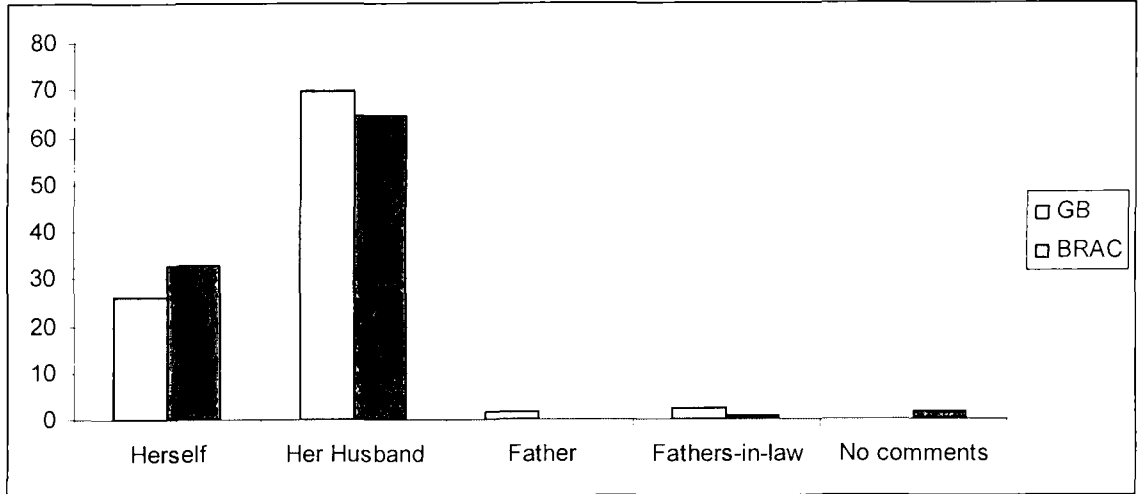
Table-16

Decision maker in the family before involvement in the Micro credit program

Decision maker	GB		BRAC		Grand Total	
	Frequency	%	Frequency	%	Frequency	%
Herself	32	26.23	41	33.06	73	29.68
Her Husband	85	69.67	80	64.52	165	67.07
Father	02	1.64	0	0	02	0.81
Fathers-in-law	03	2.46	01	0.81	04	1.63
No comments	0	0	02	1.61	02	0.81
Total	122	100	124	100	246	100

After analysis it was found that 67.07% of the respondents told that their husband's decision was final before involving in the micro-credit activities.

Fig. No. 16
Decision maker in the family before involvement in the
micro credit program



Attending Community Meeting after or before Receiving Credit

Attending community meeting is the symbol of their awareness. Community meeting helps women to become aware on their rights and responsibilities. GB and BRAC had profound influence on women to attend community meeting.

The researcher during interview and observation found that respondents' attendance to the community meeting has increased after participating different meetings of the GB and BRAC, they were more conscious on their rights and responsibilities. They were alert on violence against women like dowry, early marriage, and divorce related problem and physical torture.

Table-17

Attending community meeting after or before receiving credit

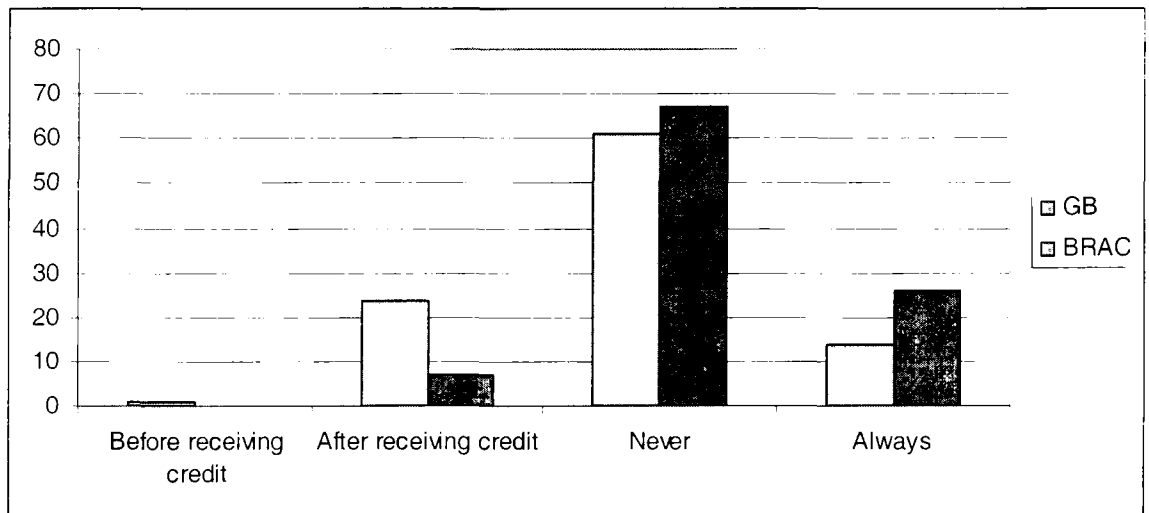
Time of attending meeting	GB		BRAC		Grand Total	
	Frequency	%	Frequency	%	Frequency	%
Before receiving credit	01	01	0	0	01	0.50
After receiving credit	24	24	07	07	31	15.50
Never	61	61	67	67	128	64
Always	14	14	26	26	40	20
Total	100	100	100	100	200	100

(Source: Field Survey, 2008)

After analyzing the table, it is seen that after joining in micro-credit program their attendance on community meeting have increased 15.50% and before joining their attendance were only 0.50%, so it can be mentioned that micro-credit program has raised their awareness.

Fig. No- 17

Attending community meeting after or before receiving credit



Participation in Politics especially in the Local Govt. Election

Politics is an important part of our life. As a citizen we should have participation in politics especially in local govt. It is the nearest govt. for rural people, so reflecting their own views towards social and national problems and potentials women must have participation .In Focus Group Discussion some respondents pointed out, that GB and BRAC have raised their political awareness. Now a day they cast vote according to their own choice

Table-18

Participation in politics especially in the local govt. election

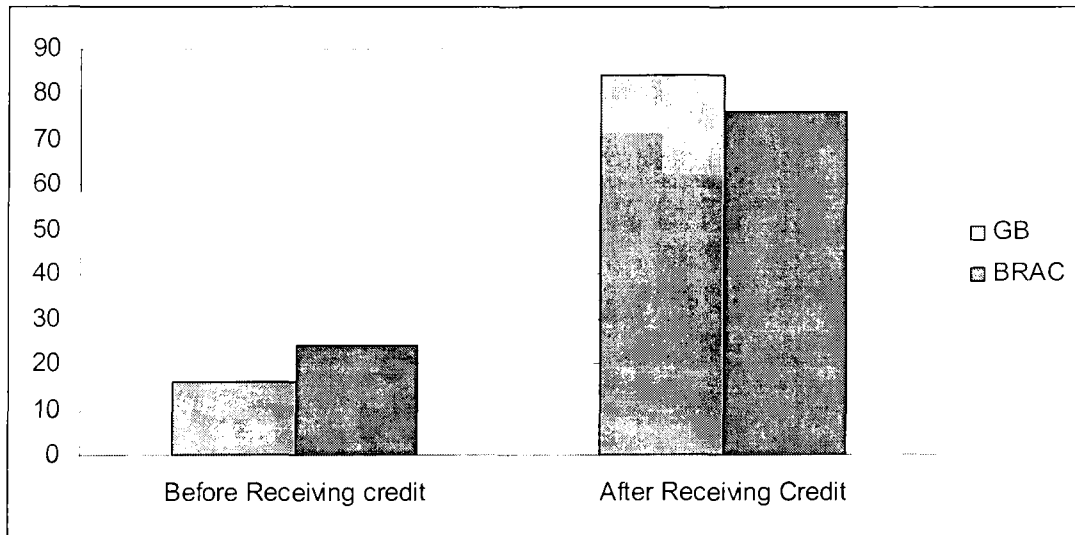
Time of participation in LG election	GB		BRAC		Grand Total	
	Frequency	%	Frequency	%	Frequency	%
Before Receiving credit	16	16	24	24	40	20
After Receiving Credit	84	84	76	76	160	80
Total	100	100	100	100	200	100

(Source: Field Survey, 2008)

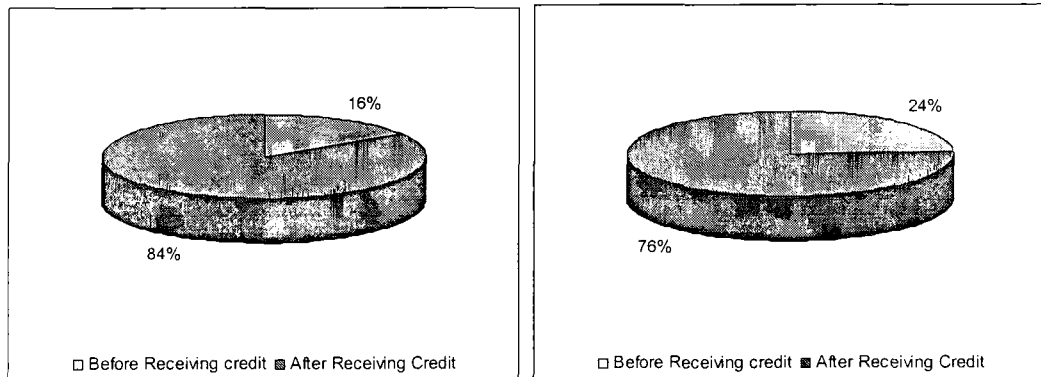
After analyzing the table, it was seen that after joining in micro-credit program their participation in politics have increased 80% and before joining their participation were only 20%. So it can be mentioned that micro-credit has raised their awareness on their political rights.

Fig. No- 18

Participation in politics especially in the local govt. election



Participation in politics especially in the local govt. election



Changing Attitude Towards Politics after Involving in Micro Credit Activities

Politics is an important part of our life. As a citizen we should have participation in politics especially in local govt. It is the nearest govt. for rural people, so reflecting their own views towards social and national problems and potentials women must have participation .In Focus Group Discussion some respondents pointed out, that GB and BRAC had raised their political awareness. Now a day they cast vote according to their own choice

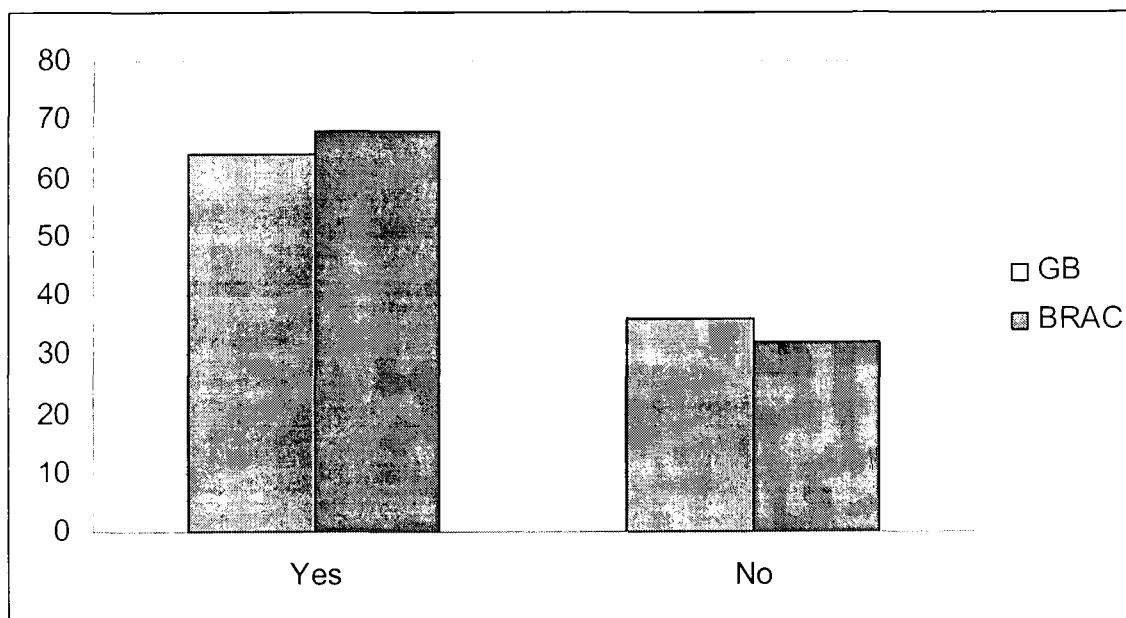
Table-19
Changing attitude towards Politics after involving in micro credit activities

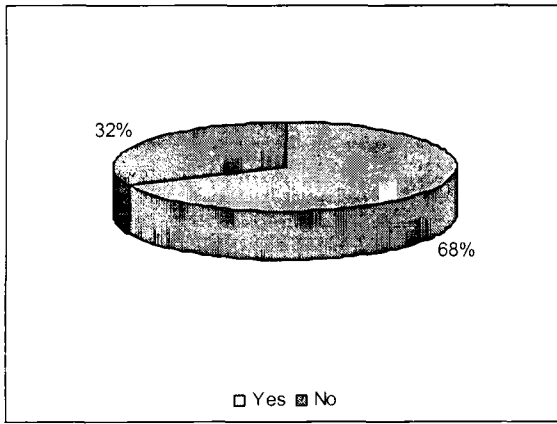
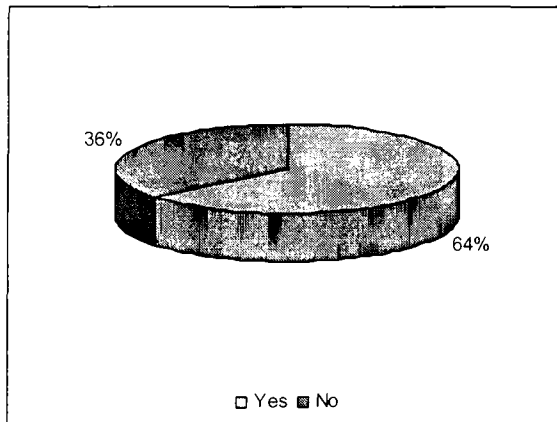
Changing political attitude	GB		BRAC		Grand Total	
	Frequency	%	Frequency	%	Frequency	%
Yes	64	64	68	68	132	66
No	36	36	32	32	68	34
Total	100	100	100	100	200	100

(Source: Field Survey, 2008)

After analyzing the table, it was found that after joining in micro-credit their attitude towards politics has changed. After joining in micro-credit activities 66% of the respondents told that their attitude has changed and only 34 % mentioned that it could not change their attitude.

Fig.No-19
Changing attitude towards Politics after involving in micro credit activities





Monthly Income before Receiving Micro Credit

Income is an important indicator for respondents' household socio-economic development. The researcher tried to find out monthly income of the respondents before joining in micro-credit activities.

Monthly income before receiving micro credit

Monthly income (in Tk.)	GB		BRAC		Grand Total	
	Frequency	%	Frequency	%	Frequency	%
1000-2000	06	06	02	02	08	04
2001-4000	30	30	27	27	57	28.5
4001-6000	20	20	28	28	48	24
6001-8000	04	04	06	06	10	05
8001-10000	06	06	06	06	12	06
10001-12000	0	0	04	04	04	02
12000+	04	04	07	07	11	5.5
No comments	30	30	20	20	50	25
Total	100	100	100	100	200	100

(Source: Field Survey, 2008)

After analyzing the table, it was found that before joining in micro-credit activities most of the respondent's 28.5% told that their monthly income was in 2001-4000.

Fig. No. 20

Monthly income before receiving micro credit

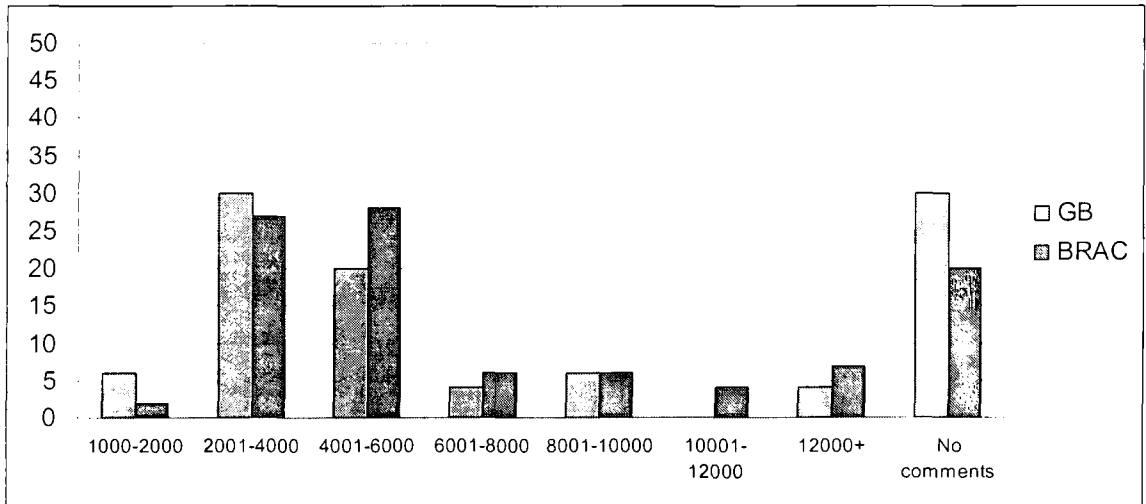


Table-21

Monthly income after receiving micro credit

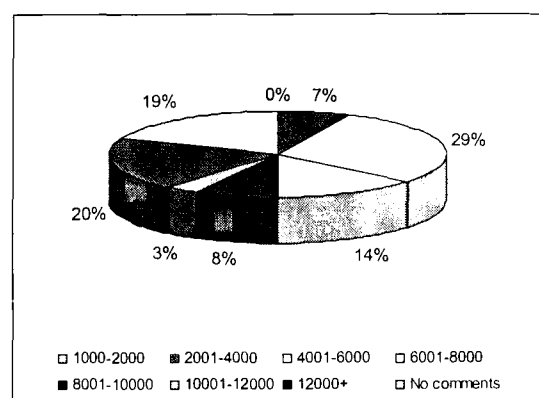
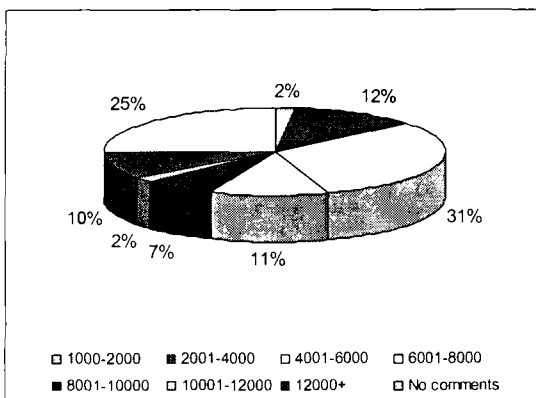
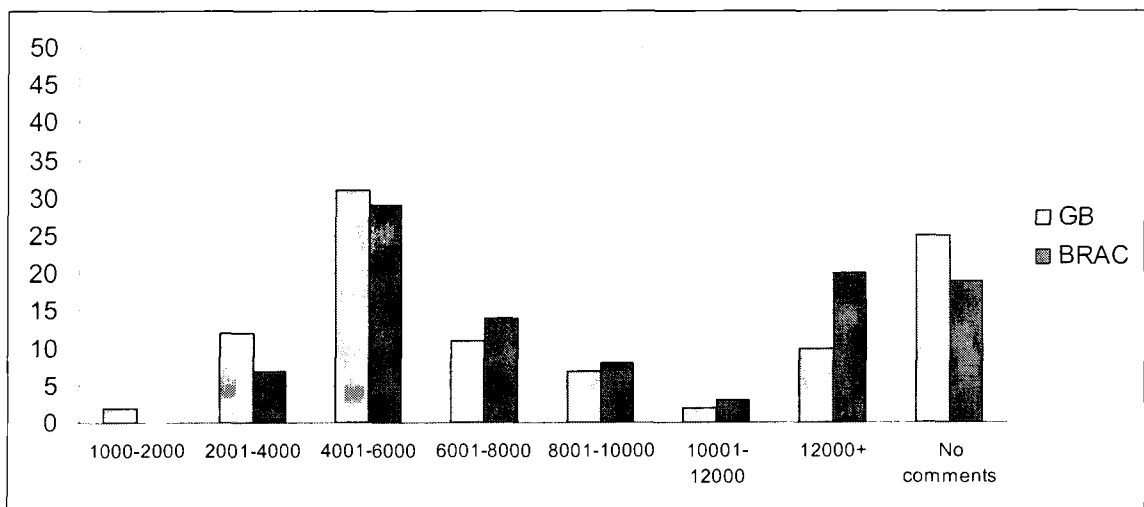
Monthly income	GB		BRAC		Grand total	
	Frequency	%	Frequency	%	Frequency	%
1000-2000	02	02	0	0	02	01
2001-4000	12	12	07	07	19	9.5
4001-6000	31	31	29	29	60	30
6001-8000	11	11	14	14	25	12.5
8001-10000	07	07	08	08	15	7.5
10001-12000	02	02	03	03	05	2.5
12000+	10	10	20	20	30	15
No comments	25	25	19	19	44	22
Total	100	100	100	100	200	100

(Source: Field Survey, 2008)

After analysis the table, it was seen that many respondents income have risen. about 60 respondents,(30%) monthly income increased up to 4000-60000, 7.5 % respondents income raised 80001-10000 and only 05 % of the respondents' income was 1000-2000. Not only these 30 respondents(15%) income raised upto 12000+.

Fig.No.21

Monthly income information after receiving micro credit



Decision making for using micro credit

Information on taking decision for using micro credit is very important since if the respondents could not take decision on for using micro-credit, empowerment would not be possible. Women respondents must have right to use the micro-credit.

Taking decision for using micro credit

Micro Credit is an important tools or instrument for women empowerment. So taking decision for using micro credit is very important. So the researcher tried to find out who takes decision on using micro credit.

Table-22

Taking decision for using micro credit

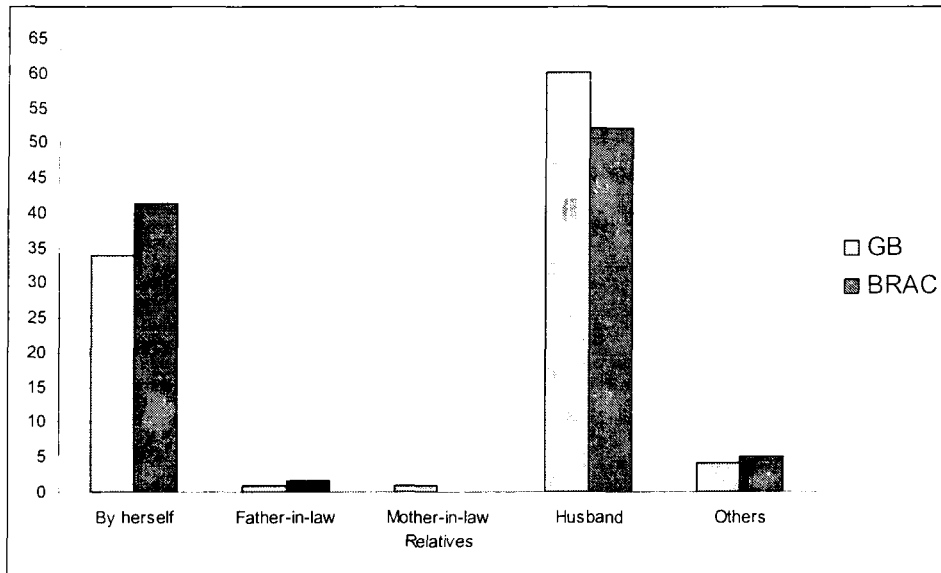
User	GB		BRAC		Grand total	
	Frequency	%	Frequency	%	Frequency	%
By herself	40	33.90	50	41.32	90	37.66
Father-in-law	01	0.85	02	1.65	03	1.25
Mother-in-law	0	0	0	0	0	0
Relatives	01	0.85	0	0	01	0.42
Husband	71	60.17	63	52.07	134	56.07
Others	05	4.23	06	4.96	11	4.60
Total	118	100	121	100	239	100

(Source: Field Survey, 2008)

After analysis the table, it was seen that 37.66% of the respondents could take decision for using micro-credit. In focus group discussion and interview they viewed their husbands gave importance on the opinion, so they can take decision on using micro-credit. Before receiving credit their participation was more less.

Fig.No.22

Taking decision for using micro credit



Improvement in life style

Micro-credit play a vital role for women socio-economic development, as it effect on all aspects of their life. It not only influenced in their economic life but also on social life.

Table-23

Improvement in life style after involvement in micro credit activities

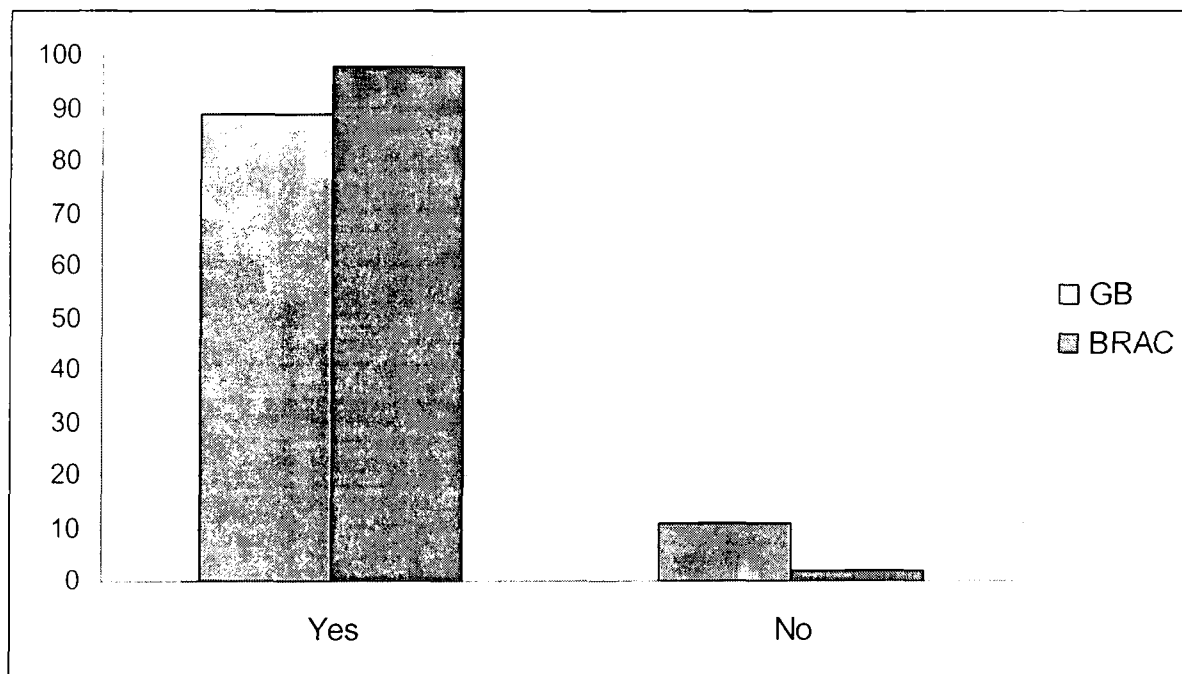
Improvement Status	GB		BRAC		Grand Total	
	Frequency	%	Frequency	%	Frequency	%
Yes	89	89	98	98	187	93.5
No	11	11	02	02	13	6.5
Total	100	100	100	100	200	100

(Source: Field Survey, 2008)

After analysis the table, it was found that 93.5% of the respondents told that micro-credit have improved their life style. Only 6.5 % had shown negative attitude.

Fig.No.23

Improvement in life style after involvement in micro credit activities



Problems Faced in Utilization of Credit.

The researcher tried to find problems faced by the women respondents in utilization of credit. The following table shows the findings.

Problems Faced in Utilization of Credit

Table-24

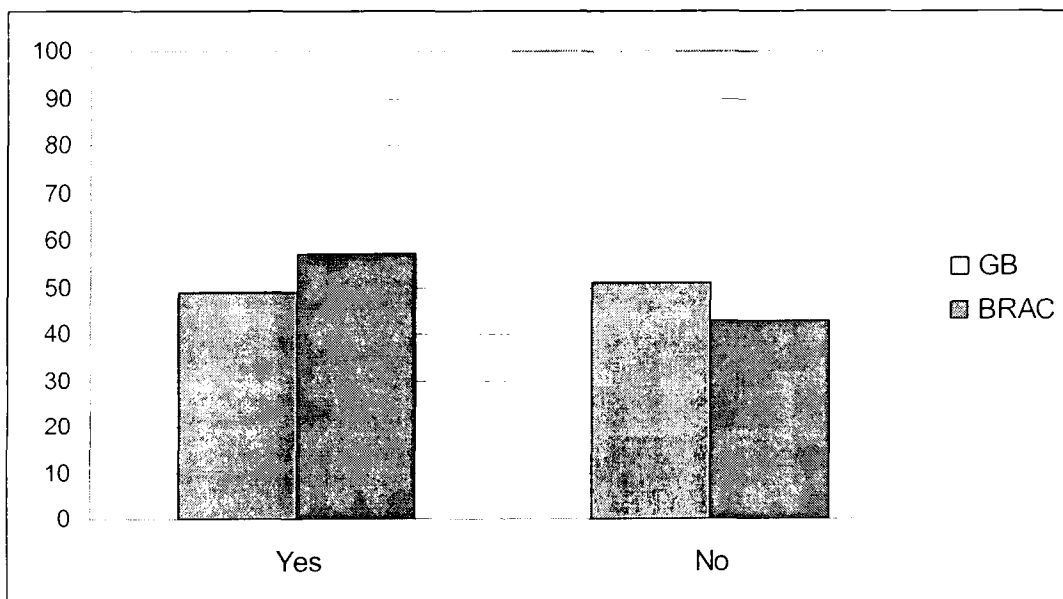
Facing Problems in Utilization of credit	GB		BRAC		Grand Total	
	Frequency	%	Frequency	%	Frequency	%
Yes	49	49	57	57	106	53
No	51	51	43	43	94	47
Total	100	100	100	100	200	100

(Source: Field Survey, 2008)

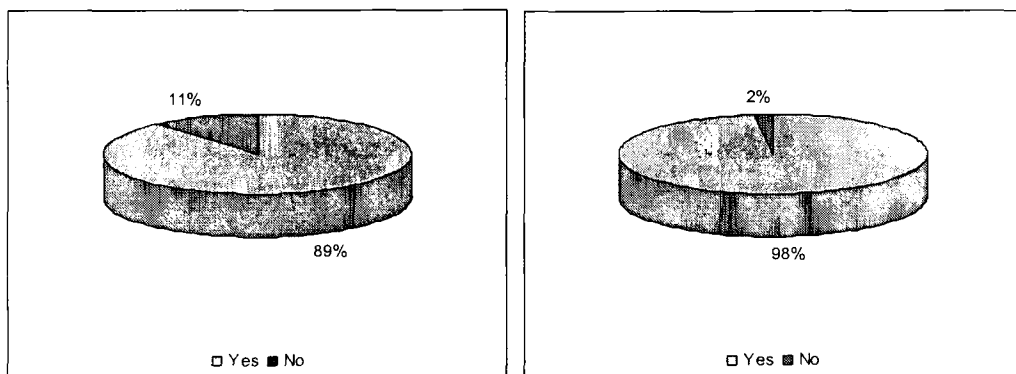
After analysis the table, it was found, 53% of the respondents told that they didn't face problem on utilizing micro-credit and 47 % of the told that they face problem on utilization of credit. In these points they told that sometimes their husband, son, father in law took money and that why they face problem. In focus group discussion it was found that some respondents leave their residence on account of their failure to paying money in time.

Fig.No.24

Problems Faced in Utilization of credit



Problems Faced in Utilization of credit



Difficulties to Pay Loan in Time

Paying loan in time is very important issue for micro-credit since it needs to pay in time weekly and if they don't pay in time they face various types of problem. So the researcher tried to get information on facing difficulties to pay loan in time.

Table- 25

Difficulties to pay Loan in time

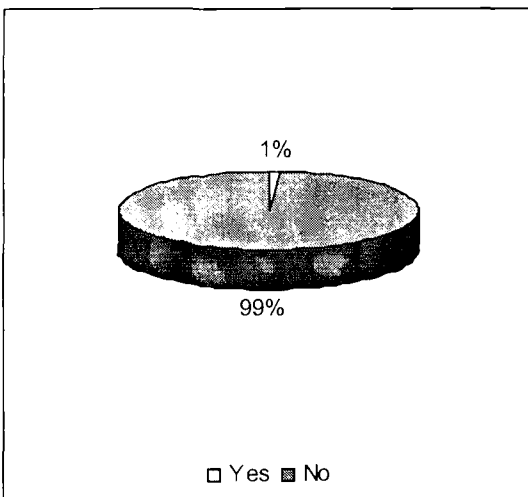
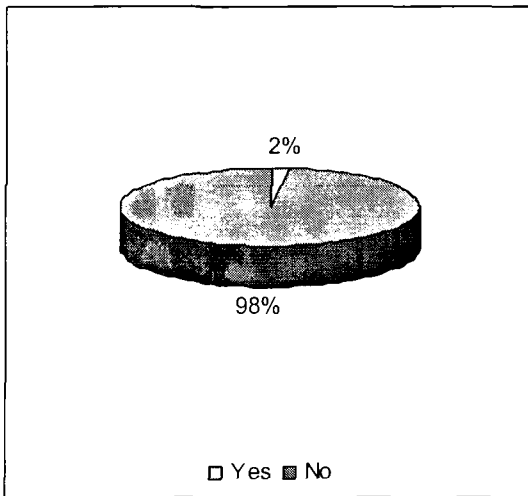
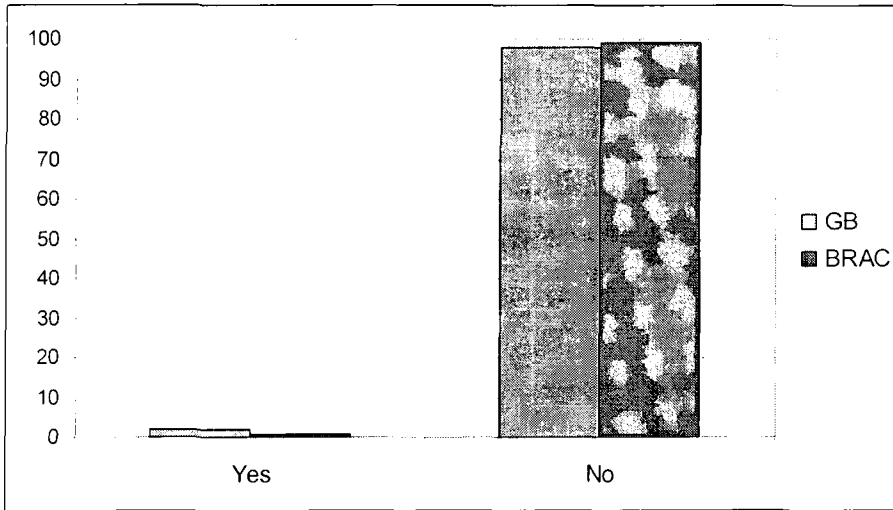
Facing Problems in Utilization of credit	GB		BRAC		Grand Total	
	Frequency	%	Frequency	%	Frequency	%
Yes	02	02	01	01	3	1.50
No	98	98	99	99	197	98.50
Total	100	100	100	100	200	100

(Source: Field Survey, 2008)

After analysis the table it was seen that 98.50% of the respondents' told that they didn't face difficulties to pay loan in time and only 1.50 % told they faced difficulties to pay loan in time. They mentioned that with that credit they repaired their houses, bought television, dining tables etc. So without cash money they faced problem to pay loan in time. That also created some personal and social problems. So the GB and BRAC policy approach should change for the betterment of women micro-credit beneficiaries.

Fig.No.25

Facing difficulties to pay Loan in time



Social Problems

Bangladesh is a agro-based country. Most of the people live in village. Here it must be illustrated that the rate of literacy has increased in Bangladesh. So cultural-social norms and values have changed. In the study the researcher found that true, that who were involved in micro-credit activities about 15% or more than 15 years ago, they faced some social problem like that the ultimate goal of micro-credit provider was divert beneficiaries to other religions. But now a day it has changed rapidly.

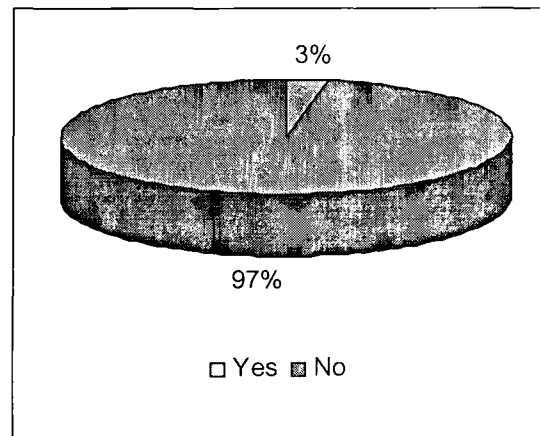
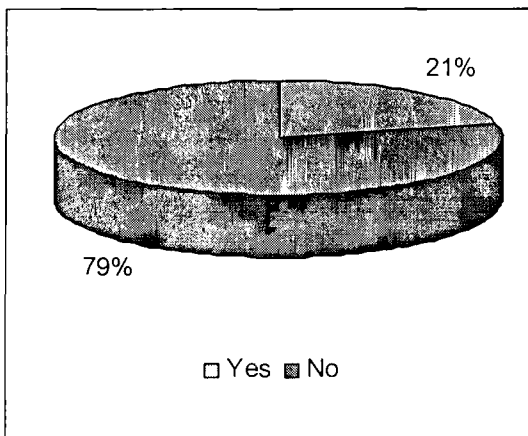
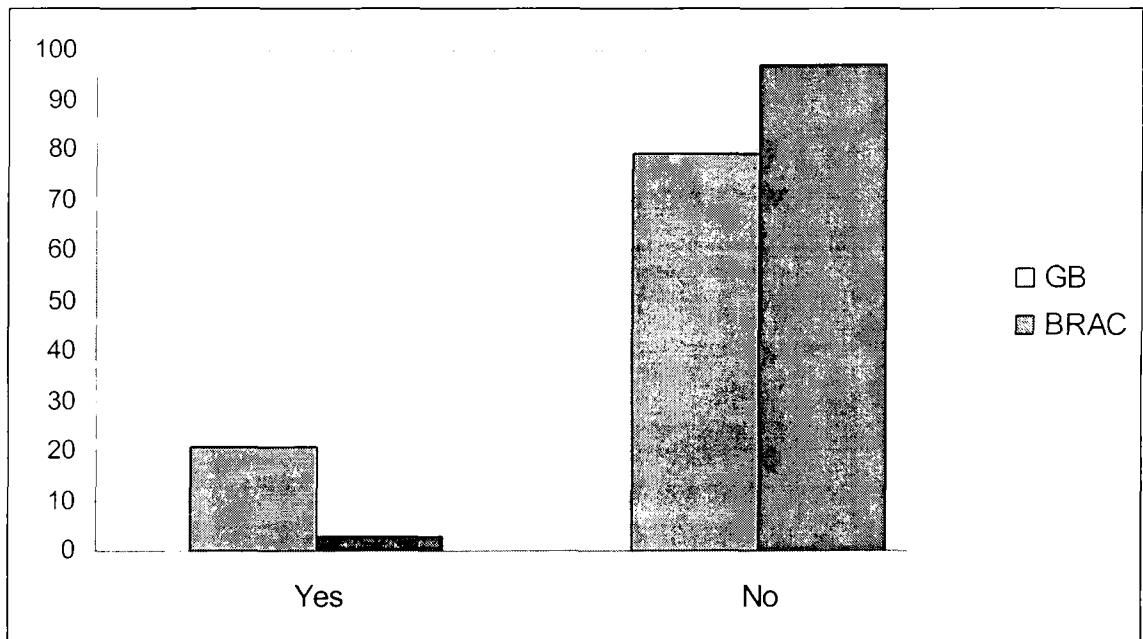
Table-26
Social Problems

Facing Social Problems	GB		BRAC		Grand Total	
	Frequency	%	Frequency	%	Frequency	%
Yes	21	21	03	03	24	12
No	79	79	97	97	176	88
Total	100	100	100	100	200	100

(Source: Field Survey, 2008)

After analysis the table it was found that 88% of the respondents told that they didn't face any social problems and only 12% of the respondents remarked that they faced different types of problems during their involvement in micro-credit program.

Fig.No.26
Social Problems



Socio-economic Condition

Micro-credit plays a very vital role of the respondents' socio-economic betterment. So the researcher tried to assess the socio-economic condition of the respondents in the study for understanding their empowerment.

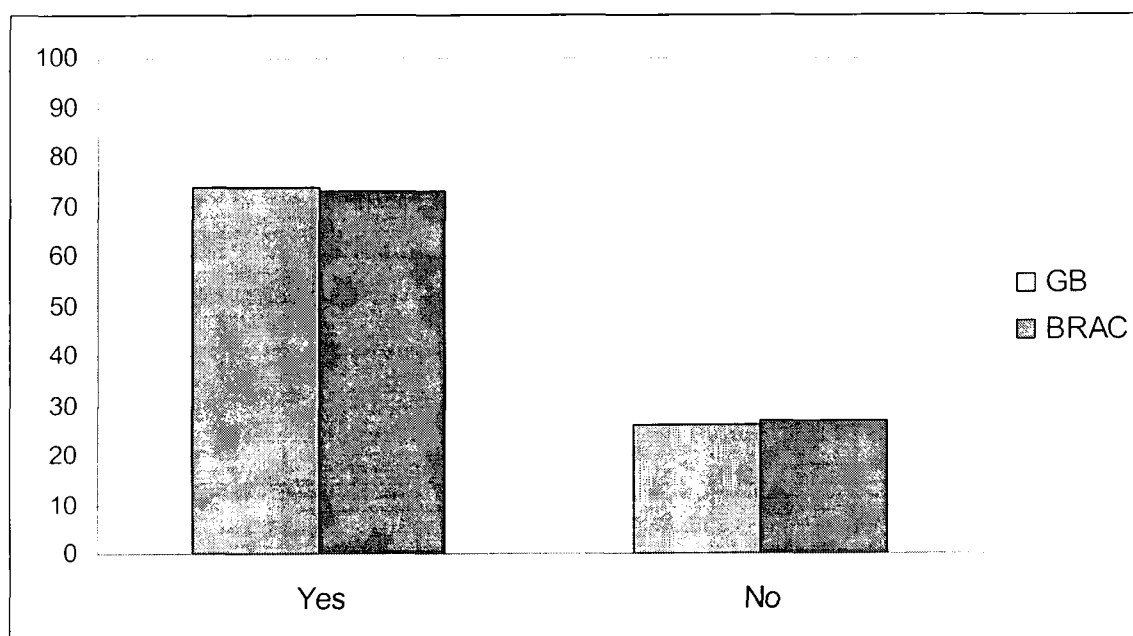
Table-27
Socio-economic Condition

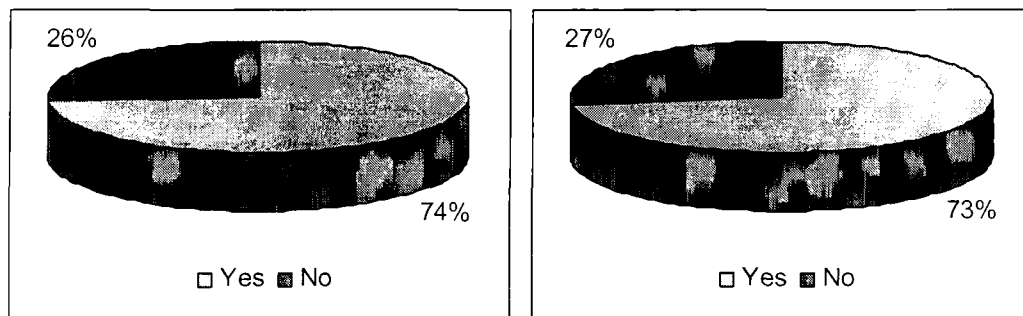
Socio economic condition	GB		BRAC		Grand Total	
	Frequency	%	Frequency	%	Frequency	%
Yes	74	74	73	73	147	73.50
No	26	26	27	27	53	26.50
Total	100	100	100	100	200	100

(Source: Field Survey, 2008)

After analysis the table it was seen that 73.50% of the respondents told that their socio-economic condition has improved after taking micro-credit and only 26.50% told that it could not improve their socio-economic condition.

Fig.No.27
Socio-economic Condition





Empowerment Status

Empowerment means ability to take decision anywhere in life it may be personal, social and national. GB and BRAC are playing important role for empowering women in Bangladesh. During weekly meeting the respondents meet together and discuss different issue for social and economic development of the women respondents.

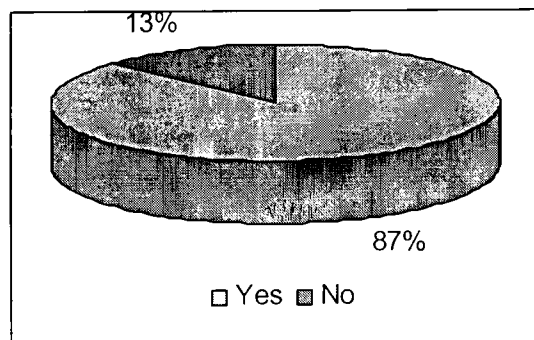
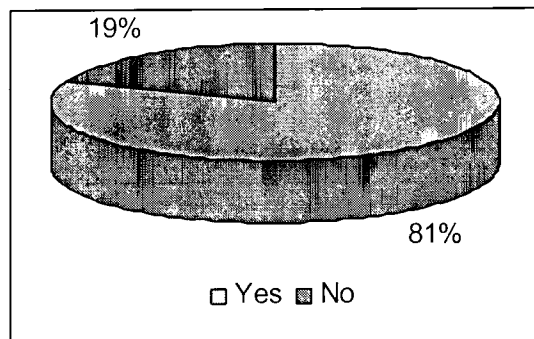
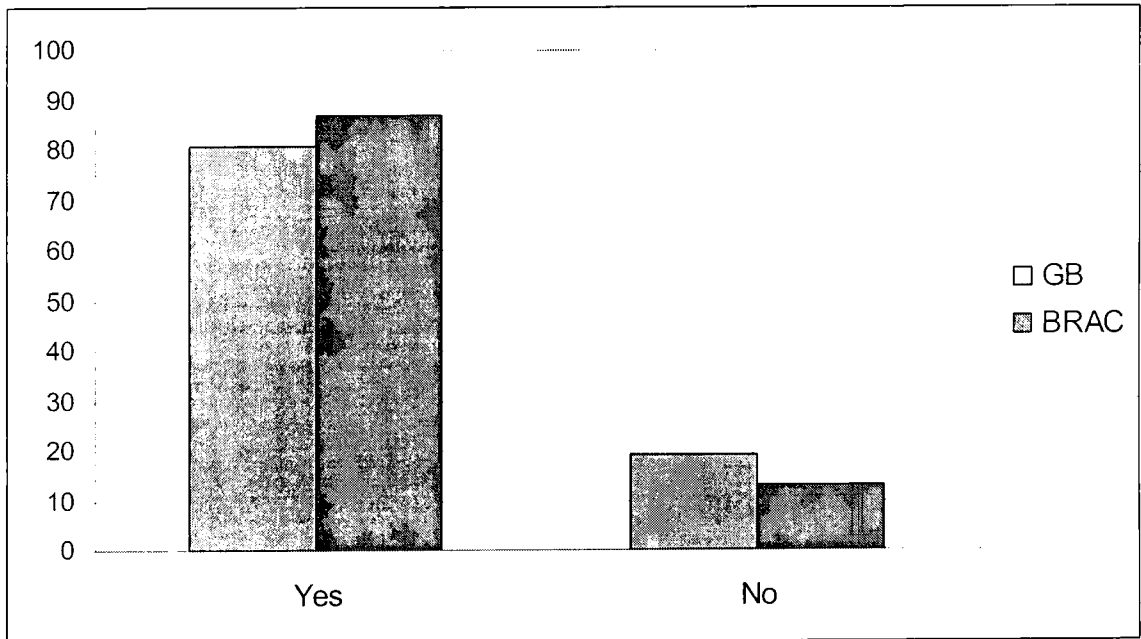
Table-28
Empowerment Status

Empowered	GB		BRAC		Grand Total	
	Frequency	%	Frequency	%	Frequency	%
Yes	81	81	87	87	168	84
No	19	19	13	13	32	16
Total	100	100	100	100	200	100

(Source: Field Survey, 2008)

After analysis the table it was seen, that 84% of the respondents told that micro-credit has been developing their socio-economic condition. It has made them more confident and reliance. It has increased their sources of income, so women respondents were able to spent money to their own needs, purposes and for their family that has empowered them in long term.

Fig.No.28
Empowerment Status



Chapter 6: Finding, Recommendations and Conclusion

The main cause of poverty in Bangladesh is the lack of productive employment opportunities for the huge number of unemployed and under employed work force, which is tremendously increasing and posing serious problems for the country. Nearly half of the populations in Bangladesh are women and most of them are living in the rural area of the country. They need to have engaged in income generating activities. So creating self-employment for women in the rural areas can play a vital role in reducing the rural unemployment and acute poverty. It can be made through micro-credit which will empower them too. In this backdrop, different types of government and non government organizations are trying to involve the landless and assets less rural women households in different types of income generating activities through micro-credit programmes.

The present study was conducted on impact of micro-credit on women empowerment in GB and BRAC micro-credit recipients under Godagari Upazila of Rajshahi District. The researcher had found a number of important findings on micro credit program of GB and BRAC.

Findings of the Study

The findings of this study are discussed here:

- Age of the GB and BRAC credit recipients ranged from ≤ 20 - 60. After analyzing the table, it was found that 47.5 % credit recipients had received more credit from GB and BRAC, their age ranged between 31 to 40 years.

- It was found that 92.5% credit recipients were married and the remaining were single, divorced, widow and separated respectively.
- It was found that among all the respondents only 03 respondents had completed their higher secondary school. Most of the respondents' educational levels was class 01-V, 25.5% could sign. 22% was illiterate and remaining 22.5% was class VI –X, SSC and below HSC.
- It found that among all the respondents 88.29% of the respondents were housewives. Remaining respondents were unemployed (0.98%), self-employed (4.88%), wage labour (1.6%), service-holder (3.90%) and student (0.49%). From the above table it is clear that most of the respondents were housewife.
- It was found that 67% respondents had 0.02-0.10 acre land and 12.5% respondents had 0.11-0.20 acre land. On the other hand before receiving credit most of them were landless that was expressed in focus group discussion and personal interaction.
- It was found that before receiving credit 31.60% respondents' source of income was husbands' business and 21.19% respondents' source of income was husband's job and rest of the sources of income were agriculture, van, rickshaw, own business, livestock firm, day labour and electrician.
- It was found from the study that after receiving credit most of the respondents' source of income was husband's business and 11.60% respondents source of income was husband's job. But it is mentionable that there was great change in livestock firm and

own business. It indicated that women become economically more solvent and they are managing livestock firm and own business. It was an indicator of women empowerment.

- It was found that most of the respondents (45.32%) get information of getting loan from bank worker and it proved that bank workers of GB and BRAC were very sincere on their duties and responsibilities. Sources of Information of getting loan from family/friend, neighbors and advertisement was 17.47%, 36.45% and 0.49% respectively.
- It was found that 67% respondents had knowledge on criteria for joining GB and BRAC and 08% didn't know the criteria for selection.
- It was identified that 83% respondents were involved in micro-credit program and duration was 04-08 years. 9.5% was involved since 9-12 years. For 13-16 and 17-20 years. 05% and 2.5% respondents were involved in micro-credit activities. So it is seen that most of the respondents were involved in micro-credit activities since 4-8 years.
- It was expressed that 72.5% respondents that they were satisfied on amount of money and only 27.5% respondent's opined negatively that they were not satisfied to the amount of money.
- It was seen that 82% respondents were able to take part in decision making process after joining in the micro-credit activities from GB and BRAC. Only 18% respondents told that they could not take part in the decision making process at

the family level. So the participation of women in the family was highly satisfactory

- It is seen that after joining in micro-credit program their attendance on community meeting had increased 15.50% and before joining their attendance was only 0.50%, so it can be mentioned that micro-credit program had raised their awareness. The researcher during interview and observation found that respondents' attendance to the community meeting had increased after participating different meetings of the GB and BRAC, they were more conscious on their rights and responsibilities. They were alert on violence against women like dowry, early marriage, and divorce related problem
- It was seen that 90 (37.66%) respondents could take decision on using micro-credit. In focus group discussion and interview they revealed their husband gave importance of their opinion, so they can take decision on using micro-credit.
- It was found, 53% respondents told that they didn't face problem in utilizing micro-credit and 47% told that they face problem on utilization of credit. In these points they told that sometimes their husband, son, father in law took money and that's why they face problem. In focus group discussion it was found that some respondents leave their residence on account of their failure to paying money in time.
- It was seen that 98.50% respondents' told that they didn't face any difficulties to pay their installment of the loan or credit in time and only 1.50% told they faced difficulties to pay their installment of loan in time. They mentioned that with that credit they repaired

their houses, bought television, dining tables etc. So without cash money they faced problem to pay loan in time. That also created some personal and social problems.

- Empowerment is a process. From the study the researcher found that after taking micro-credit most of the women respondents became empowered. About 84% of the respondents told that micro-credit had improved their socio-economic condition. It had made them more confident and reliance. It had increased their sources of income, so women respondents were able for spent money to their own needs, purposes and for their family and it had empowered them at the family as well as at the society.

Recommendations of the Present Study

- i) The present study indicated that the interest rate of Grameen Bank credit programme seems to be high in compare to other institutional sources such as commercial Banks. Most of the credit recipients have given their negative expression about the interest rate of Grameen Bank, and BRAC. Actually they are not satisfied with the present interest rate. Considering the objectives of Grameen Bank and BRAC credit programmes and the target group it may be recommended that the Grameen Bank and BRAC authority should give a second thought for reducing the interest rate in future and also should need to change the credit repayment time i.e. monthly installment in lieu of weekly installment.
- ii) The present study revealed that most of the credit recipients have successfully utilized their credit in non-agricultural purposes like poultry, livestock, and homestead gardening. So Grameen Bank

and BRAC authorities should need to increase the amount of credit from the beginning time for investment in non-agriculture purposes.

- iii)** GB and BRAC authorities should need to take some initiatives for increasing women respondents' knowledge and efficiency through proper training courses.
- iv)** After micro credit disbursement, the Grameen Bank and BRAC authorities should need to visit the recipients' house at least one time in three months. As a result, credit utilization will be insured.
- v)** It was found during focus group discussion, that borrower entrepreneurs women often face problems in the marketing operations. Though this is mainly due to the attitude of the society which can not be changed easily. GB and BRAC can play a role through the provision of guidance to perform the marketing functions in organized groups.
- vi)** Women who have children of under one year of age are not aware about pneumonia for neo-natal children and at the same time are not aware about the communicable diseases like Asthma, TB. GB and BRAC should include these issues.
- vii)** The similar study may be conducted in case of other NGOs like ASA. Proshika etc. that are providing micro credit supports to the rural poor households. So that variations among the NGOs could be measured.
- viii)** This study find out some positive and negative effects of the socio-economic characteristics of credit recipients on impact of micro credit and women empowerment. Therefore, it is recommended that observation future study should be conducted involving other variables in this regard.

- ix) On the basis of the socio-economic characteristics of credit recipients more research should be conducted to investigate the comparative study on impact of micro credit on women empowerment and also identify the factors which influence the impact of micro credit. Socio-economic factor is very important here since during focus group discussion and observation it was found that those respondents are some educated, medium age, married are more sincere and hard worker than others. So socio-economic status of respondents most important.
- x) Some of the borrowers opined that they could improve their income if improve counseling and training were rendered on credit used in (IGAs). So GB and BRAC authority should take necessary step in this regard.

Conclusion

The micro-credit program of GB and BRAC has benefited the poor women in more than one way. Their program enhanced their security giving them access to assets and rights and augmented their self-respect providing them choice and independence. Micro-credit has enabled the poor women to undertake diversified economic activities which generate flow of stable income round the year and thus has strengthened survival strategy of the poor women. With micro-credit, the poor households now own assets can use to meet contingencies without having to sacrifice their independence, security and peace of mind by getting into debt. Micro-credit program has also empowered the beneficiaries by raising their social consciousness which is reflected, among others in their increased participation in local government elections and social mobilization

activities. Participation also has a beneficial effect on women's welfare since it increases their total employment time by reducing their other work responsibilities. Participation of women in micro-credit program has also increased their mobility.

The study has been conducted within some problems as unavoidable limitations like time, cost and energy. This study used a questionnaire survey method for assessment of impact, supplementing the quantitative information by participation observation by anthropologists over a long duration could enrich the analysis of the impact on social aspects. Research provides necessary information and input as well service as the basis for development programs. The researcher got the opportunity to apply the theoretical knowledge in practical field, and to observe the life styles of the rural poor from a very close situation, So the researcher think the acquired knowledge and experience will help in future to face the undesired situations effectively. She is very much delighted to conduct a research on prominent organization like GB and BRAC. The study will inspire the researchers to undertake further research in this field and will help to contribute significantly for the development of the rural poor in Bangladesh

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Appendix:

Interview Guide for M.Phil Thesis in Public Administration, University of Dhaka, Bangladesh.

Title of the Thesis:

Micro-Credit: A Strategy for Empowering women in Bangladesh.

Conducted by: Salma Mobarek, M.Phil fellow, Department of Public Administration, University of Dhaka, Bangladesh.

Supervisor: Dr. Naznin Islam

Associate Professor

Department of Public Administration,

University of Dhaka

Bangladesh.

Questionnaire for Beneficiary Women

Researcher:

Date:

Name of the Local Zone:

Village:

Questionnaires on Micro-credit: A Strategy for Empowering Women in Bangladesh.

(A Study on Grameen Bank in Rajshahi District)

Part-1

1. Respondents' personal Information

Respondent's Name:

Sex: Male

Female

Age:

Marital Status:

Married

Single

Divorced

Widow

Separated

Occupation:

Housewife

Unemployed

Wage laborer

Self-employed

Service holder

Others

Educational background:

Illiterate

Literate

Primary

Secondary

Higher

Family Structure:

Single

Extended

Nuclear

2. Information on Socio-economic Background of the Respondent

How many members are in your household now? -----

How much land do you /your family own /hold (in acre) -----

What were / are the sources of income of your household?

Before becoming a Grameen Bank group member(were)	After becoming a Grameen Bank group member(are)

Part:2

3. General questions on Grameen Bank

3.1 How did you first come to know about the possibilities of getting loan from Grameen Bank?

- Family/Friend

- Bank Worker
- Neighbour
- Advertisement
- Others

3.2 Do you know that there are some selecting criteria for joining at group of GB?

Yes:

No:

If yes, then pls, mention one of the selecting criteria

-

3.3 How much loan did you receive from GB (From Beginning?)

----- TK.

3.4 The amount of loan that you received from GB is sufficient for you?

Yes:

No:

3.5 When did you join in Grameen Bank micro-credit activities (year)?

3.6 Did you involve in any other credit activity before joining Grameen Bank
If yes, When-----

3.3 What changes have happened to you after your receiving credit from GB?

1.

2.

3.

Part-3

4. Questions on women's empowerment at the family level

4.1 Do you have participation in decision making process at the family level?

Yes:

No:

If yes, when do you start participating in decision making process at the family level?

- Before becoming a Grameen bank_group member
- After becoming a Grameen bank group member

4.2 Where do you have participation in the decision making process at the family level

Participation in the decision making process		
Area of participation	Before becoming a Grameen bank group member	After becoming a Grameen bank group member
• Purchase of goods and assets		
• Selling of goods and assets		
• Schooling children		
• Adopting family planning		
• Starting small trade and business		
• Inviting relatives		
• Marriage of household member		
• Repairing of house		
• Savings related		

4.3 Do you express your independent opinion in the household decision making process?

Yes:

No:

4.4 Do you think, your opinion get due importance in the decision making process at the family level

Yes:

No:

If yes, please specify the reason

- You are contributing in the family income
- you are aware of your right
- Your husbands attitude has been changed for your involvement in micro-credit activities
- Any other

4.5 Whose decision was final before your involvement with the Grameen Bank credit programme

- Yours
- yours husband
- yours father
- yours father in law

4.6 Are You facing any torture by your husband after your joining in micro-credit activities

Yes:

No:

If answer is yes, please specify is it

-
-

If No, please specify the reason

-
-
-

Part-4

5. Questions on Empowerment in community level meetings and local government activities

5.1 Do you attend community meetings?

Yes:

No:

5.2 When did/do you start attending community level meeting?

- Before becoming a Grameen bank group member
- After becoming a Grameen bank group member

5.3 Please state the type of community level meeting do you generally attend

- 1.
- 2.
- 3.
- 4.
- 5.

5.4 Do you express your independent opinion in community level meetings?

Yes:

No:

If yes, Do you think your opinion get or receive due importance

Yes:

No:

5.4 Do/did you campaign for a political candidate or get together with others in meetings?

Yes:

No:

5.5 Do you participate in politics especially in local government election?

Yes:

No:

If yes

- Before becoming a Grameen bank group member
- After becoming a Grameen bank group member

11.7 Do you cast your vote in the elections?

Yes:

No:

If answer is yes,

Candidate is chosen by

1. yourself
2. your husband
3. Chairman
4. Member
5. Relatives
6. Others

5.6 If answer is number (1), Do you think your attitude/ mentality on the involvement in politics has changed?

Yes:

No:

If yes, Please state the reason

- 1.
- 2.
- 3.
- 4.

Part-5

6. Questions on Economic Empowerment

6.1 Could you specify your income and expenditure per month before joining Grameen Bank?

Income -----

Expenditure -----

6.2 Could you specify your income and expenditure per month after joining Grameen Bank?

Income -----

Expenditure -----

6.3 Are you able to make some small purchase according to your own desire?

Ability to make small purchase:

Purchasing	Before	After
For the family (cooking oil and spices)		
For self (Hair oil, soap, glass		
For children (Ice –cream, sweets)		

Ability to make larger purchase:

Name of Purchase	Before	After
Pots and pans		
Children’s clothing		
Saris for self		
Family’s daily food		

6.5 Can you make purchase of above thing with your own money?

Yes:

No:

6.8 Who generally take the decision for using your micro-credit?

Mostly by yourself -----

Your husband -----

Father in law -----

Mother in law -----

Relatives -----

Others -----

6.10 Do you think your involvement in Grameen Bank micro-credit programme brings some significant change in your life style and make you self - confident?

Yes:

No:

Part-6

7. Questions on Family Problem

7.1 Do you think your involvement in micro-credit operation increase/increased your domestic workload

Yes:

No:

7.2 Have you faced any kind of problem for proper utilization of this credit that you have taken?

Yes:

No:

If answer is yes, please specify reason

1.

2.

3.

7.3 Do/did you face/faced any difficulties to pay the loan in time

Yes:

No:

If answer is yes,

What types of difficulties do/did you faced?

1.

2.

3.

8. Questions on Social Problems

8.1 Do you face/faced any social problems after your participation in micro-credit activities?

Yes:

No:

If answer is yes

What types of social problems are faced by you?

1.

2.

3.

4.

8.2 Do you think that you have been overcome some of the social problems

Yes:

No:

Finally, do you think that micro-credit has played an important role in shaping your present better socio-economic condition and really are you empowered?

Yes:

No:

Researcher:

Date:

Name of the Local Zone:

Village:

Questionnaires on Micro-credit: A Strategy for Empowering Women in Bangladesh.

(A Study on BRAC in Rajshahi District)

Part-1

1. Respondents' personal Information

Respondent's Name:

Sex: Male

Female

Age:

Marital Status:

Married

Single

Divorced

Widow

Separated

Occupation:

Housewife

Unemployed

Wage laborer

Self-employed

Service holder

Others

Educational background:

Illiterate

Literate

Primary

Secondary

Higher

Family Structure:

Single

Extended

Nuclear

2. Information on Socio-economic Background of the Respondent

How many members are in your household now? -----

How much land do you /your family own /hold (in acre) -----

What were / are the sources of income of your household?

Before becoming a BRAC group member(were)	After becoming a BRAC group member(are)

Part:2

3. General questions on BRAC

3.1 How did you first come to know about the possibilities of getting loan from BRAC?

- Family/Friend

- Bank Worker

- Neighbour

- Advertisement

- Others

3.2 Do you know that there are some selecting criteria for joining at group of BRAC?

Yes:

No:

If yes, then pls, mention one of the selecting criteria

1.

2.

3.

3.3 How much loan did you receive from BRAC (From Beginning?)

----- TK.

3.4 The amount of loan that you received from BRAC is sufficient for you?

Yes:

No:

3.5 When did you join in BRAC micro-credit activities (year)?

3.6 Did you involve in any other credit activity before joining BRAC

If yes, When-----

3.3 What changes have happened to you after your receiving credit from BRAC?

1.

2.

3.

Part-3

4. Questions on women’s empowerment at the family level

4.1 Do you have participation in decision making process at the family level?

Yes:

No:

If yes, when do you start participating in decision making process at the family level?

- Before becoming a BRAC group member
- After becoming a BRAC group member

4.2 Where do you have participation in the decision making process at the family level

Participation in the decision making process		
Area of participation	Before becoming a BRAC group member	After becoming a BRAC group member
• Purchase of goods and assets		
• Selling of goods and assets		
• Schooling children		
• Adopting family planning		
• Starting small trade and business		

• Inviting relatives		
• Marriage of household member		
• Repairing of house		
• Savings related		

4.3 Do you express your independent opinion in the household decision making process?

Yes:

No:

4.4 Do you think, your opinion get due importance in the decision making process at the family level

Yes:

No:

If yes, please specify the reason

- You are contributing in the family income
- you are aware of your right
- Your husbands attitude has been changed for your involvement in micro-credit activities
- Any other

4.5 Whose decision was final before your involvement with the BRAC credit programme

- Yours
- yours husband
- yours father
- yours father in law

4.6 You are facing any torture by your husband after your joining in micro-credit activities

Yes:

No:

If answer is yes, please specify

-
-
-

If No, please specify the reason

-
-
-

Part-4

5. Questions on Empowerment in community level meetings and local government activities

5.1 Do you attend community meetings?

Yes:

No:

5.2 When did/do you start attending community level meeting?

- Before becoming a BRAC group member
- After becoming a BRAC group member

5.6 Please state the type of community level meeting do you generally attend

- 1.
- 2.
- 3.
- 4.
- 5.

5.4 Do you express your independent opinion in community level meetings?

Yes:

No:

If yes, Do you think your opinion get or receive due importance

Yes:

No:

5.7 Do/did you campaign for a political candidate or get together with others in meetings?

Yes:

No:

5.8 Do you participate in politics especially in local government election?

Yes:

No:

If yes

- Before becoming a BRAC group member
- After becoming a BRAC group member

11.7 Do you cast your vote in the elections?

Yes:

No:

If answer is yes,

Candidate is chosen by

7. yourself
8. your husband
9. Chairman
10. Member
11. Relatives
12. Others

5.6 If answer is number (1), Do you think your attitude/ mentality on the involvement in politics has changed?

Yes:

No:

If yes, Please state the reason

- 1.
- 2.
- 3.
- 4.

Part-5

6. Questions on Economic Empowerment

6.1 Could you specify your income and expenditure per month before joining BRAC?

Income -----

Expenditure -----

6.2 Could you specify your income and expenditure per month after joining BRAC?

Income -----

Expenditure -----

6.3 Are you able to make some small purchase according to your own desire?

Ability to make small purchase:

Purchasing	Before	After
For the family (cooking oil and spices)		
For self (Hair oil, soap, glass		
For children (Ice –cream, sweets)		

Ability to make larger purchase:

Name of Purchase	Before	After
Pots and pans		
Children's clothing		
Saris for self		
Family's daily food		

6.5 Can you make purchase of above thing with your own money?

Yes:

No:

6.8 Who generally take the decision for using your micro-credit?

Mostly by yourself -----
 Your husband -----
 Father in law -----
 Mother in law -----
 Relatives -----
 Others -----

6.10 Do you think your involvement in Grameen Bank micro-credit programme brings some significant change in your life style and make you self - confident?

Yes:

No:

Part-6

7. Questions on Family Problem

7.1 Do you think your involvement in micro-credit operation increase/increased your domestic workload

Yes:

No:

7.4 Have you faced any kind of problem for proper utilization of this credit that you have taken?

Yes:

No:

If answer is yes, please specify reason

1.

2.

3.

7.5 Do/did you face/faced any difficulties to pay the loan in time

Yes:

No:

If answer is yes,

What types of difficulties do/did you faced?

1.

2.

3.

8. Questions on Social Problems

8.1 Do you face/faced any social problems after your participation in micro-credit activities?

Yes:

No:

If answer is yes

What types of social problems are faced by you?

1.

2.

3.

4.

8.2 Do you think that you have been overcome some of the social problems

Yes:

No:

Finally, do you think that micro-credit has played an important role in shaping your present better socio-economic condition and really are you empowered?

Yes:

No:

Questions for NGO personnel

Name -----

Official Post-----

Duration of the job -----

Job description -----

Questions

1. Why most of the beneficiaries of Grameen Bank are women?

-
-
-

2. What are the selection criteria for joining at group of GB (please mention two)

-
-

3. Micro-credit beneficiaries are giving their loan back (Kristi) in due time?

Yes:

No:

If answer is no pls mention the causes

-
-
-

3. Do you think that the amount is given, is sufficient for them?

Yes:

No:

If no, pls mention some of your opinion that how to make it sufficient to credit recipients

-
-
-

4. Do you know that, GB is providing loan for various purposes?

Yes:

No:

If yes, mention four main purposes

-
-

5. Have you gotten any changes of micro-credit recipients in economically and socially after receiving the credit from GB?

Yes:

No:

If yes, what kind of changes have you gotten?

6. Do you believe that micro-credit beneficiaries are able to reducing their poverty and improved their living standard?

Yes:

No:

7. Finally, do you think that after involving micro-credit activities they are empowered?

Yes:

No:

8. What are the shortcomings of GB?

9. What are the major obstacles for involving rural women in GB?