

Impact of Micro-Credit of Grameen Bank in Reducing Rural Poverty: A Study in Two Upazillas of Sylhet District

Muhammad Enamul Hoque

Department of Social Work, Shahjalal University of Science and Technology, Sylhet, Bangladesh

Email: sustenamscw010@gmail.com

Abstract

Bangladesh is one of the world's most densely populated countries with 160 million people, 49 percent of whom live below poverty line. In addition child malnutrition of 48 percent is the second highest in the world, a condition that is tied to the low social status of women in Bangladesh. After only a little over three decades as an independence country, Bangladesh has made a significant progress in reducing poverty and improving the conditions of its poor people. Micro-credit programme is playing a vital role in poverty alleviation schemes in Bangladesh and over the world. Therefore, the study was designed to investigate the impact of micro-credit of Grameen Bank in poverty alleviation of rural poor people in Bangladesh. So it adopted Triangulation approach using both qualitative and quantitative techniques. It was an 'explorative' method of research in nature. The study was conducted in two Upozillas Sylhet Sadar and South Surma under Sylhet district covering two branches of Grameen bank. The target population was those women who had availed microcredit facilities from Grameen Bank. The sampling unit was a woman who had availed microcredit. A total of 90 respondents (60 from 547 Active Borrowers and 30 from 154 Drop-out Borrowers) were selected through Systematic Quasi or Fixed Interval Random Sampling. Three focus group discussions were conducted to collect qualitative data regarding the study phenomenon. Quantitative data are analyzed in percentage while qualitative data are interpreted in descriptive manner.

Keywords: Rural Poverty, Microcredit, Socio-economic Impacts

Introduction

Micro-credit is an effective and powerful tool for income generation, food security, human resource development and ultimately poverty alleviation. No society can be found poverty free; there may be a little rate or more. After the industrial revolution most of the world still has to challenge with daily pain of poverty. Nearly half of the world people live in poor countries with an average annual per head of 400 or less (Azam, 1997). Bangladesh is one of the youngest countries in the world with a land area of 1,47,570 sq.km resulting in a population density of 961 (Population and Housing Census-2011) which one of the highest in the world. Although it is no more than four decades old, it has one of the highest poverty rates in the world. It is one of the poorest countries of the world where (Population and Housing Census-2011) almost half of its population lives below poverty line meaning that more than 70 million people in Bangladesh are starving every day. About 76.9% of total populations live in the rural areas where about 49.7% of the rural population live below the poverty line (5th Five year plan-2012).

Though nearly half of its total population stills line below the poverty line, Bangladesh has made a significant progress in reducing poverty. Bangladesh first surveyed its poverty situation in 1973-74 to get poverty scenario. According HIES 2005, Poverty headcount ration was 58.8% in 1991-92, which has been reduced as 49.8% in 2000-01 and 40.9% in 2007 (Poverty Mapping Bangladesh, BBS-2010). Though poverty is declining but number of poor people is increasing. Poverty has been reduced 7% during 1991 to 2005, but total number of people increased 4.4 million (HIES-2005). According to latest survey of HIES-2005 by Bangladesh Bureau of Statistics, 56 million people live under poverty line where 51.6% was in 1991-92. In 1995-96, increasing number reached 55.3 million (HIES-2005). According to the budget speeches delivered by Finance Minister Abul Mal Abdul Muhit on 7 June 2012 at national Parliament of Bangladesh, poverty headcount ration has been reduced to 31.5% (The Daily Manobzomin, June 8, 2012). This success is due in large part of strong, sustained economic growth but another significant factor was Government investment in the areas of health, education, social safety nets and support for micro-credit programme which provide poor people with loans for the creation of small business enterprise.

Bangladesh is primarily an agricultural country. About 77% of populations live in village and 75% of them are dependent on agriculture which contributes half of the GDP. But 60% of rural population are functional landless where 20% do not even own their home stead (Population and Housing Census-2011). In addition, most of the available resources are owned by the upper social economic strata where people belonging in lower social-economic in strata are victim of various kinds of oppression and injustice. Landless people just sell his labour on other lands are suffer from various unrest due to having no access to land and capital resources. Taking this in

consideration, micro-credit has become as a blessing for the poor. Because, the provision of non-farm credit at a reasonable rate of interest can play a significant role in the life of rural poor people. However, the institutional banking in Bangladesh could not manage which the situation for reasons such as-

- The banker's preference for handling big rather than petty loans which the rural people need.
- The practice of keeping collateral against loans which they cannot provide.
- The formalities for obtaining that the illiterate poor people find difficult to complete.

Considering this, there is arose a need to develop a programme for the landless poor in the village areas to provide banking facilities and financial assistance to them. So on, Dr. Muhammad Yunus established Grameen Bank to provide micro-finance assistance to the poor man and women. Now Grameen Bank is the leading organization where other NGOs such as BRAC, ASA, PROSHIKA, EDB, RFL etc. are also contributing to eliminate poverty in Bangladesh through providing micro-credit assistance. Now micro credit has rightly come to be seen as the most visible of anti-poverty instruments. Micro-credit is recognized as an effective tool to fight against poverty by providing financial service to those who do not have access to or are neglected by the commercial bank and financial institutions. Financial services provided by the Micro-Finance Institutions generally include savings and credit. According to an estimate, currently 67.61 million people around the world Have access to micro-credit. This programme in Bangladesh reached 18 million poorest clients by the end of the year 2004 (Latifee, 2006). Micro-credit has generated positive results for large numbers of the poor and women in particular. Not only increasing income, other changes such as enhancing women visibility and enabling them to voice their concerns may be a key means to achieve long term impact of micro-credit in raising women's status and gender equity (Norman MacIsaac, 1997). However micro-credit has been successful in reducing poverty in Bangladesh. The home grown Grameen Bank is considered the model.

1. Review of the literature:

There have been substantial amount of literature on role of micro-credit in poverty alleviation at home and abroad. After the development of the concept of micro-credit, many scholars have conducted study on the micro-credit in poverty reduction. A number of studies (*Akter, S, 1996; Amtara, 2009; Asaduzzaman and Akter, 1990; Ahmed Ferdoushi et al, 2006; Hasan Zaman, 1998; H.I. Latifee, 2006; N. Nahar, 2006; M. Rahman, 1999; Norman MacIsaac, 1997*) focusing on role of micro-credit in poverty reduction and its impact in different aspects of socio-economic life have been conducted that identified the positive role of micro-credit in poverty reduction. The studies claim that Bangladesh has made an important gain in fight against poverty. Anti-poverty innovations like micro-credit have rightly come to be seen as the most visible of anti-poverty innovations.

Micro-credit is considered as a tool in the fight against poverty and gender equity. Different studies argued that micro-credit program have generated positive results for large number of poor and women in particular. Poor women and men however drat automatically benefit. In addition other changes such as, enhancing women's visibility and enabling them to voice their concerns may be a key means to achieve long-term impact in raising women's status and improving gender equity. Micro-credit reduces female vulnerability through two main channels. Firstly it appears that greater amount of borrowing enhances a woman's control over her assets and then participation in decision making power. (*Norman MacIsaac, 1997; Hasan Zaman, 1998; Hashemi et al., 1996*).

Norman MacIsaac (1997) examined the role of micro-credit as a tool in the fight against poverty and gender equity. This paper argues micro-credit program have generated positive results for large number of poor and women in particular. Poor women and men however drat automatically benefit. In addition other changes such as, enhancing women's visibility and enabling them to voice their concerns may be a key means to achieve long-term impact in raising women's status and improving gender equity. **Hasan Zaman (1998)** assessed the impact of micro-credit in his study where he viewed that micro-credit reduces female vulnerability through two main channels. Firstly it appears that greater amount of borrowing enhances a woman's control and decision making power over her assets.

Ferdoushi Ahmed et al (2011) conducted the study which attempted to assess the role of micro-credit programme in reducing poverty of rural women. The findings demonstrate that, the 'with credit' women have a much lower percentage of poverty in terms of its incidence (80%), intensity (28%) and severity (12%) compared to he 'without credit' respondents (99, 59 and 37% respectively). It was also found that educational attainment of the respondents and income earners in the family contribute positively to reduce poverty situation among the 'with credit' households more, as compared to 'without credit' households. Furthermore, the study suggests that, the more the income earners in a household, the higher the household income which ultimately contributes to a reduction of the household's poverty.

Md. Nazmul Haque (2012) conducted the study on Jagoroni Chacra Foundation (a leading micro-credit providing agency) to explore the conditions of rural poor often having micro-credit. The data presented in the articles shows how the micro-credit is effective to the rural poor to improve their income and other social-economic conditions. The study claims that, 40.77 percent of the respondents monthly income was 3100-3500 taka before receiving loans and only 12.31 percent respondent monthly income was 4100-4500 taka. But after receiving credit their monthly income has been improved as 60.00 percent respondent income has increased to 4100-4500 taka per month. 16.92 percent respondent monthly income was below 3000 taka where this percentage is zero percent after joining the credit program. This study also claims, 53.85 percent of the respondents were house wife while only 35.38 percent remain as house wife after receiving loans. 30.77 percent of them were self-employed before receiving loans where the percentage increased to 46.18 was self-employed after receiving loads. After all, the study showed a tremendous success in the alleviation of poverty especially in rural area through micro-credit support to the rural poor.

Numerous studies and evaluations have demonstrated a rise in incomes and other indicators of standard of living from micro-credit programs. In many cases, micro-credit has contributed to changes in attitude about women's contribution to and role in economic and social development. Specifically, micro-credit has resulted in increased recognition of women's productive role, (*Norman MacIsaac, 1997*). Micro-credit programs have also, in many cases, increased mobility and strengthened networks among women who were previously confined to the home (*Carr et al., 1996*). Borrowers build solidarity through their participation in lending circles and village organizations. This is especially important in Bangladesh, for example, where women's mobility is limited, and weekly meetings can be an opportunity for women to meet outside the home and discuss their problems. There are also studies that suggest even more far-reaching social impact, including decreases in fertility rates, assumed to be linked to increased financial self-reliance (*Ruhul, 1994*) and more say for women in family matters, including family finances (*Hashemi et al., 1996*). The growth and expansion of micro-credit programs over the last ten years has been impressive. In Bangladesh in particular, many districts are served by the Grameen Bank, BRAC, ASA (Association for Social Advancement), Proshika, RD-12 or some other micro-credit provider. There are over 4 million micro borrowers in Bangladesh alone. The repayment rates in well managed programs tend to be very high, around 95 per cent. (*Norman MacIsaac, 1997*).

Women's access to credit was a significant determinant of the magnitude of economic contributions reported by women. Micro credit was linked with an increase in the asset holdings in their own names; of an increase in their exercise of purchasing power. They also found that micro credit was linked with women's political and legal awareness. The loanees have reported significantly higher levels of mobility and political participation. Some members reported higher involvement in major decision making. The empowerment was also linked with their enhanced contribution to family income. (*Hashemi, Schuler and Riley 1996; Akter S, 1996; Suguna, 2006*)

Some studies suggested, in some instances, the impact on the poorest may in fact be negative. *Paul Mosley and David Hulme (1996)* surveyed "successful" micro-credit programs in seven different countries. In all micro-credit programs, the average earnings of borrowers increased. They also discovered that, the wealthier the borrower, the greater the income increases derived from credit. However, borrowers below the poverty line actually had lower incomes than before joining the programs, i.e., the poor actually became poorer through micro-credit. The reasons for this are not clear. According to *Mosley and Hulme*, the poor may use the loans differently, for consumption or to invest in lower risk (and generally less remunerative) activities. Meanwhile, the better-off borrowers tend to invest in riskier and more productive ventures, including technological improvements. The study concluded that "while credit may be an effective vehicle for boosting the incomes of the poor, it may be less effective, or even counter-productive, in helping the poorest of the poor raise their living standards. Alternative poverty reduction mechanisms are probably advisable for this group." (*Mosley, in Yaron 1997; Hulme and Mosley 1996*).

Not only do the poorest borrowers benefit least, but most evidence also indicates the poorest 10- 15 per cent of the population are being altogether excluded from micro-credit programs, and the poorest women face more barriers than men, (*Norman MacIsaac, 1997*). The different studies identified several reasons why the poor do not participate in micro-credit programs: i) the leading cause is self-exclusion. The poorest, especially the poorest women, often lack confidence, skills, and market contacts. They deem themselves unable to repay debt, (*Hashemi quoted in Wood and Sharif, 1997*). ii) Another reason is shortage of time Borrowers must incur the opportunity cost of weekly meetings and other program demands on time. (*Montgomery 1996, Hulme and Mosley, 1996; Noponen, 1990*) and may also include wealthier individuals for social reasons. (*Hassan, 1997*).

Finally, reviewing the existing findings it is examined that a plenty of questions are aroused against the impacts

of micro-credit in reducing rural poverty:

- (i) There is a little impact of its significant role in macro-economic figures, *(R.I. Rahman, quoted in Hashemi, 1997)*.
- (ii) Low rate (11 percent) of sustainability of increasing borrower's income, *(Hulme and Mosley, 1996)*.
- (iii) Large number of poorest exclusion from micro-credit programme, *(Norman MacIsaac, 1997)*.
- (iv) High drop-out rate.
- (v) Difficulties to easy access in borrowing credit.

So, the study was conducted to explore the new understanding about the micro-credit impact by investigating the answers of these questions.

2. Objectives of the study:

the general objective of the study was to understand over all impact of micro-credit generated by Grameen Bank on rural poverty. The specific objectives of the study were:

- To explore the improvement of the socio-economic profile of rural poor who have received micro-credit from Grameen Bank.
- To assess the draw-backs of micro-credit systems to discover why the poorest borrower are not being benefited from this system.
- To measure the relationship between microcredit and women's socio-economic empowerment.

3. Research Methodologies.

3.1 Research method: The study is an 'exploratory' research in nature. So the study adopted Triangulation approach using both qualitative and quantitative techniques in order to gather required data regarding the study phenomenon.

3.2 Study Area and Population: Grameen Bank is working in 81,379 villages in all districts of Bangladesh with a number of 2565 branches. Primarily the two Upozilla 'Sylhet Sadar' and 'South Surma' under Sylhet district were selected as the study area using purposive sampling techniques. There are six branches of Grameen Bank in the study area. Two branches 'Tuker Bazar' and 'South Surma' branches were selected purposively. Three Centers (centre is a small group consist of near about 100 borrowers) from Tuker Bazar Branch and Three Centers from South Surma Branch were selected purposively where there were 547 borrowers (in 2012) in those six Centers. All borrowers (547) of these Centers were considered as study population. There are two types of population under the study. They are- active borrowers and another was drop-out borrowers. These 547 borrowers were active borrowers. On the other hand there were 154 borrowers who have already out of microcredit programme (in 2012) and not listed in current profile of these six Centers and they were the study population for Drop-out Borrowers.

3.3 Sampling techniques: The study comprised a total of 90 respondents. 60 respondents from 547 of Active Borrowers and 30 respondents from 154 of Drop-out Borrowers were selected using Systematic Quasi or Fixed Interval Random Sampling technique. The formula of respondent selection was-

$$\frac{N}{n}$$

$\frac{N}{n}$, where N = Total borrowers in a centre, and n = Total Number of sample for a centre.

For example, For the Chatal East Center: In the centre, total active barrowers was 100 (N), and total Number of sample for the centre 10 (n). So, the formula of sample selection was as follows-

$$\frac{N}{n} = \frac{100}{10} = 10 \quad N/n = 100/10 = 10^{\text{th}} \text{ (interval)} = 10 \text{ sample (respondents)}.$$

3.4 Data collection and analysis: The data has been collected through Face to face interview, Non-participant observation and Focus Group Discussion. A *semi-structured Interview Schedule* has been used for interviewing and a *checklist* has been used for Focus Group Discussion to collect qualitative data. Quantitative data are analyzed in percentage while qualitative data are interpreted in descriptive manner.

4. Major Findings of the Study:

4.1 Major Findings from Data from the Active Borrowers:

The portion deals with analysis and interpretation of data which were collected from the field through conducting interview with the successful borrowers of Grameen Bank. Data are analyzed in two stages.

Quantitative data are presented in tables while qualitative data are interpreted in descriptive manner:

4.1.1. Personal Profile of the Respondents:

Minimum (Percentage)	Majority (Percentage)	Name of Category
56+ years (3.33)	36-45 years (41.67)	Age Group (Years)
Tailors (6.67)	Housewife (38.33)	Types of Occupation
Higher Secondary (1.67)	1st – 5th Class (58.33)	Educational qualification
Unmarried (11.67)	Married (70)	Marital Status
Joint Family (36.67)	Nuclear Family (63.33)	Types of Family

It is clearly seen that the majority (41.67%) of the respondents belongs to (36-45) years' age group while the next number 35% belongs to (26-35) years' age group. The data claims that the large numbers of microcredit users were in the medium age. Despite of borrowing microcredit, a large part (38.33%) of the respondents was still now unemployed (Housewife). On the other hand, the rest (61.67%) of the respondents were involved in different sectors of occupations in order to secure their livelihoods. Among them small enterprise (25%), vegetable marketing (8.33%), poultry farming (13.33%) etc. were the main income sources of the respondents. It is seen that the most of the respondents (58.33%) was just primary qualified while there was no high educated respondent. The data show that most of the borrowers have very poor educational qualification. Poor education prevents them from investing the loan in a high-return activity (Zaman, 1999, quoted in Shahnaj Parveen *et al.*, 2009). It is also found that majority (70 %) of the respondents was married and the majority (63.33%) of the respondents belongs to nuclear family while the rest (36.67%) belongs to joint family.

4.1.2. Profile of credit utilization and investment:

The portion deals with the profile of credit utilization by the borrowers of Grameen Bank which tells that in what contents the borrowers were benefited or not.

Table: Nature of credit borrowed by the respondents:

Percentage	Frequency	Types of Credit
95	57	Single
05	03	Joint
100	60	Total

The above table demonstrates the nature of loan borrowed by the respondents. The presented data shows that the most of the respondents (95%) took credit individually. Besides, only a small number with 5 % respondent borrowed credit jointly. It can be inducted that most of the microcredit borrowers prefer to borrowing credit individually.

Table: Facing any difficulties to access the credit:

Percentage	Frequency	Status of difficulties
21.67	13	Yes
78.33	47	No
100	60	Total

The given information in the table 2.2 show that whether the respondents had faced any difficulty in getting credit from Grameen Bank or not. It is seen that a large number of respondents (78.33%) did not face any complexity in accessing the loan. On the opposite side, only 21.67% respondent thought that they had faced some obstacles in accessing the loan. However, the data claims that microcredit programme of Grameen bank have developed a simple banking system which is very useful to Grameen poor people. It usually supports the purposes of originating microcredit programme. Microcredit programme aimed at providing banking services to the marginalized poor people who have no access to formal banking system due to their complexity in getting loan. Because the institutional banking in Bangladesh have various formalities for obtaining loan that the illiterate poor people find difficult to complete.

Table: Users of the credit:

Percentage	Frequency	User
61.67	37	Self
38.33	23	Others
100	60	Total

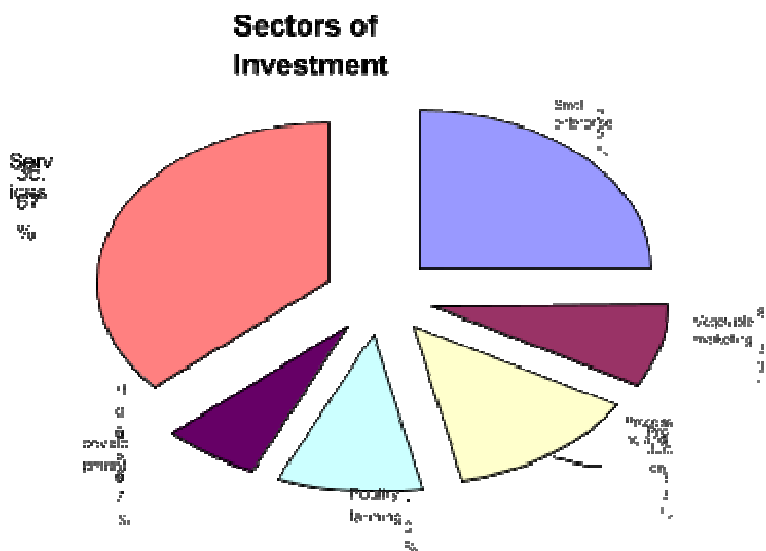
The above table addressed the profile of users of the credit. It is clearly seen that 61.67 % of the respondents used their credit while 38.33 % of the respondents did not use their loan by self. In this case the received loans were used by the others family members of the respondents where most of the time respondent’s husband utilized the credit. Therefore it can be inducted that the most of the borrowers of microcredit are females in Bangladesh. They have a little access in outdoor income generating activities due to traditional patriarchic society. So in most of the cases, husbands or other male members of the respondent’s family utilize the loans borrowed by the females. So the data put a question that whether the borrowers of microcredit are being directly benefited or not.

Table: Were the borrowers forced to give the credit to others?

Percentage	Frequency	Situation
43.48	10	Yes
56.52	13	No
100	23	Total

The current evident showed that all the female microcredit borrowers did not use their credit by self. The data given in table 2.6 indicates that 43.48% of the borrowers were forced to give their loans to others either by their husbands or male members of their family. Though the rest number (56.52%) of the respondents was not forced but they have left their capital willingly. The findings call a question that as the female borrowers did not utilizing their own loans then whether the women are being empowered or not.

4.1.3. Credit investments and nature of benefits:



The information in the table depicts the picture of different investment sectors where the respondents utilized their loans. It is clearly seen that the respondents invested their loans in varieties fields in both farm and non-farm sectors. Among them service was the major sector from non-farm sources where the highest number (36.67 %) respondents invested their loans. Moreover small enterprise was the second large number where 25 % borrowers invested. Then only 13.33 % and 10 % respondents invested in processing and production and poultry farming sectors from farm sources respectively. Therefore one can conclude from the findings that the borrowers of microcredit in urban or suburb area usually invest their credit in service sectors.

The Study also observed that high majority (93.33%) of the respondents was directly benefited from their investment. After entering into microcredit programme of Grameen Bank most of them (53.33 %) owned business institutions. Consequently, the borrowers have developed new business institutions and became self

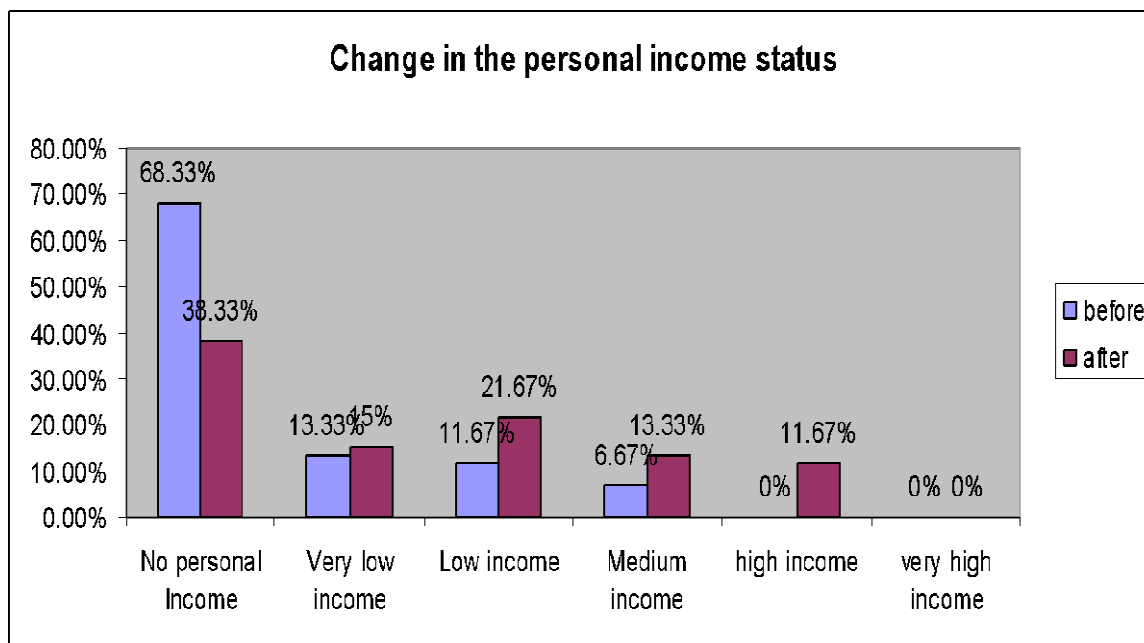
dependent.

4.1.4 Comparison of Socio Economic Profile of the respondents:

Improve in the Income and Occupational status:

The study observed that before receiving credit 68 % respondents were housewife while this number decrease to 38.33 % after receiving loan. Similarly a dramatic fall down from 11.67 % to 0 % in case of day labour indicates that microcredit played an important role to the day labor’s life to be employed in different certain jobs. On the other hand, earlier only 5% respondents were involved in small enterprises which rise to 25% after borrowing credit. Moreover no respondent was involved in production and processing sectors earlier whereas now 13.33 % respondents became involved in poultry farming sector. Therefore one can conclude that microcredit helps the landless poor people to become involved in different earning activities.

Along with occupational status microcredit helped the borrowers to improve their personal and family income profile. The following chart showed the improvement rate of the respondent’s personal income.



According to the given data, earlier there were 68.33% respondents who had no personal income as they were unemployed. After getting loans, eventually 30% of them involved in earning activities and get rid off themselves from the defamation of unemployed. Then the profile of no personal income dropped from 68.33% to 38.33%. Moreover, in past no respondent was in the high income group while 11.67% respondents improve their income and therefore become included in high income group. Formerly only 6.67% respondents were in medium income group which increased to 13.33% later.

Although the data says that there is an increase in low income group. But it does not indicate that the microcredit has negative result there. Rather it appoints that respondents from no personal income group shifted in income group. Therefore we can draw a conclusion that microcredit helped the borrowers to increase their income.

After receiving loan by the respondents, an improvement in their family income profile is observed. According to the given information, the largest number (45%) of respondent’s family had very poor income before getting microcredit. Now they are only 26.67 % while 18.33 % families have increased their income. Similarly 28.33 % family had low income earlier which fell to 18.33 % with 10 % decreased after utilizing credit.

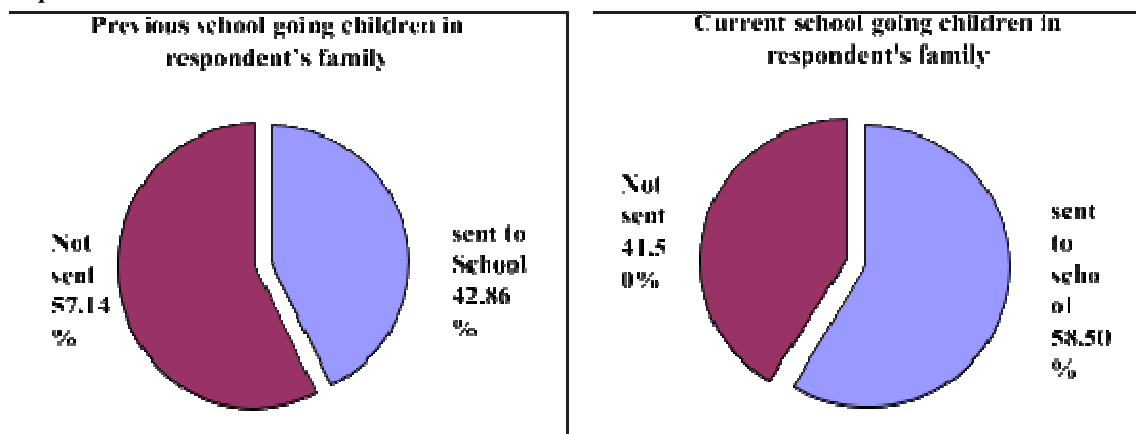
Improve in Livestock and Furniture Asset:

According to the given information, before entering into microcredit programme only 15% respondents used to own livestock valued more than 20 thousand taka which rose to 23.33%. In addition, earlier only 13.33% respondents had livestock valued more than 40 thousand taka which rose to 16.67% next. Only 5% respondent used to own livestock valued more than 50 thousand taka which climbed to 18.33%. Moreover, 15% respondent had no livestock which went down to 5%. In that case, one can conclude that the microcredit helped the

borrowers to raise their income. As a result they have owned more livestock than previous time.

It is also depicted from the given information that, after receiving loan, there is a good increase in the furniture assets owned by the respondent's family. Earlier the highest number (28.33%) of respondents used to own furniture asset valued up to taka 9,999. At present this number went up to 38.33% where 10% respondents have newly added in this group. However, a significant number (18.33%) of respondents had no furniture asset which dropped to 0%. In that case, one can conclude that the microcredit helped the borrowers to raise their income. Eventually they have ability to hold more furniture assets than earlier.

Improve in Children's Education:



The two pie chart deal with the situation of school going children in respondent's family. The first chart shows the percentages of children both sent to school and not sent to school. According to the data presented in this diagram, only 42.86 % of the children used to go to school in the past while majority of the total children with 57.14 % did not go to school in this time. On the other hand, after receiving microcredit, educational profile of the children improved what we see in the second diagram. It is found that the number of school going children has been increased near about 16 % from 41.50 % to 58.50 %.

It is also observed that, not only the number of school going children is increased but also the nature of educational institution has been improved after borrowing credit. Before, the majority (60%) of the family used to send their children in government school where the cost of education was free. Besides, 20 % family used to give their children in semi government institutions while the number of family who sent their children in NGO schools and Private KG schools were 21.27 % and 15 % respectively.

In the opposite side, there were some considerable changes in the sources of gathering knowledge after borrowing credit. After borrowing credit, government institution as a source of education has went down from 60 % to 35 %, while the other sources like Private Kindergarten and Semi Govt. institutions rise to 23.33 % and 25 % respectively. On the basis of the data it can be assumed that the respondents have made a shift from government sectors to private sectors in order to seek more quality education.

Improve in Health seeking behavior:

After (%)	Before (%)	Source/Types of Latrine
50	26.67	Self Sanitary Latrine
40	55	Self Unsanitary Latrine
10	18.33	Neighbour's Latrine
100	100	Total

The information presented in the above table addressed the different sources of latrine accessed by the respondents between earlier of entering microcredit programme and next to the entering credit programme. The first chart illustrates that majority of the respondents with 55% used to use self unsanitary latrine. Then only

26.67% respondents used to use self sanitary latrine while 18.33% used neighbour's latrine. However the second graph showed that there was a significant advancement in using latrine sources after utilizing credit. For example, majority of respondents, 50 % use self sanitary latrine which was only 26.67% earlier. It indicates that about two times respondents have improved after borrowing credit. Moreover, in past 18.33% respondents were dependent on neighbour's latrine which fell to 10% later. One can conclude that microcredit helped poor people to improve their socio-economic profile.

It is also noticed that there is a considerable betterment in the health seeking behavior of the respondent's family where about 23.33% respondents have come out from traditional health practices. Earlier 38.33% respondents used to seek health services from traditional sources which decrease to 15% later. In addition to this, there was an increase from 31.67% to 40% in accessing the government sources and 10% to 21.67% in private practitioners. The respondents think that this was the positive outcome of utilizing credit.

Improve in Water Sources:

After (%)	Before (%)	Source of Water
26.67	21.67	Self Tube well
15	28.33	Self Pond
58.33	50	Neighbour's Source
100	100	Total

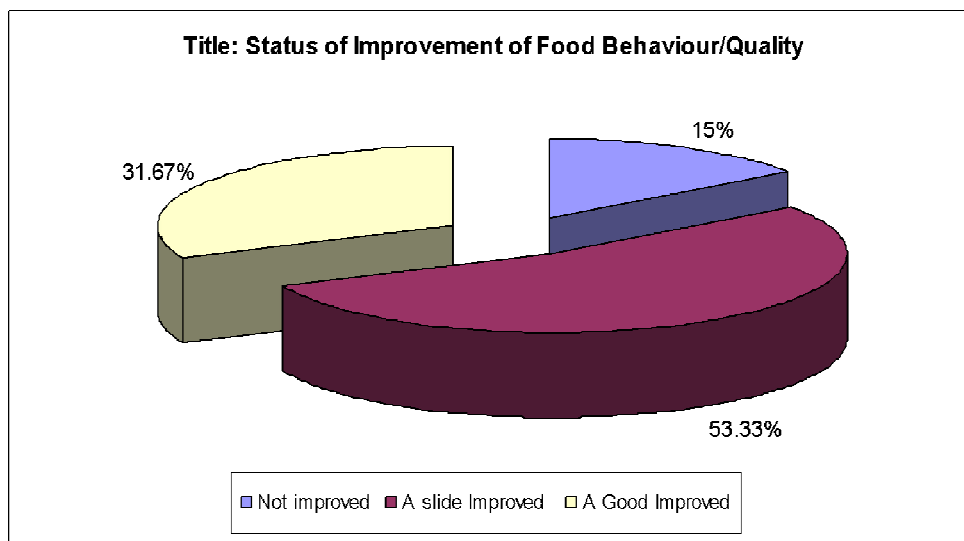
It is depicted from the table that before entering microcredit programme majority (50%) of the respondents used to access to neighbour's water sources. Then 28.33% respondents used self pond as a source of drinking water while only 21.67% respondents used self tube-well as their water sources to drink. Meanwhile after entering the microcredit programme there was a slight improvement in water sources accessed by the respondents. A small number of respondents have established tube well to access water through these. Consequently now 26.67% respondents have own tube well. Although there is an increase from 50% to 58% in neighbour's water sources is observed but it does not mention any fall down of respondent's water sources. It is found that, this increase is caused for improving neighbour's water sources where the respondents with self pond started to use neighbour's tube-well.

Improve in Daily Meals and Food Behavior:

After (%)	Before (%)	Source of Water
0	15	One
53.33	51.67	Two
46.67	33.33	Three
100	100	Total

Information presented in the table compares the trends of previous daily meals taken by the respondents and current daily meals. It is noticed that, 15% respondents used to take meals only a time in a day while 51.67% used to take two times and only 33.33% used to take three times per day. After borrowing credit, there was a considerable betterment in daily meals taken by the respondents. Now no respondent take only one meal in a day where it is dropped from 15% to 0%. Besides, there was a significant improvement where the number of respondents with three times meals in a day went up from 33.33% to 46.67% after credit utilization.

It is also observed that, the respondents not only improve in taking daily meals but also have improved their food behavior after utilizing microcredit.



The above pie chart demonstrates the information regarding whether the respondent's food behavior has been improved or not after entering the microcredit programme. It is clearly seen that the most of the respondents with 85% thought their food behavior has been improved after entering the microcredit programme of Grameen Bank. Among them 53.33% respondents said that there is a slight improvement in the food behavior of the respondent's family while 31.67% respondents said a good improvement in their food have been observed after entering the credit programme. On the other hand, only 15% respondents thought that though they entered into the microcredit programme nevertheless their food behavior did not get improved. They think that as they did not make a significant improvement in income therefore their food behavior did not get improved. However from the given information it can be decided that microcredit has making an important role in creating employment. That is why the microcredit borrowers can earn more money through utilizing credit which helps them to get more quality food.

Improve in Savings:

It is depicted from the information that 68.33 % of the respondents deposited money in various sources from both cash saving and crops saving. Among them the largest source for saving was Grameen Bank/local cooperatives where 65% respondents deposited money. Then 53.33% respondents deposited money as crops, 43.33% on hand and 11.67% in other formal bank or insurances. On the other hand only 31.67% respondents said that they have no saving on hand or in bank.

Percentage	Frequency	Saving Amount (BDT)
12.20	05	01- 1999
17.07	07	2000- 3999
26.83	11	4000- 5000
21.95	09	6000- 7999
14.63	06	8000- 9999
7.32	03	10,000+
100	41	Total

The above table demonstrates the amount of saving of the respondents in different sources. It is clearly observed that the largest 26.83% respondents deposited money more than 4 thousand taka. Then 21.95% respondents deposited money more than 6 thousand taka, 17.07% more than 2 thousand taka, 14.63% more than 8 thousand taka 12.20% near about thousand taka and 7.32% respondents more than 10 thousand taka. One can conclude from the information that the respondents can use the saving during household risks, children education and purchasing assets.

4.2. Major Findings from Data from the Drop-out Borrowers:

The portion of data analysis deals with the analysis of data collected from failure borrowers of the study. The main aim of this art was to identify the root causes that why some of the microcredit borrowers are not benefited from microcredit utilization and why they become deactivated from microcredit programme.

4.2.1. Personal Profile of the Respondents:

Minimum (%)	Majority (%)	Name of Category
46-55 years (23.33)	26-35 years (46.67)	Age Group (Years)
Small Enterprise (10)	Housewife (56.68)	Types of Occupation
6 th – 8th Class (30)	1st – 5th Class (70)	Educational qualification
Unmarried (13.33)	Married (86.67)	Marital Status
Joint Family (40)	Nuclear Family (60)	Types of Family

It is clearly observed that the majority (46.67%) of the drop-out respondents belongs to (26-35) years' age group while the lowest 23.33% belongs to (46-55) years' age group. The data claims that the large numbers of microcredit users were in the medium age. On the other hand, despite of borrowing microcredit, a large part (56.68%) of the respondents was still now unemployed (housewife). On the other hand, the rest of the respondents were involved in different sectors of occupations in order to secure their livelihoods where only 10% respondents were involved in small enterprise. It is seen that the most of the drop-out respondents (70%) was just primary qualified while there was no high educated respondent. The data show that most of the borrowers have very poor educational qualification. Poor education prevents them from investing the loan in a high-return activity (Zaman, 1999, quoted in Shahnaj Parveen *et al.*, 2009). It is also found that majority (86.67%) of the drop-out respondents was married and the majority (60%) of the respondents belongs to nuclear family while the rest (40%) belongs to joint family.

4.2.2. Status of credit utilization and investment profile:

Users of the credit:

Percentage	Frequency	User
30	09	Self
70	21	Others
100	30	Total

The above table 2.5 addressed the profile of users of the credit. It is clearly seen that only 30% of the respondents used their credit while the majority (38.33%) of the respondents did not use their loan by self. In this case the received loans were used by the others family members of the respondents where most of the time respondent's husband utilized the credit. Therefore it can be inducted that the most of the borrowers of microcredit are females in Bangladesh. They have a little access in outdoor income generating activities due to traditional patriarchic society. So in most of the cases, husbands or other male members of the respondent's family utilize the loans borrowed by the females. So the data put a question that whether the female borrowers of microcredit are being directly benefited or not?

Sector of investment of borrower's credit:

Percentage	Frequency	Investment Sectors
23.33	07	Small enterprise
13.33	04	Vegetable marketing
20	06	Processing and Production
10	03	Poultry farming
13.33	04	House development
20	06	Services
100	30	Total

The information in the table depicts the picture of different investment sectors where the drop-out respondents utilized their loans. It is clearly seen that the respondents invested their loans in varieties fields in both farm and non-farm sectors. Among them small enterprise was the major sector from non-farm sources where the highest number (23.33%) respondents invested their loans. Moreover services and processing and production were the next two sectors where 20% borrowers invested in each sector respectively. Then only 13.33% respondents invested their loan in each sector of vegetable marketing and house development sectors respectively. Therefore one can conclude from the findings that the borrowers of microcredit in urban or suburb area usually invest their credit in service sectors.

Status of benefit from the investment of credit:

Percentage	Frequency	Status of Benefited
0	00	Yes
100	30	No
100	30	Total

The information in the table illustrates the status of direct benefit from the respondents' investments. It can be seen that the all (100%) of the respondents said that they were not directly benefited from their investments. So the data put a question that, as micro-credit is an effective tool to create employment and fight against poverty then why did those borrowers not get benefitted from their investments?

4.2.3. Causes of failure of the respondents:

Percentage	Frequency	Types of Causes
13.33	04	Self Failure
30	09	Unsafe investment
10	03	High rate of Bank Interest
13.33	04	Weekly Installments
10	03	Small Amount of Loan
23.33	07	Other Occasional Incidents
100	30	Total

The information given in the table demonstrates the different causes of futility to be benefited through utilizing microcredit by the respondents. It is clearly observed that the respondents were in different sides in deciding their causes of failure. According to the information, majority (30%) of the respondent thought that unsafe investment was the root cause that the borrowers were not benefited through utilizing microcredit. Moreover, 23.33% of the respondents thought that they did not get benefited through utilizing loan due to occasional incidents. A few number (13.33%) of respondents thought that they were responsible for their own failure while same number of the respondents impeached weekly installment system of the bank for their futility. On the other hand small amount of loan and high rate of interest were the other two factors of futility where 10% respondents were in each side.

4.2.4. Status of installments payment in due time:

Percentage	Frequency	Status of Payment
13.33	04	Completed in time
86.67	26	Not completed in time
100	30	Total

The table represents the information regarding whether the respondents would completed the installments on time or not. It is clear that the most number (86.67%) of the respondents did not complete their installments on times. On the other hand only 13.33% respondents completed their installments on time. From the given information it can be decided that though microcredit has a good reputation but it does not make a fruitful outcome for all borrowers. That is why the microcredit borrowers sometimes get nothing through utilizing credit. Rather they have to suffer by paying installments with appointed interest.

4.2.5. Initiatives taken by the respondents in paying the installments:

Percentage	Frequency	Types of Initiatives
53.33	16	Loan from other sources
0	00	Selling land asset
26.67	08	Selling livestock
20	06	Selling household goods (Jewelry, Furniture etc.)
100	30	Total

The information given in the table demonstrates the different initiatives taken by the respondents to pay their installments. It is depicted that majority (53.33%) of failure borrowers loaned money from other sources to pay their premiums. Moreover, a large number (26.67%) sold their livestock to return their credits borrowed from Grameen Bank. Similarly a significant number (20%) of the respondents had to sell their valuable household goods to make them free from defaulter list of borrowers. From the findings one can conclude that microcredit is not only a benefactor for all but also a miserable one in some cases. For example, while credit may be an effective vehicle for boosting the incomes of the poor, it may be less effective, or even counter-productive, in helping the poorest of the poor raise their living standards. Alternative poverty reduction mechanisms are probably advisable for this group.” (Mosley, in Yaron 1997; Hulme and Mosley 1996).

4.3. Major Findings From Qualitative Data Collected Through FGDs:

The portion deals with the analysis of the qualitative data gathered from Focus Group Discussion. There were three focus group discussions arranged in three villages. A checklist was used to conduct the study. Various issues of socio-economic indicators such as strategies of credit utilization, income, sources of income, saving, access to basic human needs, women empowerment etc were included in the checklist. The female borrowers of Grameen Bank who were not included in interviewing were the participants in the discussion.

4.3.1. Microcredit and its Utilization:

There was a topic discussed in the focus group discussion is why the respondents needed microcredit. Each of the participants discussed the issue from their own point of view. It was observed that the participation were varieties in nature from their occupation, family structure, economic condition. So their speeches were varieties in nature that why they had to borrowed loans from Grameen Bank. However, the findings of the discussion on the issues were-

4.3.1. Who borrowed Microcredit and Why?:

It is found that all the borrowers in the study area were not landless. They were from varieties economic profiles. Some of them were landless while some of them had a very nominal land asset. But there was a similarity among the borrowers that they all were female and their economic profiles were very poor. Most of them come from very poor economic condition that they were still surviving for their livelihood. Besides, a significant number of the borrowers in the study area were house wife. They had no personal income. They were dependent on their husband's or other family members. Sometimes the husbands of the borrowers were unemployed too.

Moreover, the borrower's family incomes were not sufficient that the borrowers along with their family were struggling to maintain a simple livelihood. Most of the time, they were highly deprived from fundamental rights. Therefore the borrowers were trying to fight against their poverty. They had ability to work but there was not enough opportunity to be employed. They want to do something like small business or go to production but they had no capital to do it. Therefore they felt needs to borrow loans from Grameen bank to utilize as capital.

A borrower's statement should be presented here that explains which have influenced her to borrow microcredit. *“I had a quarrel with my husband everyday. There was no other factor to quarrel but want of food. My husband used to try to earn but he was helpless. Because he was a day labour that most of the days he did not get any work. Those days we used to borrowed food from others. I wanted to support my husband through earning money so that we can be free from struggle to survive. But how can I do it? We were empty. There was nothing that we can do something to earn. Therefore I felt need to borrow credit.”* (Translated from Somirun's speech)

Another statement should be included here. The statement was delivered by Safia Khatun, borrower of Grameen Bank- *“We (poor peoples) are like a blind who could not see. If he had a staff he could find out his own way by his own effort. Therefore, if we had a small capital, it would be a staff for us to find out our ways of employment.”* (Translated from Safia Khatun's speeches).

4.3.2. Who were the Users of the Credit?:

It is observed that regional environment and culture decided the nature of users of microcredit. The most of the times it is seen that female borrowers were not direct users of credit. Rather their husbands or other male members of the family have used the credit. The question is why the female borrowers did not use credit? The answers from the respondents were:

i) In the study area females are not highly encouraged to work outside the house. The societal people do not take it in a good view that women should do business. Therefore, despite of having interest to work outside, female

borrowers are not allowed by their husbands or others to do it.

ii) Sometimes the female are not also interested to work outside. As the bank do not prefer males to give loans then the males just use their wives or other female members to get loans. The females also do it from their conscious mind.

4.3.3. Why microcredit from Grameen Bank?:

There was a question that why the respondents did choose Grameen Bank? To answer the question, the respondents described many difficulties of other sources of getting loan. According to their view, there were many complexities in formal banking sectors that they did not get interested to borrow loans from those sources. For example, the high interest rate, maintaining formalities, no easy access to the bank, to show document as pledge of security, lengthy processes etc. Fore those reason the borrowers did not want to get from those sources. Rather they looked for a place from where they could get loan in an easy way. On the other hand, the poor villagers did not find these difficulties in Grameen Bank. That's why they were interested to borrow money from this bank.

A statement of a borrower should be cited here which describe the thinking of poor villagers about formal banking system and Grameen Bank. It was- *"the bank in towns are the bank of riches, not for us. They give very big loans to the riches as they can get a well amount of return from them. But we are empty. As our demand is small we can not give them a big return. So why can they give us a loan? On the opposite side, Grameen bank is a bank for poor."* (Translated from Sunara Begum's speech).

Another statement was like that, *"the bank officials come to our doors. We have not to do travel to the bank authority for loan."* (Translated from Somirun's speeches).

The study found another factor that contributes to choose Grameen bank for micro-credit. It was like that sometimes the poor villagers did not feel the importance to borrow a loan. In this regard, the bank officials went to the door of poor people. They tried to motivate the poor villagers through visiting their doors. As a result they could feel their needs and urgency to borrow credit.

4.3.4. What are the investment sectors the respondents utilized credit?:

There was a question that in which sectors the borrowers invested their loans and why? A good outcome was found through discussing the answer of the question. It is depicted from the discussion that there were some regional factors which decided the nature of investments of microcredit borrowed by the respondents.

Investment is the key issue to discuss. It is observed from the study that microcredit users invested their credit in varieties sectors both from farm and non-farm sectors. But the users prefer to non-farm sector more to invest. For example, among the non-farm sectors, service was the major sector where the most borrowers invested their loans. Moreover small enterprise was the next sector where borrowers invested and then only a few borrowers invested loans in processing and production and poultry farming sectors from farm sources. One can conclude from the findings that the borrowers of microcredit in urban or suburb area usually invest their credit in services sector.

Moreover it is observed that loans for small business were important, but low-income households in the study used loan for household needs. The study also found that the important non-business activities in which they have spent the loan were paying for school fees, medical treatment, home repair or extension, daily consumption needs, social and holiday expenses.

But the question is why do the people usually prefer to invest their loan in service sectors in the study area? To investigate the answer of the question it is observed that the study area is a suburb area that it is not so developed in agricultural sectors. Though microcredit is more popular and useful tool in agricultural area that where most of the people are usually involved in agricultural activities. Therefore people in suburb area usually prefer to use microcredit in service sectors. They are not more habituated in farming sectors while the borrowers in agricultural developed area usually do it. As a result, investment in farm sectors is not encouraged by the borrowers in suburb area.

4.3.5. How the Credit is a Tool of Economic Empowerment:

Economic empowerment is the initial aspect of poverty reduction. It is linked with access to financial resources. Economic empowerment reduces the vulnerability of poor people especially for women in crisis situation. The

study found that microcredit has played an important role as a financial assistance in crisis situation of the poor women. It helped the loanee to enter in an income generating activity which increased the consumption of standards of poor women. It is observed that the female borrowers of the study had higher income and consumption standards than their previous non-loanee period.

There was a question that was discussed in the group discussions that how do the people think that microcredit is an effective tool for them to raise their income? To seek answer for the question the study found that the borrowers think, they had enough ability to work, but there were no significant opportunities in the study area which will show welcome to them to be employed there. Besides, the borrowers had no enough capital that they will create their employment by their own efforts. In this regard, microcredit has become to the door of poor women as a blessing in their economic disasters.

There is a statement of a borrower should be cited here which describe the thinking of poor villagers about economic empowerment through utilizing microcredit. It was- *"I was a day labour. Earlier, I used to wait for work everyday. There were some days when I did not get any work. Those days I did not earn money and did not buy food for my family. I used to visit my neighbour's door to borrow some rice to give my family food. It made me very hurt when I did not get any assistance but they dismissed me. But now, I am dependent on my own income and I have not to go other's door to find food. Not only that but also I have increased my income too"*. (Translated from Ambiya's speeches).

Moreover, it is depicted from the findings of the group discussion that the respondents did not have any savings in any sources earlier. Rather than they were debtor in various sources. But now they have deposited money in various sources such as in banks, in NGOs or co-operatives, on hand and as crops etc. The respondents used the savings during household risks, children's education and purchasing assets. Savings are an effective weapon against economic shocks. This is a positive expedition towards development. Grameen Bank is playing vital and praise worthy role in creating saving habit among the rural poor people which was also clear from both qualitative and quantitative findings.

4.3.6. How the Credit Upgrades borrower's Social Lifestyle:

Borrower's socio-economic status is associated with their income. As money is linked with overall betterment of human life the study aimed to know the profile of socio-economic improvement of the borrowers' after utilizing microcredit. The study found that microcredit helped the borrowers to raise their income. As a result they have improved their socio-economic profile. The participants in Focus Group Discussion raise their voices on behalf of their socio-economic improvement through microcredit utilization. It is observed from the findings of the study that the females who availed the facility of microcredit finally got socio-economic improvement. Almost all of the participants argued that they had a low level of socio-economic profile before receiving credit while it gradually increase to medium level and in some cases to high level of socio-economic advancement after getting microcredit facility.

It is found that the borrowers were leading a very poor socio-economic profile before entering microcredit programme. Most of their children did not go to school. Who used to go they were sent to government school where they are not satisfied for poor quality of education. They used to send their children in work to earn money. But now they have been afforded to send their children in private or KG schools where they can learn quality education. Besides the children who used to sell their labour to support their family income earlier they now started to go in different schools. It is the result from microcredit utilization the borrowers think.

Moreover, earlier the borrowers had very poor food behavior where most of the time they did not get quality food due to their economic crisis. But now they have improved their income which helped them in accessing the quality food. In past, they did not get meals three times a day. But now most of them can do it. It was the output of microcredit utilization they think.

As same as, the borrowers now have a good income by which they have improved in other sectors of their lifestyle through utilizing income. They have bought new furniture and other utensils for their family. Especially in their different occasions they have bought new clothes and other gifts for their family members what they could not do in earlier. Now they have increased their access in government hospital, clinic and other private sectors to seek health what they could not do in earlier.

4.3.7. How Microcredit and Women Empowerment are related?:

Women's access to micro credit facilities has a positive relationship with their income generation activities and

empowerment. The study found that the females who have borrowed loans they have improved their income through utilizing loans. As a result of involvement in income generating activities the female borrowers have more empowerment both in family and society. A significant number of female borrowers argued that earlier they had no chance to participate in decision making process in the family while they can do it now.

Therefore, economically solvent people can perform better while exercising his/her power. Solvency or economic condition of any people is an important parameter of empowerment. This statement was absolutely true for the microcredit female borrowers compared to their previous power practices as now they were more empowered due to their economic solvency.

There was a question that was discussed in the group discussions that how do the people think that microcredit is an effective tool for them to be empowered? To investigate answer to the question the study found that the borrowers think, earlier they had no importance in their family. They were not judged as economic sources but family member only. As they did not contribute to the family income they had little chance to participate in decision making process in the family. Most of the time they could not share their feelings and wishes while male members used to do it. But now they have value in family. The other family members including their husbands give importance to the opinion of the female borrowers now. The respondents think that this was the result of their involvement in microcredit programme of Grameen Bank.

Another issue which explains how the women have more empowerment after borrowing microcredit than earlier? The study observed that the female borrowers were not allowed to go outside the house earlier without permission of husbands. But now they do not face those difficulties to access outside the house. Without any barrier they can go to shop, market, relative's houses or any other places when necessary now. Although, still now some of them have to take permission of their husbands but they do not face any obstacle to get permission. Rather than, they get permission to access outside in an easy way what they did not get earlier.

However the study found that micro credit programme could not reach to the large section of women properly. Because, it is observed that most of the time the female borrowers they might not have enough power within households to use their loan as well as to control their income. They mostly depend on their husbands or male members for various purposes because micro-credit programme are unable to eliminate socio-cultural constraints on women's physical access to market.

4.3.8. What are the factors that why some borrowers are not being benefited?:

The main aim of this study was to identify the root causes that why some of the microcredit borrowers are not being benefited from microcredit utilization and why they become deactivated from microcredit programme. The study found some factors that explain why some borrowers are not being benefited from microcredit. Among them house development, self failure, occasional incidents, unsafe investment etc. are common. Moreover some borrowers also denounce weekly installments and small amount of loan as responsible for their failure. To conclude it is found that in some cases microcredit system is not responsible for borrower's futility while someone can claim weekly installment or small amount of loan are can be responsible for borrower's failure. Rather it is observed that, in most cases the borrowers have miss used the credit borrowed by them in unproductive sectors. That is why they can not create any employment for them and can not earn money to protect their current poverty situation.

The study investigated some cases that claims why do the borrowers miss use their credit in unproductive sectors. One of the factors was illiteracy of the borrowers. The most of the borrowers of microcredit are uneducated and they have not enough training and skills to involve themselves in productive income generating activities. As the micro-credit borrowers were illiterate they don not know how to utilize the credit in a productive way. Besides, in most cases the concern credit supplier organizations do not provide any vocational training to the borrowers so that they can utilize their loan in a productive way. Another factor was the poor access of women in out-side activities in the study area. As the most of the micro-credit borrowers in the study area are female and they have a poor access to work out of their home they do not get suitable environment to utilize their loans. Another factor was lack of women empowerment. As the women in the study area have poor controlling capacity over their husbands then they just borrow the loan but can not utilize it. Rather their husbands or other male member of the family use the loan and most of the time they use it in case of personal or family consumption such as house development, purchasing furniture and other accessories etc. sometimes they also spend their loans in various occasional incidents.

The study also observed an important factor, weekly installments for loan recovery, which claims that why the

borrowers get failure to utilize their loans. According to the information given by the borrowers, they have to pay their installments weekly and it is started from just to the next week of borrowing credit. Therefore they do not get enough time to create employment and they have to start to pay installments before entering into earning activities. In this case, they have to borrow loan from another sources to pay weekly installments and thus they have to move around the circle of loan. And at a time, they have to sell their lands, household accessories or livestock to get rid off them from the circle of debt.

Conclusion

Micro-credit has been successful in reducing rural poverty by creating self-employment and increasing income generation activities in Bangladesh. The home grown Grameen Bank is considered as global model in micro-finance. As the present study was an attempt to know about the utilization of microcredit in income generating activities by rural women and its impact on their socio-economic empowerment. After data analysis the researcher has concluded that most of the females who availed the facility of microcredit finally got socio-economic empowerment. The rural women possessed both productive and non productive assets. This savings and assets helped them as a protection against household risks. It can be concluded that women having involvement in microcredit of Grameen Bank acquired more knowledge about health, agriculture, nutrition and got loan to utilize in various income generating activities for earning more income. As a result, they could uplift themselves socio-economically. This study also provides evidence that economic empowerment of women can be improved through increasing personal income, savings and assets. So at the end it may be concluded that microcredit is positively linked with the upliftment of socio-economic empowerment of working women in district Sylhet.

However, to improve impact of microcredit programme in reducing rural poverty, the study are providing following suggestions:

1. The study stressed the need of more loans to be expanded to the poorest people especially low income level of women folk by different GO and NGOs which would ultimately enhance their economic solvency and empower them economically.
2. This would obviously be helpful for the upliftment of the rural poor people socio-economically.
3. The study suggested ensuring the proper utilization of credit by the borrowers in productive sectors. To do this the authority should administer monitoring and evaluation system to secure real needed person and the proper utilization of credit in productive sectors.
4. It should provide more loans to poor women along with provision of education and training in order to ensure sustained income by the borrowers.
5. The borrowers demand to reduce the interest rate against the credit which will help them to be associated with microcredit process in long-run. The also suggested to take this matter in consideration to ensure more participation of rural poor.
6. Inter-agency co-ordination among microcredit providing agencies should be developed to ensure proper and equal distribution of microcredit services to all rural people.

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