IMPACT OF BRDB MICRO-CREDIT TOWARDS UPLIFTING SOCIAL STATUS OF THE BENEFICIARIES

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CERTIFICATE

This is to certify that thesis entitled, "**IMPACT OF BRDB MICRO-CREDIT TOWARDS UPLIFTING SOCIAL STATUS OF THE BENEFICIARIES**" submitted to the Faculty of Agriculture, Sher-e-Bangla Agricultural University, Dhaka in partial fulfillment of the requirements for the degree of MASTER OF SCIENCE IN AGRICULTURAL EXTENSION AND INFORMATION SYSTEM, embodies the result of a piece of bonafide research work carried out by Ripan Dey Sarker, Registration No. 00543 under my supervision and guidance. No part of the thesis has been submitted for any other degree or diploma.

I further certify that such help or source of information, as has been availed of during the course of this investigation has been duly acknowledged.

Dated:
Place: Dhaka, Bangladesh

(Md. Sekender Ali)
Supervisor

Dedicated

To

My Beloved Parents

ACKNOWLEDGEMENT

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IMPACT OF BRDB MICRO-CREDIT TOWARDS UPLIFTING SOCIAL STATUS OF THE BENEFICIARIES

ABSTRACT

The specific objective of the study was to determine the impact of BRDB micro-credit towards uplifting the social status of the beneficiaries measured by computing change in income, change in food consumption, change in housing unit, change in drinking water source & toilet condition and change in family asset. Attempts were also made to determine and describe ten selected profiles of BRDB beneficiaries and explore the relationship between these profiles and impact of micro-credit towards uplifting the social status of the beneficiaries. Attempts were also made to identify the problems faced by the beneficiaries in receiving and utilizing micro-credit. The study was conducted at Naikhongchhari upazila under Bandarban district. Out of 2650 group members of 140 groups, 100 group members of 20 groups were randomly selected which constituted the sample for the study. Data were collected during March 2-31, 2007 using structured interview schedule. Pearson's correlation co-efficient was used to determine the relationships between the dependent and independent variables. Majority (60 percent) of the respondent could change their socio-economic status in medium scale compared to 38 percent of them could change in low scale and 2 percent of them could change in high scale after involvement with BRDB micro-credit programmes. The education, farm size, organizational participation with BRDB, yearly savings, credit received and attitude towards BRDB micro-credit had positive and significant relationship with the impact of BRDB micro-credit towards uplifting the social status of the beneficiaries while age, family size, credit utilization, credit recovery procedure had not any significant relationship with the impact of micro-credit towards uplifting the social status of the beneficiaries. On the basis of the Problem Faced Index (PFI) 'do not get current credit when any one of them did not repay previous loan' ranked first followed by 'insufficient amount of credit'. 'Misuse of credit for social activities or buying foods' ranked third and 'decisions taken based on nepotism' ranked last.

CHAPTER I

INTRODUCTION

1.1 General Background

Bangladesh is one of the least developed countries of the South-East Asia, has been engaged in economic and social development programmes, so as to pull the masses of people out of the circle of poverty and ignorance. In the development process, particularly of the less develop countries, rural sector plays a vital role because most of the people in these countries live in rural areas.

The economy of Bangladesh is dependent on agriculture and agriculture is the main occupation of the people. The two-thirds of labour forces (59.2 percent) are engaged in agriculture (BBS, 2003). Agricultural sector provides 21.92 percent of the Gross Domestic Product (GDP), (BBS, 2006). Agriculture plays a vital role in employment generation, poverty alleviation, food security, standard of living. But the economy of this country has been marked for low productivity, higher rate of population growth, chronic food shortage, poverty and increasing dependency on foreign economy. Although per capita income is dollar 470 (BBS, 2005) which coming from most accumulated resource person's share.

Most of our farmers being vary poor can hardly afford to purchase costly inputs. To purchase inputs the farmers need additional funds, the major portion of which comes from external sources. Since independence, the Government of Bangladesh has put much emphasis on agricultural sector. As a result different financial institutions have started disbursing agricultural credit to the farmers. Among the institutional sources Bangladesh Rural Development Board, Bangladesh Krishi Bank, Rajshahi Krishi Unnayon Bank, Bangladesh Samabay Bank Limited etc. are playing important role in providing financial support to the farmers for increasing farm productivity as well as increasing business work.

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Bangladesh Rural Development Board (BRDB) is the premier rural development organization of the country. It is a semi government organization and it is currently implementing thirteen rural development projects in different regions of the country. It has been trying to improve the well-being of the rural people through institution buildings, human resources development, transfer of technologies and capital formation etc. The board has made substantial contribution to an increase in agricultural production, poverty alleviation through productive employment and income generation and social service improvement.

In the economic literature credit has been assigned a docile passive role of being the lubricant or facilitator of trade, commerce and industry. But credit, in reality plays a more powerful economic, social and political role than the economists have admitted. Credit is a powerful weapon. Any body possessing this weapon is certainly better equipped to man oeuvre the process around him to his best advantage (Yunus, 1987).

The poor are not unproductive. In truth, they are the more productive segment of the population (Yunus, 1983). Access to credit is an important mechanism for the poor to improve and protect their food security. In the short term, credit enables the poor to wealthier shocks without selling production assets, which would make them more vulnerable to future hardships. In the long-term, credit can enable the poor to invest in productive assets and adopt new technologies and farming methods to increase their production (Anderson, 1995).

The researcher was interested to explore some major areas of people involvement in BRDB micro-credit activities, and identify to what extent those have been achieved as per BRDB objectivities. It was very necessary to know the impact of BRDB micro-credit as perceived by the beneficiaries. But a very few research work had been attempted to do this. Therefore, the present researcher felt necessity to conduct a research entitled "Impact of BRDB micro-credit towards uplifting social status of the beneficiaries."

1.2 Statement of the Problem

BRDB is a semi-government organization that deals with landless people, the disadvantaged class of the society who are forced to live in and exploited condition in the rural society. Many activities like poultry rearing, livestock, fisheries, social forestry, vegetables and crop cultivation, small industries etc. are being conducted by the BRDB for poverty alleviation with the help of micro-credit.

No credit programme can expand its activities without utilization and recovery. High loan recovery is a pre-requisite for the long-term sustainability of any credit operation (Musharaf, 1991). BRDB micro-credit is available to the poor with reasonable rates of interest; Commercial banks fail to minimize the credit needs of the poor for three main reasons. First, these banks require collateral, which the poor find difficult to provide. Second, their procedures for filling in application forms and completing other formalities for obtaining loans are too cumbersome for the illiterate poor; and third, they prefer handling large loans rather than the petty loans that the poor need (Hossain, 1988). But BRDB provides loan to these poor without any collateral.

Thus, it was necessary to know how BRDB micro-credit was working and also to know the answers to the following questions.

1. What were the profiles of the BRDB beneficiaries?
2. What was the impact of BRDB micro-credit towards uplifting social status of the beneficiaries?
3. What was the relationship between the selected profiles of the BRDB micro-credit beneficiaries and the impact of BRDB micro-credit towards uplifting their social status?
4. What were the problems faced by the beneficiaries in receiving and utilizing credit?

In view of the fore-going discussion, the researcher undertook a piece of study entitled "Impact of BRDB micro-credit towards uplifting social status of the beneficiaries."

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1.3 Objectives of the Study

The following specific objectives were formulated to give the study a proper direction:

1. To determine and describe some selected profiles of the BRDB micro-credit beneficiaries;

2. To ascertain the impact of BRDB micro-credit towards uplifting social status of the beneficiaries;

3. To explore the relationship between the selected profiles of the BRDB micro-credit beneficiaries and the impact of BRDB micro-credit towards uplifting their social status;

4. To identify the problems faced by the BRDB micro-credit beneficiaries in receiving and utilizing of micro-credit.

1.4 Justification of the Study

Increased productivity, income, consumption and participation of the beneficiaries in socio-economic development activities are some of the major pre-requisites for the overall economic development of Bangladesh. Most of the development organizations believe to work to meet-up the above pre-requirements as the prerequisite for socio-economic development since the independence of Bangladesh. As the poor do not have sufficient employment opportunities and income earning sources to maintain their livelihood, they are the vulnerable class of the society. They are expected to uplift their personal, social and economic dimensions by increasing their access and control over resources. BRDB has developed a number of sectored programmes such as, agriculture, livestock, social forestry, gardening, health, sanitation, nutrition, small business, savings etc. which are facilitated by its credit, training, technical support services and being through overall socio-economic development programmes. The issues on socio-economic development need more attention and thus it deserves a specific investigation. There is a need to conduct study regarding the performance of different development organizations poverty alleviation programmes, which are being operationalzed through group activities in the village. Considering time and resource constraints among the leading organizations in Bangladesh, BRDB was selected for this piece of research. The findings of this study are expected to be useful to the researchers, planners and policymakers, extension workers and beneficiaries of BRDB and similar organizations and personnel.

1.5 Hypothesis of the Study

As defined by Goode and Hatt (1952), "a hypothesis is an assumption 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 null hypothesis was formulated to explore the relationship between the selected profiles of the beneficiaries and the impact of BRDB micro-credit towards uplifting their social status.

"There is no relationship between the selected profiles of the BRDB micro-credit beneficiaries and the impact of BRDB micro-credit towards uplifting their social status." The selected profiles were age, education, family size, farm size, organizational participation with BRDB, yearly savings, credit received, credit utilization, credit recovery procedure and attitude towards BRDB micro-credit.

1.6 Assumption of the Study

"An assumption is the supposition that an apparent fact or principle is true the light of the available evidence (Carter, 1945)." The researcher had the following assumptions in mind while undertaking this study:

1. The findings would give a clear indication of the impact of BRDB micro-credit towards uplifting social status of the beneficiaries.
2. The respondents were capable of furnishing proper responses to the questions contained in the interview schedule.
3. The responses furnished by the respondents were valid and reliable.
4. Information furnished by the beneficiaries, included in the sample, were the representative of the whole population of the study area.
5. The researcher who personally collected data adjusted himself to the social environment of the study area. Hence the data collected from the respondents were free from interviewer bias.
6. The data were normally distributed towards the mean and standard deviation.

1.7 Limitations of the Study

Considering time, money and other resources available to the researcher and to make the research meaningful and manageable from the practical point of view, it has certain limitations that are listed below:

1. It was very difficult to get accurate information because the respondents do not keep any written records with respect to their activities, production or income. Therefore, the researcher had to depend on data furnished by the respondents.
2. Profiles of the beneficiaries were many and varied. However, only ten profiles were selected for this investigation.
3. The study was confined to only one upazila, namely Naikhongchhari of Bandarban district.

1.8 Definition of Terms

For clarity of understanding, certain terms frequently used throughout the study are defined and interpreted as below:

BRDB: BRDB is the abbreviated form of Bangladesh Rural Development Board. It is a semi-government organization of Bangladesh. It has started to provide agricultural credit in 1975.

Impact: 'Impact' is a term which refers to sustained structural changes which have lasting effect.

Credit: It was defined as the amount of money received by the clients of BRDB for some specific purposes at certain rate of interest generally repayable within a year.

Micro-credit: Professor Dr. M. Yunus of Grameen Bank has innovated a system of credit delivery to the poor without collateral, popularly known as micro-credit. Moreover, the system that provides small credit without collateral in group based approach to the poor for creating self-employment with a view to alleviating poverty is called Micro-credit.

Credit utilization: BRDB micro-credit is distributed among the clients for certain specific purposes. Credit utilization was defined as the pattern of utilization of credit by the BRDB clients. In this study the extent of credit utilization by the borrowers in assigned purposes was ascertained.

Credit repayment behaviour: It was defined as the regularity of the clients in repaying their installments of different credits.

Credit received: It refers to the amount of money received by the beneficiary as credit from BRDB and other sources during the previous year.

Change: It refers to the improvement or deterioration of the respondents in various aspects of BRDB beneficiaries.

Poverty: Absolute poverty is defined as the income level below which even minimum standards of nutrition, shelter and personal amenities cannot be mentioned.

   Poverty line I: It is defined as daily intake of 2122 k. cal. per person.

   Poverty line II: It is defined as daily intake of 1805 k. cal. per person.

Problem: Problem means any difficult situation which requires some action to minimize the gap between "what ought to be" and "what is".

Beneficiary: Beneficiaries are those who get benefit from BRDB directly. Poor rural people involved in different activities with BRDB micro-credit may be termed as BRDB micro-credit beneficiaries.

Age: Age of a respondent was defined as the period of time in years from his/ her birth to the time of interview.

Education: It is defined as the development of desirable knowledge, skill and attitude in an individual through the experience of reading, writing and other related activities.

Family size: It refers to the total number of individual in the beneficiary's family.

Farm size: It refers to the total area on which a respondent's family carries farming operation, the area being estimated in terms of full benefit to the beneficiary's family.

Organizational Participation: Organization participation of a respondent refers to his taking part in the organization as ordinary member, executive committee member or officer.

Attitude towards BRDB micro-credit: An attitude may be defined as predisposition to act towards an object in a certain manner. It is an enduring psychological system consisting of there interacting components centering about a single object, which may be classified as:

    i.   Cognitive component- the beliefs about the object.

    ii.   The feeling component- the affect connected with the object, and

    iii.   The predisposition or action tendency component- the predisposition to take action with respect to the object.

The term attitude towards BRDB micro-credit of a respondent is, therefore, used to refer to her belief, feeling and action tendency towards the various aspects of BRDB micro-credit.

CHAPTER II

REVIEW OF LITERATURE

This chapter deals with a brief review of previous research studies relating to the present study and to formulate and construct a framework that will be fitting for accurate understanding of the research. Studies pertaining to the socio-economic development of beneficiaries or people participating in any NGO or GO programme are limited in number. So, related literature representing this study is not readily available.

The researcher has tried his best to collect needful information through searching relevant studies. Studies about impact of micro-credit towards poverty alleviation of beneficiaries were very few in number. The researcher tried to review literatures related to general review of impact of micro-credit and relationship of selected profiles of the beneficiaries with the impact of micro-credit towards uplifting their social status. Finally the researcher drawn a concept framework of the study presented in this chapter.

2.1 General review of impact of micro-credit

Begum (1994) conducted a study on impact of RDRS activities on the socio-economic development of women member in Sadar Thana of Kurigram district and found the involvement of the households with RDRS has increased income, employment, basic needs situation and social awareness and status of the women. The income of the households under RDRS project sole of crops, vegetables, fruits, poultry and dairy products increased by 122% and non agricultural activities increased by 22% after their involvement with RDRS.

Nazu (1994) Conducted a study on impact of RDRS Activities on the Socio Economic Development of Rural Women: A study in Sadar Thana of Kurigram District and noticed that the average income per family was Tk. 14337 which increased to Tk. 20442 indicating a 43% overall increase in income.

Khan (1996) found in his study that family planning acceptance raise by 25% after forming the GB groups. All members become aware of health and sanitation issues. Ninety five percent members developed their latrines and 97% used tube well water for every purpose. Ninety seven percent of the members developed household farming.

Ghosh (1997) found that income from the vegetables; poultry and dairy products increased by 164% and overall labor absorption from non-agricultural source increased by 74% after their involvement with homestead farming and income generating activities of Proshika.

Khandker (1998) based on extensive survey data from Bangladesh observed that micro-credit programme were an effective policy instrument for reducing poverty among poor people to become self-employed. Micro-credit programme we found to be particularly important for Bangladeshi women, many of whom are restricted by social custom from seeking wage employment. For all the three of the micro-credit programme studied the impact on household consumption was twice as great when the borrowers were women. The three projects studied were: the Grameen Bank, the Bangladesh Rural Advancement Committee (BRAC) and RDRS.

Harper (1998) stated that well managed micro-finance can be profitable both for its customers and its providers; it is a business opportunity itself for bankers and not depends on donor assistance.

Mayoux *et al.* 1998. described that micro-finance programme for women are currently promoted not only as a strategy for poverty alleviation but also for women's empowerment.

Hossain (1998) indicated that three was a positive impact of agricultural program of Geameen Bank on the loaners. The change of loaners was higher after joining Grameen Bank program than before. The overall change in income was 50 percent and the change in employment was 33 percent over the study period.

Zebunnesa (1998) designed a study to look into the impact of selected BRAC activities on women. The analysis revealed that participation of the households to BRAC program contributed significantly to socio-economic upliftment of the households in general and increased participation of women in economic activities and households' decision making in particulars.

Murshed *et al.* (1999) conducted a research on the Bangladesh Rural Advancement Committee (BRAC), to see how far it has been able to implement poverty alleviation and empowerment of the poor, particularly the rural women. They observed that through its multi-faceted programmes, enterprise development, health care, non-formal education for girl children and human rights and legal education, BRAC has been able to bring significant improvement to the lives of the poor and the disadvantaged women of rural Bangladesh.

Khan (1999) carried out a study on micro-credit programme in Bangladesh, with special emphasis on underprivileged rural women excellent repayment performance of women borrowers. It also tried to explore the effects of wage employment on gender relations. Women wage earns were found to value paid work more than they valued credit. The study thus concluded that more employment opportunities should be created for women as these would help to promote economic and social empowerment including gender and human development.

Khan (2001) points out the credit and saving is a very effective tool of poverty alleviation. The essence of credit programme in Bangladesh is the sole contribution of NGOs like Grameen Bank, BRAC, Proshika, Karitas etc. By the mid-nineties the credit programme turned as a pragmatic way. An increasing trend of credit programme by mainstream NGOs has almost abandoned all other programme except credit. Khan also says special credit activities of Govt. agencies are yet to reach the majority of the rural poor. By taking the advantage of rural infrastructure few big NGOs disbursed the 91 percent of that credit in the country. He also argues that another very important input in the poverty alleviation is micro-credit.

Ali (2001) said the attempt to rank the relative impact of various anti-poverty policy instruments yields the following results. Development of human capital has the largest impact on poverty, followed by investments in physical infrastructures such as road and electricity. The role of new HYV technology comes next in importance. While the existing studies show positive income effects of micro-credit, the elasticity is typically low, possible reflective of the low productivity that characteristics most of the activities financed by it.

Ali (2001) stated that expansion of credit for the poor should be seen in the broader context of infrastructure development. Such a packing (along with rural and human development) will not only enhance the return to micro-credit schemes and contribute to its viability bet also accelerate the rate of poverty reduction.

Pallavi-chavan and Chavan (2002) stated that non-government organization (NGO) led micro-credit is an effective and financially viable alternative to the existing methods of addressing rural poverty through the provision of credit and reviews the available empirical evidence on the performance of micro-credit programme and institutions in several developing countries, and compares them with state-led credit-based poverty alleviation programme and institute in India. It is also revealed that micro-credit programme have been able to bring about a marginal improvement in the beneficiaries income.

Mazumder (2003) stated that after taking loan respondents of all age group could increase their level of income. After taking loan the credit clients' educational status were increased, large loan amount receiving client contribute maximum level of income, although it was not at a significant level. All farm size group respondents could increase their low level of income. By taking loan large family gave maximum amount of low and medium level of income than other types of family and other levels of income.

2.2 Relationship of selected profiles of the beneficiaries with the impact of micro-credit towards uplifting their social status

Ten selected profiles of the beneficiaries involved in BRDB micro-credit were selected as independent variables of this study. The researcher made utmost effort to search out studies dealing the relationships of each of the selected profiles of the beneficiaries with the impact of participation in micro-credit program and found that only a few such of research were done. Some of these are presented below.

2.2.1 Age and impact of micro-credit

Zakaria (2000) observed a negative trend of relationship between age of the respondent and their credit utilization and repayment behaviour.

Ali (2003) found that there was positive and significant relationship between age of the respondents and their change in income and in housing environment but non-significant relationship was found between age and their change in food consumption.

2.2.2 Education and impact of micro-credit

Zakaria (2000) stated that there was no significant relationship between education of the respondents and impact of micro-credit as perceived by them.

Ali (2003) found that there was positive significant relationship between education of the respondents and their change in income, food consumption and housing environment.

2.2.3 Family size and impact of micro-credit

Zakaria (2000) stated that family size of the beneficiaries had no significant relationship with impact of micro-credit.

Rashid (2001) found that family size of the BRAC rural women had no significant relationship with income of the households to participate in BRAC activities.

Ali (2003) found that the relationship between family size of the respondents and their change in income, change in food consumption and change in housing environment was non-significant.

2.2.4 Farm size and impact of micro-credit

Perkins (1985) conducted a study during a program centered on ASA training center at Norsingdi, involving visits to land less groups and women's program in the villages in near by upazilas. The report recommended that a association should benefit the land less, take steps to developed the quality and skill, encourage land less group members to moves into local government as elected representatives, facilitate access to banks, hospitals, schools and government services and encourage self reliance without foreign aid.

Sarker (2002) observed a positive significant relationship between farm size of the RDRS beneficiaries and their change in food consumption in Integrated Aqua-culture Development Project, RDRS.

2.2.5 Organizational participation with BRDB and impact of micro-credit

No literature was found that try to find out the relationship between organizational participation of the beneficiaries with the impact of BRDB micro-credit.

2.2.6 Yearly savings and impact of micro-credit

Shaha (1997) conducted a study on the production and income between Grameen Bank member households in a selected area Mymensingh district. She found that annual income of Grameen Bank member households and expenditure of Grameen Bank member household was also higher than those of Non Grameen Bank member households.

Ali (2003) noticed that yearly savings of the respondents and their change in food consumption, change in income and change in housing environment were positively significant. He noticed that the families who possessed more savings had better housing environment, with the money from savings those families can purchase more food and housing asset or items.

2.2.7 Credit received and impact of micro-credit

Islam (2001) mentioned that credit received had negatively significant relationship with change in food habit of the respondents.

Sarker (2002) stated that women with more credit had more income than those with less credit. Credits received by some of the members were high because two or more persons joined the group from the same family in order to receive more credit. They invested more credit in their self employment opportunities and got more return from those. So, their income has changed significantly.

Ali (2003) stated that ninety-one percent of the respondents were small to medium credit recipient. Credit received of the respondents showed a positively significant relationship with their change in income and housing environment. Credit received had a great influence for socio-economic development of the beneficiaries but it was not helpful in case of food consumption. As there was an existence of small to medium credit received by higher proportion of the respondents, there was a scope to increase impact of micro-credit towards poverty alleviation by increasing credit recipient.

2.2.8 Credit utilization and impact of micro-credit

Rahman (1980) in his study showed that 27.87%, 11.08%, 44.26% and 16.79% of total credit were utilized for current expenditure on farming, family expenditure and non-farm expenditure respectively.

Rahman and Alam (1986) in their findings stated the important reasons for proper utilization of credit. There were emergency need, family expenses and repayment of old debts.

Nagabhushanum and Halyal (1989) stated that 50.48% of the amount borrowed was utilized for productive purposes. About 17% of the amount was spent on partially productive purpose.

Chowdhury (1989) reported that Grameen Bank borrowers applied credit towards productive purposes. Diversions of credit where they had occurred had been mostly channeled into income producing activities.

Rahman (1995) designed a research on socio-economic study of credit program of the ASA in some selected areas of Gazipur district, found that 36% of the sample loaners were nor able to invest loans entirely in their proposed scheme. He also found that loaners were good repair and to be benefited materially and non-materially.

Khandher *et al.* (1998) in their study mentioned that more than 83% credit was for livestock, small trading, paddy husking, poultry and fisheries. The highest growth in utilization was occurred in poultry followed by livestock and fisheries. This growth pattern is consistent with the increasing membership of women who borrow mostly for non-market activities that compatible with heir households' chores. In fact, these activities accounted for about 80% of the total credit disbursed women.

Uddin *et al.* (1999) in a study found that loan were utilized in capital expenditure (45.33%), current farm expenditure (16%), investment in business (24%), house construction (2.67%) and others (12%) from institutional sources.

2.2.9 Credit recovery procedure and impact of micro-credit

Arene (1993) found that high repayment farmers had larger credit size, larger farm size, higher income, higher age, higher number of years of farming experience, shorter distance between home and source of credit, higher level of formal education, larger household size, and higher level of adoption of innovations and lower credit needs than low repayment farmers.

Amin *et al.* (1994) reported that from income generations perspective, the three programme-Grameen Bank, BRAC and BRDB had been successful because loan recovery rate was very high, ranging between 96.0 and 100 percent thanks either to group responsibility and group pressure and/or grassroots mobilization efforts.

2.2.10 Attitude towards BRDB micro-credit and impact of micro-credit

Zakaria (2000) stated that 60.83% of the respondents had moderately favourable attitude towards BRDB (IWP), 37.50% had highly favourable attitude towards BRDB (IWP) credit and only 1.67% of the respondents had highly favourable attitude towards BRDB (IWP).

Ali (2003) found that the respondents having favourable attitude towards BRAC activities were more likely to have higher impact of micro-credit.

2.2.11 Problem faced in receiving and utilization of BRDB micro-credit

Ali (2003) stated that two-third (71.29%) mentioned about insufficient amount of credit as per demand as the main problem. Two-third (67.32%) of the respondents opined that new loan is not issued until final repayment of installments and (65.34%) for not getting credit at the time of need. The total amount of credit could not proper use due to shortage of grace period as by (64.36%) women. The misuse of credit for repaid of former loan (62.37%), the amount of loan depends on savings of the respondents as a result amount of loan is inadequate (60.39%). The misuse of credit for buying food (56.43%), failure to proper use of the loan (44.55%), false propaganda of the fatuabuz (15.84%), religious prejudice (13.86%) and high rate of interest (11.88%) were the important problems faced by the beneficiaries.

Mazumder (2003) stated that a little over 25.45 percent opined that the credit amount was inadequate by which ASA credit clients were affected mainly. The second (15.45%) most severe problem was lengthy processing in getting recommendation from committee members. Most of the credit clients (22.73%) faced two or more than two problems in repayment of their credit amount. Sudden sickness and other problems of earning family members was the single problem which was faced by 16.36 percent of the respondents.

2.3 Conceptual Framework of the Study

It is conceptualized in the study that the nature and extent of credit program may be influenced through interacting forces of some personal, socio-economic, motivational and attitudinal characteristics of the borrowers. It is obvious that no credit program of any organization can survive well unless there is a positive change which is directly related to the socio-economic upliftment of rural people and this positive impact fully depends on the proper utilization of micro-credit.

Considering the above facts and in the light of review of literature, it was concerned that the extent of socio-economic impact by the beneficiaries of BRDB micro-credit are greatly motivated and influenced by some of the previously mentioned factors. For clear understanding of the process, a conceptual framework is developed in a schematic diagram (Fig. 2.1) showing the interface of both independent and dependent variables as interacting forces.

Independent variables	Dependent variable

Profiles of BRDB micro-credit beneficiaries

1. Age
2. Education
3. Family size
4. Farm size
5. Organizational participation with BRDB
6. Yearly Savings
7. Credit received
8. Credit utilization
9. Credit recovery procedure
10. Attitude towards BRDB micro-credit

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Problem faced in receiving and utilization of BRDB micro credit

1. Change in income
2. Change in food consumption
3. Change in housing unit
4. Change in drinking water source and toilet condition
5. Change in family asset

Fig. 2.1. Conceptual framework of the study

CHAPTER III

METHODOLOGY

The method and procedure used in the study are presented in this chapter. The principle method used in this study was field survey using structured interview schedule. This method was used because it is easier, quicker and dependable although a little bit expensive.

3.1 Locale of the Study

This study was conducted at Naikhongchhari upazila under Bandarban district. All the four unions of this upazila were selected as the locale of the study. Figure 3.1 and 3.2 showed the locale of the study.

3.2 Population and Sampling

BRDB beneficiaries of Naikhongchhari upazila who received credit at least one time were considered as the population of the study. An updated list of all the BRDB beneficiaries of the selected upazila was prepared with help of the local BRDB officials.

After completing the list, it was found that the total number of groups of the BRDB borrowers were 140 involving 2650 group members. These groups' members (2650) constituted the population for the study. Data for this study were collected from a sample rather than the whole population. In this connection, two stage random sampling method was followed in order to select the respondents. Firstly out of the 140 groups, 20 groups were selected randomly and secondly 5 members were again selected at random from each of the selected 20 groups. Thus 100 borrowers were selected as the sample of the study. Twenty group members were also included in the reserve list by taking one from one group which was also selected randomly. The members of reserve list were interviewed when the members of main sample were not available at the time of interview. Table 3.1 showed the population, sample and reserve list size of the study.
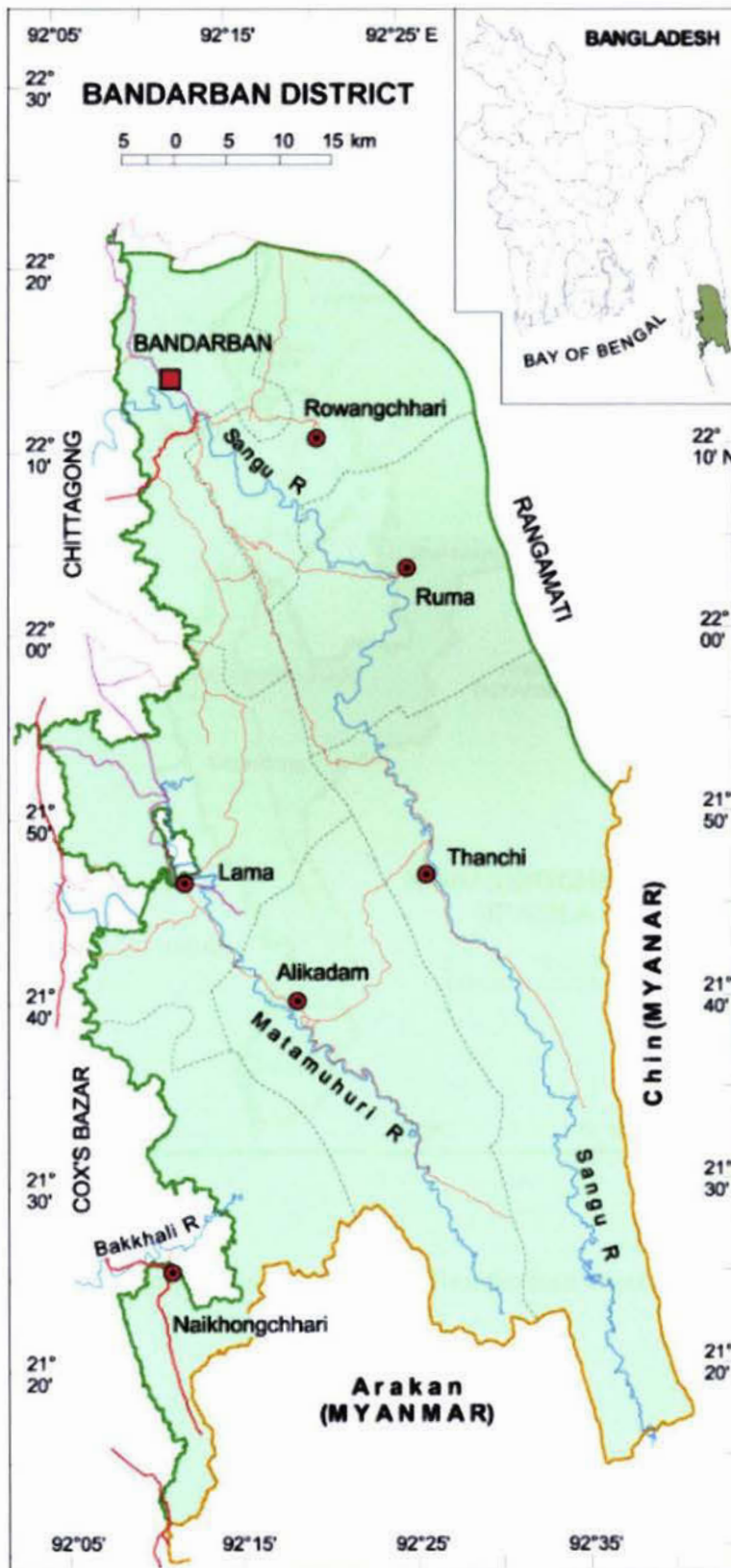
Fig. 3.1 A map of Bandarban district

LAMA   92°15'   92°20' E

Headmanpara

CHAKARIA   Aungthuipara   ALIKADAM

21°
35' N   Baishari   21°
35'

Lungdupara

Baishari
Bazar   Dochhari

21°
30'   RAMU   Kanorapara   21°
30'

Targubari

Boalkhali R

21°
25'   Bhalukhayapara   21°
25'

NAIKHONGCHHARI   Arakan
(MYANMAR)

Ghandong   21°
20'

21°
20'

NAIKHONGCHHARI
UPAZILA

UKHIA   2   0   2   4 km   21°
15'

21°
15'   Rejupara

Malaipara

92°05'   92°15'   92°20'
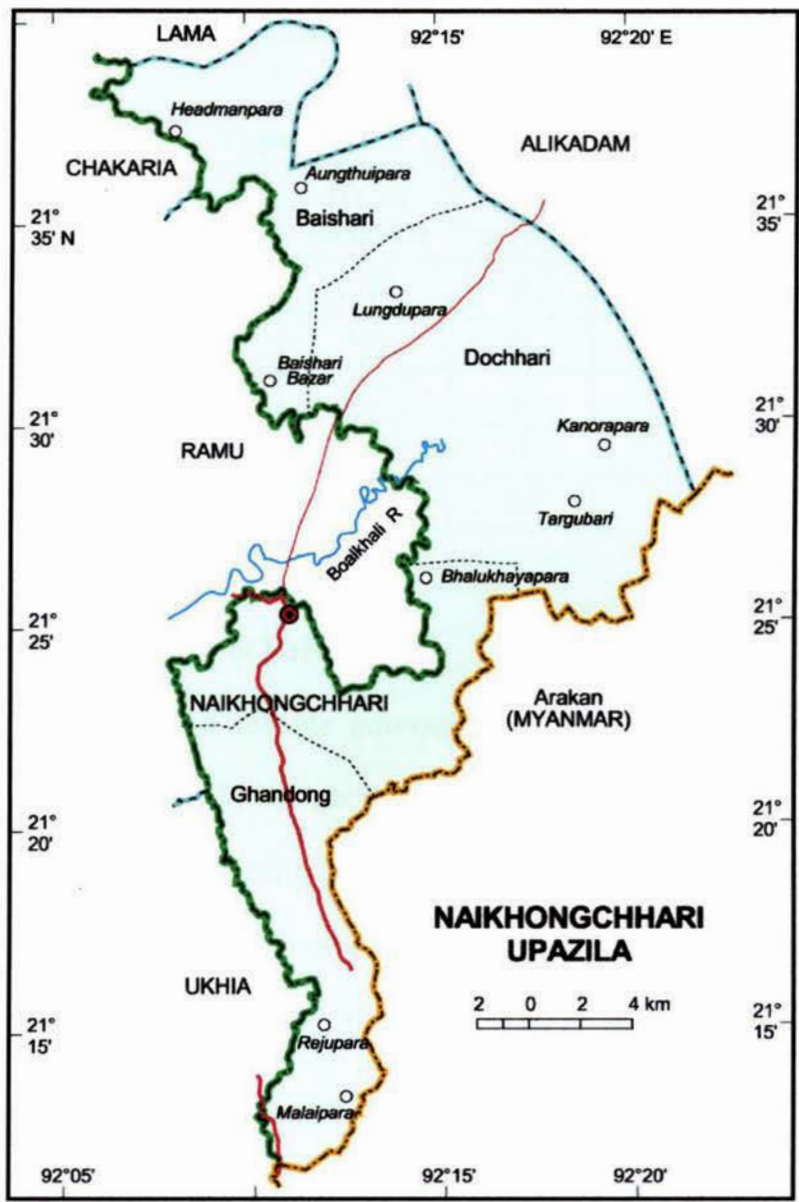
**Fig. 3.2 A map of Naikhongchhari upazila of Bandarban district showing the study
area**

Table 3.1 Distribution of the population, sample and reserve list for the study

Unions	Population		Sample		Reserve list
	No. of groups	No. of members	No. of groups	No. of members	
Naikhongchhari	86	1383	9	45	9
Dochhari	5	90	2	5	1
Baishari	38	952	6	30	6
Ghandong	11	225	4	20	4
Total	140	2650	20	100	20

3.3 Instrument for Collection of Data

In order to collect valid and reliable information from the BRDB beneficiaries, an interview schedule was carefully designed keeping the objectives of the study in mind. Simple and direct questions and different scales were used to obtain information. Direct questions were included to collect information like age, education, family size etc. Scales were used to measure attitude towards BRDB micro-credit etc. Five point Likert type scale were used for ascertaining the attitude towards BRDB micro-credit.

An English version of the interview schedule is presented in "Appendix-A". The schedule was pre-tested with 10 BRDB beneficiaries of the study area excluded the sample. Necessary correction, alternation and modifications were made in the interview schedule on the basis of the pretest. The modified and corrected interview schedule was then printed in final form for data collection.

3.4 Data Collection

The researcher himself collected necessary data through personal interview with the individual respondents. An introductory visit was made with BRDB field workers. The aims and objectives of the study were explained to respondents. This helped the researcher to have a friendly orientation to the group members. Before going to the respondents for interview, advance information was given with the help of BRDB field supervisors. Brief information regarding the nature and purpose of the study was given to the respondents before actual interview. The researcher also established desired rapport with the respondents. Usually the respondents do not keep records of annual/daily accounts of their data and the researcher had to rely on memory of the respondents. Questions were asked systematically and explanation was made whenever it was felt necessary. The information supplied by the respondents was recorded directly on the interview schedule. The information was duly checked in order to minimize errors. Some data were recorded in local unit. These were subsequently converted to appropriate standard units.

The researcher took interview of the respondents at their leisure time so that they could give accurate information in a cool mind. The investigator faced no serious problem. Excellent co-operation was obtained from all the respondents. The BRDB officials also rendered cooperation during collection of data. The data collection took a period of 30 days from 2nd to 31st March, 2007.

3.5 Measurement of Variables

3.5.1 Measurement of Independent Variables

In this study ten selected profiles, namely, age, education, family size, farm size, organizational participation with BRDB, yearly savings, credit received, credit utilization, credit recovery procedure and attitude towards BRDB micro-credit of the BRDB beneficiaries were selected as the independent variables. Measurements of the variables are discussed below:

Age

Age of a respondent was measured on the basis of year from his/her birth to the time of interview. A score of one (1) was assigned for each year's of his/her age.

Education

The education was measured on the basis of completed years of schooling by a respondent in the educational institutions. A score of one (1) was given for each completed year of schooling. If a respondent does not know reading and writing his score was assigned as zero. A score of 0.5 was given to a respondent who only can sign his name only.

Family Size

Family size was measured by computing total number of members in the family. A family normally consists of head of household, wife, unmarried sons and other dependent relations who jointly live and eat together during interview. One score was assigned to each member of the family.

Farm Size

The farm of a respondent was measured on the basis of the total area of land on which family carried out farming operations. The farm size of a respondent was calculated by using following formula and was expressed in terms of hectares.

$FS = A_1 + A_2 + A_3 + 1/2 (A_4 + A_5)$

FS = Farm size

A_1 = Homestead area

A_2 = Land under own cultivation

A_3 = Land taken from others on lease

A_4 = Land given to others on borga

A_5 = Land taken from others on borga

Organizational Participation with BRDB

Participation in an organization refers to taking part in an organization as an ordinary member, executive committee member or office bearer. Organizational participation with BRDB was measured on the basis of the nature of participation in BRDB groups. Scoring was assigned on the basis of the following:

Score	Basis for scoring
1	Participation as ordinary member for one year
2	Participation as executive committee member for one year
3	Participation as executive officer for one year

Finally organizational participation with BRDB was measured by adding, the scores after multiplying by duration of participation (Year) for all types of membership.

Yearly Savings

It was measured by accounting the total savings of the respondents and the members of the respondents' family from different sources during the year. A score of one was assigned for one thousand taka.

Credit Received

It refers to the amount of money received by a respondent as loan from any institutional sources. It was expressed in Taka. The total credit in Taka was converted into credit received score. A score of one was given for each thousand Taka.

Credit Utilization

Firstly, utilization pattern of credit was divided into three categories, namely, fully utilized in assigned purpose, partially utilized in assigned purpose and utilized in other than assigned purpose. A single credit was supposed to be utilized by a borrower in any one of the above three ways. However, weights were given in the following manner:

Credit utilization	Weight given
Fully utilized in assigned purpose	2
Partially utilized in assigned purpose	1
Utilized in other than assigned purpose	0

The obtained score for utilization of any credit, could therefore, range from 0 to 2. Scores were assigned for measuring the effect of credit utilization as follows:

Effect of credit utilization	Weight given
Profit	2
Neither loss or profit	1
Loss	0

The total credit utilization score was measured by the multiplication of credit utilization score with the effect of credit utilization score. Thus the total credit utilization score could range from 0 to 4, where 0 indicating no credit utilization and 4 indicating high credit utilization.

Credit Recovery Procedure

Borrowers credit repayment behaviour was measured under five categories, regularly paid, moderate regularly paid, irregularly paid, most irregularly paid and never repaid. Scores of four, three, two, one and 0 were assigned to regularly paid, moderate regularly paid, irregularly paid, most irregularly paid and never repayment respectively. The amount of credit repaid by each beneficiary was measured in percentage and it was multiplied by the credit repayment behaviour score. Thus, the total credit recovery score was measured for each of the beneficiaries and the score could range from 0 to 400, where 0 indicating never repayment of micro-credit and 400 indicating regular and full repayment of micro-credit.

Attitude towards BRDB micro-credit

An attitude may be defined as predisposition to act towards an object in a certain manner. Attitude of a respondent towards BRDB micro-credit was used to refer to his belief, feeling and action or tendency towards the various aspects of BRDB micro-credit.

It was measured by constituting of ten statements (five positive and five negative). A statement was considered positive if it possessed an idea favourable towards the BRDB micro-credit. On the other hand, a statement was considered negative if it was unfavourable towards the BRDB micro-credit. The respondents were asked to express their opinion in the form of strongly agree, agree, no comment, disagree and strongly disagree. A score of 4 was given to strongly agree, 3 to agree, 2 to no comment, 1 to disagree and 0 to strongly disagree whenever the statement was positive. A reverse scoring method was followed in case negative statement. Attitude towards BRDB micro-credit of a respondent was finally determined by summing the scores obtained by his/her for all the items in the scale. The scores of respondents could range from 0 to 40, while 0 indicating highly unfavourable attitude and 40 indicating highly favourable attitude towards BRDB micro-credit.

3.5.2 Measurement of Dependent Variable

Impact of BRDB micro-credit towards uplifting social status of the beneficiaries was measured on the basis of the extent of change occurred in five selected dimensions of livelihood as a result of their involvement with BRDB micro-credit programme. The measurements of selected dimension were as follows:

Change in income

A beneficiary's family income was measured in Taka on the basis of his and other family members' total yearly earning from agriculture and other sources like fisheries, livestock, poultry, business, labourselling, cottage industry, etc.

Incomes from different sources were added together to obtain total family income. The total earnings in Taka were converted into family income score. A score of one was assigned for each one thousand Taka. The change in income was determined by computing income score of the respondents' family between "before" and "after" receiving BRDB micro-credit. The change in income was categorized as follows:

Change in income	Score assigned
No change (0)	0
Low change (1-15 thousand Tk.)	1
Medium change (above 15-30 thousand Tk.)	2
High change (above 30 thousand Tk.)	3

Change in food consumption

It refers to the improvement or deterioration of a respondent in respect of his amount of food consumption after involvement. In this study eight items were considered to determine the food consumption behaviour. The method of determining food consumption involved three phases. Firstly, consumption of rice, wheat and vegetables; pulses and fish; milk, meat and egg was determined by the amount of food consumed per day, per week and per month, respectively by a respondent. Secondly, the daily consumption of food items per person was calculated. Finally, the amount of items was converted into energy on the basis of their energy content value shown in Table 3.6.2.2. Thus total energy was obtained by adding the energy from all the items.

Table 3.5.2.2 Energy contents of some selected food items

Food items (100 g)	Energy (k.cal)
Rice	364
Wheat	341
Vegetables	53.75
Pulse	338
Fish	89
Meat	127
Milk	61
Egg	158

Source: FAO, 1997.

The change in food consumption was determined by computing food consumption of the respondent "before" and "after" receiving BRDB micro-credit score was assigned as follows:

Change in K.cal. Uptake per day	Score
No change (0)	0
Low change (1-400)	1
Medium change (401-800)	2
High change (above 800)	3

Change in housing unit

It refers to the condition of housing unit of the beneficiaries household both "before" and "after" receiving BRDB micro-credit. There were five types of housing in the study area e.g. no house, katcha Ghar with straw roof, katcha Ghar with tin roof, pacca Ghar with tin roof and pacca Ghar. For determining the type of housing unit each respondent was asked to indicate the nature of housing unit before receiving micro-credit. Tick mark was given against his response against those five responses. The change in housing unit was measured on the basis of housing unit score of the respondents between "before" and "after" receiving BRDB micro-credit. Weights were assigned as follows:

Types of dwelling unit	Weights
No house	0
Katcha Ghar with straw roof	1
Katcha Ghar with tin roof	2
Pacca Ghar with tin roof	3
Pacca Ghar	4

Scores was assigned to determine the change occur in housing unit "before" and "after" receiving BRDB micro-credit as follows:

Change in weight of housing unit	Score
No change (0)	0
Low change (1-2)	1
Medium change (3)	2
High change (4)	3

Change in drinking water source and toilet condition

It refers to the condition of drinking water source and toilet condition of the respondents both "before" and "after" receiving BRDB micro-credit. There were four types of facilities found in the study area e.g. open drinking water source and open latrine; tubewell water and open latrine; tubewell water and katcha latrine; tubewell water and sanitary latrine. For determining the type of facilities each respondent was asked to indicate the nature of facilities before receiving micro-credit. Tick mark was given against his response against those four responses. The change in drinking water source and toilet condition was measured on the basis of drinking water source and toilet condition score of the respondents between "before" and "after" receiving BRDB micro-credit. Weights were assigned as follows:

Types of drinking water source and toilet condition	Weight
Open drinking water source and open latrine	0
Tubewell water and open latrine	1
Tubewell water and katcha latrine	2
Tubewell water and sanitary latrine	3

Scores was assigned to determine the changes occur in drinking water source and toilet condition "before" and "after" receiving BRDB micro-credit as follows:

Change in weight of drinking water source and toilet condition	Score
No change (0)	0
Low change (1)	1
Medium change (2)	2
High change (3)	3

Change in family asset

It refers to the condition of family asset of the respondents household both "before" and "after" receiving BRDB micro-credit. In this study 18 items were included to determine the asset possession of the respondents' household. Each respondent was asked to indicate his possession against 18 items.

Sl. No.	Items of asset	Unit price	No. of unit	Total price
1	Chair	800		
2	Chowki	1000		
3	Bench	500		
4	Wooden almirah	3000		
5	Khat	3000		
6	Show case	2500		
7	Sewing machine	5000		
8	Watch	200		
9	Radio	500		
10	Two-in-one	1500		
11	Television	10000		
12	Fan	1500		
13	Bi-cycle	2500		
14	Rickshaw	8000		
15	Poultry bird	150		
16	Goat	2000		
17	Pig	3000		
18	Cow	5000		
	Grand total			

The total family asset was measured by multiply the no. of unit with the price of value of each item. Then all the prices of all items were added and change in family asset was measured between "before" and "after' involvement with BRDB. The change was categorized as follows:

Change in family asset	Score assigned
No change (0)	0
Low change (1-15 thousand Tk.)	1
Medium change (above 15-30 thousand Tk.)	2
High change (above 30 thousand Tk.)	3

Final Measurement of Impact of BRDB Micro-credit:

Finally impact of BRDB micro-credit towards uplifting social status of the beneficiaries was measured by the addition of scores of all the selected five dimensions. Thus this score could range from 0 to 15, while 0 indicating no impact and 15 indicating highest impact towards uplifting social status of the beneficiaries.

3.6 Data Processing and Analysis

All the collected data were checked and cross checked before transplanting to the master table sheets. The data were coded, complied, tabulated and analyzed to accomplish the specific objectives of the study. Qualitative data were converted into quantitative form by means of suitable scoring technique whenever applicable.

Impact of micro-credit was examined by making "before" and "after" comparison. Data were presented mostly in the tabular form, because it is simple in calculation, widely used and easy to understand. Various statistical measures like number & percentage distribution, range, mean and standard deviation were calculated in describing the selected profiles of the beneficiaries and the impact of micro-credit. Rank order was used to compare the problem faced by the beneficiaries in receiving and utilizing micro-credit.

To find out the relationships between the selected profiles of the beneficiaries and the impact of micro-credit towards uplifting of their social status, Pearson's product moment correlation co-efficient was used. Five percent level of probability was used as the basis for rejection of any null hypothesis.

CHAPTER IV
RESULTS AND DISCUSSION

The findings have been presented in this chapter in four sections. In the first section, ten selected profiles of the BRDB beneficiaries have been discussed. In the second section, impact of BRDB micro-credit towards uplifting social status of the beneficiaries has been discussed. The third section has dealt with the relationships between the respondents' selected profiles and impact of micro-credit towards uplifting their social status. Finally, the fourth section contained the problems faced by the beneficiaries in receiving and utilizing BRDB micro-credit.

4.1 Selected Profiles of the BRDB Beneficiaries

This section describes the findings of the ten selected profiles of the BRDB beneficiaries in ten subsections. A brief summary of the profile like measuring unit, categories and distribution, mean, standard deviations have been presented as follows:

4.1.1 Age

According to national policy, the borrowers having an age of minimum 18 years are eligible for BRDB's membership. However, the age of the respondents ranged from 19 to 60 years with an average of 36.69 and a standard deviation of 9.81. On the basis of their age, the beneficiaries were classified into three categories as shown in Table 4.1.1.

Table 4.1.1 Distribution of the respondents according to their age

Sl. No.	Categories	Number	Percentage	Mean	Standard deviation
1.	Young (up to 30 years)	30	30		
2.	Middle (31-50)	62	62	36.69	9.81
3.	Old (above 50)	8	8		
	Total	100	100		

Most (92%) of the respondents were young to middle aged (Table 4.1.1). These young and middle-aged respondents have potential and energy to uplift their living standards by utilizing credit borrowed from BRDB as beneficiary. If they are trained, motivated and guided properly they would be able to fight against the poverty.

4.1.2 Education

The level of education of the respondent ranged from 0 to 14. The average being 3.14 and standard deviation was 3.12. Based on their education scores, the respondents were classified into four categories as shown in Table 4.1.2.

Table 4.1.2 Distribution of the respondents according to their education

Sl. No.	Categories	Number	Percentage	Mean	Standard deviation
1.	Illiterate (0)	40	40		
2.	Primary education(1 to 5)	45	45		
3.	Secondary education (6-10)	12	12	3.14	3.12
4.	Above secondary education (above 10)	3	3		
	Total	100	100		

From the data presented in Table 4.1.2 it can be generalized that most (85%) of the respondents were illiterate or had primary level of education. Such type of educational status might have made them landless, homeless and poor.

4.1.3 Family size

The family size of the respondents ranged from 2 to 12 with an average of 6.09 and standard deviation 1.76. On the basis of their family size, the respondents were classified into three categories as shown in Table 4.1.3.

Table 4.1.3 Distribution of the respondents according to their family size

Sl. No.	Categories	Number	Percentage	Mean	Standard deviation
1.	Small (up to 4)	18	18		
2.	Medium (5-7)	63	63	6.09	1.76
3.	Large (above 7)	19	19		
	Total	100	100		

Data presented in Table 4.1.3 revealed that most (81 percent) of the respondents had small to medium size family. It is a sign of awareness of the respondents regarding family planning and birth control family. This success was achieved by the contribution of the Department of Health and Family planning, BRDB as well as of working NGOs in the study area.

4.1.4 Farm size

Farm size of the respondents ranged from 0.081 to 5.668 hectare and the average being 1.113 and standard deviation of 0.991. Depending on the farm size the respondents were classified into four categories as appeared in Table 4.1.4.

Table 4.1.4 Distribution of the respondents according to their farm size

Sl. No.	Categories	Number	Percentage	Mean	Standard deviation
1.	Marginal (Up to 0.2 ha.)	10	10		
2.	Small (>0.2 to 1ha.)	50	50		
3.	Medium (>1 to 2 ha.)	34	34	1.113	0.991
4.	Large (above 2 ha.)	6	6		
	Total	100	100		

Data presented in Table 4.1.4 showed that most (94 percent) of the respondents had fallen marginal to medium categories. It showed that the respondents might face resource constraints in managing their farms. It shows that the study group was highly heterogeneous in terms of farm size. The credit programme of BRDB is only for the poor people not rich people, so majority of the respondents were marginal to medium farm category. Large farm categories people were engaged with the BRDB micro-credit for large and long time loan. Similar findings had found by Islam (2001).

4.1.5 Organizational participation with BRDB

Organizational participation scores of the respondents ranged from 1 to 38 with an average of 10.03 and standard deviation of 8.24. On the basis of these scores the respondents were classified into three categories as shown in Table 4.1.5.

Table 4.1.5 Distribution of the respondents according to their organizational participation

Sl. No.	Categories	Number	Percentage	Mean	Standard deviation
1.	Low (1 to 5)	34	34		
2.	Medium (6-14)	46	46	10.03	8.24
3.	High (above 14)	20	20		
	Total	100	100		

Data presented in Table 4.1.5 show that 46 percent of the respondents had medium participation compared to 34 percent had low and 20 percent had high participation. Islam (2001) in a study found more or less similar findings.

4.1.6 Yearly savings

Yearly savings scores of the respondents ranged from 0.50 to 25.0. An average of yearly saving score of the respondents was 5.70 and standard deviation of 5.28. According to the yearly saving scores, the respondents were classified into three categories as shown in Table 4.1.6.

Table 4.1.6 Distribution of the respondents according to their yearly savings

Sl. No.	Categories	Number	Percentage	Mean	Standard deviation
1.	Small (up to 5)	64	64		
2.	Medium (6-10)	21	21	5.70	5.28
3.	Large (above 10)	15	15		
	Total	100	100		

Data presented in the Table 4.1.6 revealed that most (64 percent) of the respondents have small to medium savings while only a few respondents (15 percent) had large savings. The average savings of the respondents were 5.70. Murshed (1997) found that 75.67 percent families do not have any savings. So it is found that savings tendency is increasing among the BRDB beneficiaries of the study area. This is a positive expedition towards development. Islam (2001) stated that 47.61 percent of the respondents had no savings, 18.09 percent had small savings, 20 percent medium savings and also 14.28 percent large savings in AGP.

4.1.7 Credit received

Credit received scores of the respondents ranged from 4 to 40. An average credit receiving score of the respondents was 11.22 and standard deviation of 5.35. On the basis of the credit received scores, the respondents were classified into three categories as shown in Table 4.1.7.

Table 4.1.7 Distribution of the respondents according to their credit received

Sl. No.	Categories	Number	Percentage	Mean	Standard deviation
1.	Small credit recipient (up to 7)	25	25		
2.	Medium credit recipient (8-14)	49	49	11.22	5.35
3.	Large credit recipient (above 14)	26	26		
	Total	100	100		

Data presented in the Table 4.1.7 indicated that about half (49%) of the respondents were medium credit recipient while 25 percent were small and 26 percent were large credit recipient. It was found that about half of the (46 percent) respondents had medium organizational participation (Table 4.1.5), hence about half of the respondents (49 percent) had medium recipient of credit. It also found that most of the respondents used credit in their self-employment purpose. They also demanded for more credit. Sarker (2002) stated that 56.2 percent of the respondents were small credit recipient, 38.1 percent medium credit recipient and 5.7 percent large credit recipient in Integrated Aqua Culture Development Project, RDRS, and Chowdhury (1995) found that 79.82 percent were small amount recipient, 15.60 percent medium amount recipient and 4.58 percent big amount recipient of Grameen Bank beneficiaries.

4.1.8 Credit utilization

Credit utilization scores of the respondents ranged from 0 to 4. An average credit utilization score of the respondents was 2.90 and standard deviation of 1.14. On the basis of the credit utilization scores, the respondents were classified into four categories as shown in Table 4.1.8.

Table 4.1.8 Distribution of the respondents according to their credit utilization scores

Sl. No.	Categories	Number	Percentage	Mean	Standard deviation
1.	No utilization (0)	3	3		
2.	Low utilization (1)	2	2	2.90	1.14
3.	Medium utilization (2)	46	46		
4.	High utilization (above 2)	49	49		
	Total	100	100		

Almost half of the respondents (49%) had high credit utilization compared to 46% of them had medium utilization. Data also showed that only 2% and 3% of the respondents had low and no utilization of credit respectively at all in the assigned purposes.

4.1.9 Credit recovery procedure

Credit recovery scores of the respondents ranged from 0 to 400 with an average of 252.05 and standard deviation was 120.74. On the basis of the credit recovery procedure the respondents were classified into three categories as shown in Table 4.1.10.

Table 4.1.9 Distribution of the respondents according to their credit recovery procedure

Sl. No.	Categories	Number	Percentage	Mean	Standard deviation
1.	Small recovery (up to 180)	21	21		
2.	Medium recovery (181-300)	55	55	252.05	120.74
3.	High recovery (above 300)	24	24		
	Total	100	100		

Data presented in Table 4.1.9 revealed that more than half of the respondents (55%) had medium recovery compared to almost 24% of the respondents had high recovery while 21% of them had small recovery. Data also indicated that most of the respondents had medium to high credit recovery which revealed that the borrowers were largely motivated to repay their credits due to their desire for new credits as well as their self motivation. Besides the credit utilization also influenced their repayment behaviour. This is a very good indication for development. Hence, the organizations dealing with rural credit may follow the more or less similar procedures of the BRDB for effective credit disbursement and utilization.

4.1.10 Attitude towards BRDB micro-credit

Attitude of the respondents towards BRDB micro-credit was found to range from 21 to 37 against the possible range of 0 to 40. The mean attitude score was 29.22 and the standard deviation was 3.36. Based on the observed attitude towards BRDB micro-credit score, the respondents were classified into three categories as shown in Table 4.1.10.

Table 4.1.10 Distribution of the respondents according to their attitude towards BRDB micro-credit

Sl. No.	Categories	Number	Percentage	Mean	Standard deviation
1.	Less favourable attitude (21-27)	29	29		
2.	Modarately favourable attitude (28-34)	66	66	29.22	3.36
3.	Highly favourable attitude (above 34)	5	5		
	Total	100	100		

Data presented in Table 4.1.10 revealed that most of the respondents (71%) had modarate to highly favourable attitude compared to 29% of the respondents had less favourable attitude towards BRDB micro-credit. Most of the respondents were satisfy in different activities of BRDB. So, they were showed favourable attitude towards BRDB. Existence of favourable attitude among larger proportion of the BRDB beneficiaries indicated a positive impact of the clients' participation in BRDB activities.

4.2 Impact of BRDB Micro-credit Towards Uplifting Social Status of the Beneficiaries

Participation in micro-credit programme of BRDB by the beneficiaries has played important role towards uplifting social status of the beneficiaries in general and poverty alleviation in particular. For measuring the impact of micro-credit, the social status of the beneficiaries before receiving micro-credit was compared with there present condition. After receiving BRDB micro-credit, the social status of the beneficiaries has changed. This chapter attempts to discuss some of those changes that took place particularly through micro-credit programme of the BRDB.

4.2.1 Salient features on five selected aspects of impact of BRDB micro-credit

The impact of BRDB micro-credit towards uplifting social status of beneficiaries was measured by the change of selected five aspects as change in income, food consumption, housing unit, drinking water source & toilet condition and family asset. Salient features of this five selected aspects of impact of BRDB micro-credit are presented in Table 4.2.1.

Table 4.2.1 Salient features on five selected aspects of impact of BRDB micro-credit

Dimension of impact of micro-credit	Categories	Respondents		Mean	Standard deviation
		Number	Percentage		
Change in income	No change (0)	0	0	1.78	0.612
	Low (1)	32	32		
	Medium (2)	58	58		
	High (3)	10	10		
Change in food consumption	No change (0)	0	0	1.39	0.617
	Low (1)	68	68		
	Medium (2)	25	25		
	High (3)	7	7		
Change in housing unit	No change (0)	54	54	0.49	0.559
	Low (1)	43	43		
	Medium (2)	3	3		
	High (3)	0	0		
Change in drinking water source and toilet condition	No change (0)	42	42	0.71	0.756
	Low (1)	50	50		
	Medium (2)	3	3		
	High (3)	5	5		
Change in family asset	No change (0)	0	0	1.86	0.682
	Low (1)	31	31		
	Medium (2)	52	52		
	High (3)	17	17		

a) Change in income:

The Table 4.2.1 revealed that the majority (58%) of the respondents had medium change in income compared to 32% had low income change. Only 10% of the respondents changed their income ate higher level. This indicates that the study group was heterogeneous in terms of change in income.

b) Change in food Consumption:

It is revealed from the Table 4.2.1 that the majority (68%) of the respondents had low calorie intake change compared to one fourth (25%) had medium and only 7 percent had high change in calorie intake. This indicates that the study group was heterogeneous in terms of change in calorie intake. But it was observed that all the respondents could be able to increase their calorie intake condition after involvement the micro-credit programme of BRDB.

C) Change in housing unit:

It was found from this study that majority (54%) of the respondents could not able to improve their housing condition but above two-fifth (43%) of the respondents could changed their housing condition in low scale and 3 percent of them could changed their housing condition in medium scale. The study area was a hilly area and people of this area were not too much interested to use money in built their house pacca rather they were interested to use the credit in other sector. This might be a cause for low improvement in housing condition.

d) Change in drinking water source and toilet condition:

It was revealed that above two-fifth (42%) of the respondents could not able to change their drinking water source and toilet condition but half of the respondents (50%) could able to change their condition in low scale and 5 percent of them changed their previous condition in high scale.

e) Change in family asset:

The findings of family asset score of the respondents before and after enrolled as the member of BRDB under micro-credit programme has been shown in Table 4.2.1. More than half of the respondents (52%) could improved their family asset possession in medium scale compared to about one-third (31%) of them could improved in low scale. On the other hand, 17 percent of the respondents improved their family asset possession in high scale after their involvement in BRDB micro-credit programme. Islam (2002) stated that non-household asset possession had increased due to contribution of Adarsha Gram project towards the path of poverty alleviation efforts.

4.2.2 Impact of BRDB micro-credit

Impact of BRDB micro-credit score was found to range 3 to 12 against the possible range of 0-15. The mean impact score was 6.23 and the standard deviation was 1.88. Based on the observed scores the respondents were classified into three categories as shown in Table 4.2.2.

Table 4.2.2 Distribution of the respondents according to impact of BRDB micro-credit as perceived by the beneficiaries

Sl. No.	Categories	Number	Percentage	Mean	Standard deviation
1.	Low impact (up to 5)	38	38		
2.	Medium impact (6-10)	60	60	6.23	1.88
3.	High impact (above 10)	2	2		
	Total	100	100		

Data presented in Table 4.2.2 revealed that most of the respondents (60%) had perceived medium impact compared to about two-fifth (38%) of the respondents had perceived low impact after involvement with BRDB. Though only 2percent of the respondents had perceived high impact, all the respondents had perceived more or less improvement through micro-credit programme. On the other hand, most of the respondents were satisfy in different activities of BRDB. So, it was expected that respondents would get further improvement by the BRDB micro-credit programme.

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4.2 Relationship between the Respondents' Selected Profile and the Impact of BRDB Micro-credit Towards Upliftment of their Social Status

The purpose of this section is to examine the relationship of ten selected profile of the beneficiaries of BRDB with the impact of micro-credit programme. The selected characteristics of the respondents includes age, education, family size, farm size, organizational participation with BRDB, yearly savings, credit received, credit utilization, credit recovery procedure and attitude towards BRDB micro-credit programme.

Each of the selected profile of the beneficiaries constituted an independent variable while impact of micro-credit towards upliftment of their social status was the only dependent variable in this study. Significant relationship as determined by co-efficient of correlation test 'r' have been examined. The null hypothesis formulated for this study has been described in Chapter 1. A null hypothesis was rejected for this study when the observed 'r' value was equal or greater than the tabulated value of 'r' at 0.05 levels of probability. The relationship between the selected profiles of the respondents' and impact of micro-credit has been presented in Table 4.3.

Table 4.3 Co-efficient of correlation between selected characteristics and impact of micro-credit

Dependent variable	Independent variables	Value of 'r'	Tabulated value of 'r' with 98 df at	
			0.05 level	0.01 level
Impact of BRDB micro-credit towards upliftment of the social status of the beneficiaries	Age	0.055^{NS}	0.196	0.256
	Education	0.257**		
	Family size	-0.021^{NS}		
	Farm size	0.345**		
	Organizational participation with BRDB	0.204*		
	Yearly savings	0.246*		
	Credit received	0.203*		
	Credit utilization	0.011^{NS}		
	Credit recovery procedure	0.079^{NS}		
	Attitude towards BRDB micro-credit	0.239*		

NS = Not significant

* = Correlation is significant at the 0.05 level

** = Correlation is significant at the 0.01 level

4.2.1 Relationship between age of the respondents and the impact of micro-credit

The relationship between age of the respondents and the impact of micro-credit was examined by testing the following null hypothesis: "There is no relationship between age of the respondents and the impact of BRDB micro-credit towards upliftment of their social status."

The co-efficient of correlation between age of the respondents and the impact of micro-credit was found to be 0.055. The following observations were recorded regarding the relationship between the concerned variables on the basis of the co-efficient of correlation.

The relationship showed a positive trend as the computed value of 'r' (0.055) was smaller than the tabulated value (r = 0.196) with 98 degree of freedom at 0.05 level of probability.

Based on the above findings, the null hypothesis could not be rejected and hence, the researcher concluded that age of the respondents had no significant relationship with the impact of micro-credit towards upliftment of their social status. This indicated that respondents' age did not influence significantly the impact of micro-credit. Though Islam (2001) found positive significant relationship between age and impact of micro-credit in his study, but Rashid (2001) reported that age of the respondents had no relationship with the impact of micro-credit programme.

4.2.2 Relationship between education of the respondents and the impact of micro-credit

The relationship between education of the respondents and the impact of micro-credit was examined by testing the following null hypothesis: "There is no relationship between education of the respondents and the impact of BRDB micro-credit towards upliftment of their social status."

The co-efficient of correlation between education of the respondents and the impact of micro-credit was found to be 0.257. The following observations were recorded regarding the relationship between the concerned variables on the basis of the co-efficient of correlation.

The relationship showed a positive trend as the computed value of 'r' (0.257) was greater than the tabular value (r = 0.256) with 98 degree of freedom at 0.01 level of probability.

Based on the above findings, the null hypothesis was rejected and hence, the researcher concluded that education of the respondents had positive and significant relationship with the impact of BRDB micro-credit. This means that education was related in changing the condition of the respondents. Similar relationship between education of the respondents and impact of micro-credit was found by Rashid (2001).

The findings indicated that a person having more education was found to have more participation in income generating activities because the educated members have more access to the print media and can obtain information as and when necessary. They are likely to come in contact with different print media as are distributed by BRDB and from other sources regarding the effective utilization of their loan. These remove possible obstacles for greater participation in income generating activities.

4.2.3 Relationship between family size of the respondents and the impact of micro-credit

The relationship between family size of the respondents and the impact of micro-credit was examined by testing the following null hypothesis: "There is no relationship between family size of the respondents and the impact of BRDB micro-credit towards upliftment of their social status."

The co-efficient of correlation between family size of the respondents and the impact of micro-credit was found to be -0.021. The following observations were recorded regarding the relationship between the concerned variables on the basis of the co-efficient of correlation.

The relationship showed a negative trend as the computed value of 'r' (-0.021) was smaller than the tabulated value (r = 0.196) with 98 degree of freedom at 0.05 level of probability.

Based on the above findings, the null hypothesis could not be rejected and hence, the researcher concluded that family size of the respondents had negative and non- significant relationship with the impact of micro-credit. This indicated that impact of micro-credit negatively influenced by the respondents' family size. But Islam (2001) and Rashid (2001) had found positive non-significant relationship between family size and impact of micro-credit in their studies. This means that big family size creates obstacles for the betterment of the respondents' living standard.

4.2.4 Relationship between farm size of the respondents and the impact of micro-credit

The relationship between farm size of the respondents and the impact of micro-credit was examined by testing the following null hypothesis: "There is no relationship between farm size of the respondents and the impact of BRDB micro-credit towards upliftment of their social status."

The co-efficient of correlation between farm size of the respondents and the impact of micro-credit was found to be 0.345. The following observations were recorded regarding the relationship between the concern variables on the basis of the co-efficient of correlation.

The relationship showed a positive trend as the computed value of 'r' (0.345) was greater than the tabulated value (r = 0.256) with 98 degree of freedom at 0.01 level of probability.

Based on the above findings, the null hypothesis was rejected and hence, the researcher concluded that farm size of the respondents had positive and highly significant relationship with the impact of micro-credit. This means that farm size was related in changing the condition of the respondents. Similar relationship between farm size of the respondents and impact of micro-credit was found by Sarker (2002).

The above findings indicated that farm size is one of the vital factors for higher annual income of the respondents. A respondent having large farm size can take various income generating activities for increasing their income. If the income is increased then they may interested to increase their living standard and also influence to take more quality food. In this connection the relationships between farm size of the respondents and the impact of micro-credit are significant.

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4.3.5 Relationship between organizational participation of the respondents and the impact of micro-credit

The relationship between organizational participation of the respondents and the impact of micro-credit was examined by testing the following null hypothesis: "There is no relationship between organizational participation of the respondents and the impact of BRDB micro-credit towards upliftment of their social status."

The co-efficient of correlation between organizational participation of the respondents and the impact of micro-credit was found to be 0.204. The following observations were recorded regarding the relationship between the concerned variables on the basis of the co-efficient of correlation.

The relationship showed a positive trend as the computed value of 'r' (0.204) was greater than the tabulated value ($r = 0.196$) with 98 degree of freedom at 0.05 level of probability.

Based on the above findings, the null hypothesis was rejected and hence, the researcher concluded that organizational participation of the respondents had positive and significant relationship with the impact of micro-credit. This means that organizational participation was related in changing the condition of the respondents.

The above findings indicated that the respondents having more involvement may earn more income than less involved respondents. The early involved respondents were more experienced with the income sources than the late involved respondents. They get much time, enthusiasm and scope to make their living standard well. If a member involve for long time with BRDB, he/she gets more loan, group members try to increase their income earning activities such as land leasing, small business, cattle rearing etc. As a result, their income increased significantly.

4.3.6 Relationship between yearly savings of the respondents and the impact of micro-credit

The relationship between yearly savings of the respondents and the impact of micro-credit was examined by testing the following null hypothesis: "There is no relationship between yearly savings of the respondents and the impact of BRDB micro-credit towards upliftment of their social status."

The co-efficient of correlation between yearly savings of the respondents and the impact of micro-credit was found to be 0.246. The following observations were recorded regarding the relationship between the concerned variables on the basis of the co-efficient of correlation.

The relationship showed a positive trend as the computed value of 'r' (0.246) was greater than the tabulated value (r = 0.196) with 98 degree of freedom at 0.05 level of probability.

Based on the above findings, the null hypothesis was rejected and hence, the researcher concluded the yearly savings of the respondents had positive and significant relationship with the impact of micro-credit. This means that yearly savings was related in changing the condition of the respondents.

The above findings indicated that the respondents having more yearly savings make capable of being more confident. More confidence makes more working spirit among people and thus they earn more. Saving makes a man owner or proprietor of some cash or asset. The man, who has some cash or asset, wants to have more. It is a natural desire of human being. The people, whose savings is higher earn more and have more change in income. The families who possessed more savings had better housing environment, with the money from savings those families can purchase more food and housing asset or items. In this connection the relationships between the yearly savings of the respondents and the impact of micro-credit were significant.

4.3.7 Relationship between credit received of the respondents and the impact of micro-credit

The relationship between credit received of the respondents and the impact of micro-credit was examined by testing the following null hypothesis: "There is no relationship between credit received of the respondents and the impact of BRDB micro-credit towards upliftment of their social status."

The co-efficient of correlation between credit received of the respondents and the impact of micro-credit was found to be 0.203. The following observations were recorded regarding the relationship between the concerned variables on the basis of the co-efficient of correlation.

The relationship showed a positive trend as the computed value of 'r' (0.203) was greater than the tabulated value (r = 0.196) with 98 degree of freedom at 0.05 level of probability.

Based on the above findings, the null hypothesis was rejected and hence, the researcher concluded the credit received of the respondents had positive and significant relationship with the impact of micro-credit. This means that credit received was related in changing the condition of the respondents. Similar finding was also found by Sarker (2002) in a study.

The above findings indicated that the respondents having more credit had more income than those with less credit. Credit received by some of the members was high because two or more persons joined the group from the same family in order to receive more credit. They invested more credit in their self employment opportunities and got more return from those. So, their income has changed significantly.

4.3.8 Relationship between credit utilization of the respondents and the impact of micro-credit

The relationship between credit utilization of the respondents and the impact of micro-credit was examined by testing the following null hypothesis: "There is no relationship between credit utilization of the respondents and the BRDB impact of micro-credit towards upliftment of their social status."

The co-efficient of correlation between credit utilization of the respondents and the impact of micro-credit was found to be 0.011. The following observations were recorded regarding the relationship between the concerned variables on the basis of the co-efficient of correlation.

The relationship showed a positive trend as the computed value of 'r' (0.011) was smaller than the tabulated value (r = 0.196) with 98 degree of freedom at 0.05 level of probability.

Based on the above findings, the null hypothesis could not be rejected and hence, the researcher concluded that credit utilization of the respondents had no significant relationship with the impact of micro-credit. This indicated that impact of micro-credit was not influence significantly by the respondents' credit utilization.

4.3.9 Relationship between credit recovery procedure of the respondents and the impact of micro-credit

The relationship between credit recovery procedure of the respondents and the impact of micro-credit was examined by testing the following null hypothesis: "There is no relationship between credit recovery procedure of the respondents and the impact of BRDB micro-credit towards upliftment of their social status."

The co-efficient of correlation between credit recovery procedure of the respondents and the impact of micro-credit was found to be 0.079. The following observations were recorded regarding the relationship between the concerned variables on the basis of the co-efficient of correlation.

The relationship showed a positive trend as the computed value of 'r' (0.079) was smaller than the tabulated value (r = 0.196) with 98 degree of freedom at 0.05 level of probability.

Based on the above findings, the null hypothesis could not be rejected and hence, the researcher concluded that credit recovery procedure of the respondents had no significant relationship with the impact of micro-credit. This indicated that impact of micro-credit was not influence significantly by the respondents' credit recovery procedure.

4.3.10 Relationship between attitude towards BRDB micro-credit of the respondents and the impact of micro-credit

The relationship between attitude towards BRDB micro-credit of the respondents and the impact of micro-credit was examined by testing the following null hypothesis: "There is no relationship between attitude towards BRDB micro-credit of the respondents and the impact of BRDB micro-credit towards upliftment of their social status."

The co-efficient of correlation between attitude towards BRDB micro-credit of the respondents and the impact of micro-credit was found to be 0.239. The following observations were recorded regarding the relationship between the concerned variables on the basis of the co-efficient of correlation.

The relationship showed a positive trend as the computed value of 'r' (0.239) was greater than the tabulated value ($r = 0.196$) with 98 degree of freedom at 0.05 level of probability.

Based on the above findings, the null hypothesis was rejected and hence, the researcher concluded that attitude towards BRDB micro-credit of the respondents had positive and significant relationship with the impact of micro-credit. This means that attitude towards BRDB micro-credit was related in changing the condition of the respondents. Rashid (2001) found in his study that attitude towards BRAC had positive significant relationship with income of the household in BRAC activities, and also Rahman (1996) found in his study a significant positive association between attitude of the respondents towards Proshika and their change in income.

The above findings indicated that the respondents' favourable attitude towards BRDB has a tendency towards more impact of involvement in micro-credit programme. This could possibly be due to the fact that several factors like regular personal contact, group meetings on specific issues etc. Other activities of BRDB played a vital role to create favourable attitude of the respondents towards BRDB. In this connection the relationship between the attitude towards BRDB micro-credit of the respondents and the impact of micro-credit are positively significant.

4.4 Problem faced by the beneficiaries in receiving and utilizing BRDB micro-credit

Twelve problems were selected for the study faced after through consulting with the relevant experts which might be faced by the beneficiaries in receiving and utilizing their loan. The respondents were asked to indicate the extent of problem against any one of the four alternative responses for each problems viz. high problem, moderate problem, little problem and no problem. These were quantified by the scores 3, 2, 1 and 0 respectively. Then a Problem Faced Index (PFI) was computed for each problem by summing up the scores of all the respondents against the problem. Problem Faced Index (PFI) of a problem indicates the extent of seriousness of problem faced by the beneficiaries. The higher value of PFI of a problem, the greater magnitude of the problem. Thus, PFI scores could range from 0-300, where 0 indicating very low problem and 300 indicating to very high problem.

In order to understand the comparative importance of different problems and to identify the severity, the 12 problems were arranged in rank order and presented in Table 4.4.

Table 4.4 Rank order of the problems faced by the beneficiaries of in receiving and utilizing the BRDB micro-credit

Sl. No.	Problems	Problem Faced Index (PFI)	Rank order
1.	Clients do not get credit without samittee or groups	130	8
2.	New loan is not issued until final repayment of previous loan	114	9
3.	Do not get current credit when any one of them did not repay previous loan	192	1
4.	Do not get current credit when they did not able to repay due to crop failure	162	5
5.	Insufficient amount of credit	191	2
6.	Do not get credit in timely	166	4
7.	The total amount of credit could not proper use due to shortage of grace period	144	7
8.	Misuse of credit for social activities or buying foods	190	3
9.	Getting of credit is complex and time consuming	158	6
10.	Credit can be obtained through maintaining contact with the influential persons	72	11
11.	Interfere of local leaders	94	10
12.	Decisions taken based on nepotism	64	12

Table 4.4 showed that on the basis of Problem Faced Index (PFI) the 'do not get current credit when any one of them did not repay previous loan' ranked first followed by 'insufficient amount of credit'. 'Misuse of credit for social activities or buying foods' was ranked third and 'decisions taken based on nepotism' was ranked last.

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

5.1.1 Introduction

Bangladesh Rural Development Board (BRDB) is the premier rural development organization of the country. The board which is a semi government organization is currently implementing thirteen rural development projects in different regions of the country. It has been trying to improve the well-being of the rural people through institution buildings, human resources development, transfer of technologies and capital formation etc. The board has made substantial contribution to an increase in agricultural production, poverty alleviation through productive employment and income generation and social service improvement.

In the economic literature credit has been assigned a docile, passive role of being the lubricant or facilitator of trade, commerce and industry. But credit, in reality plays a more powerful economic, social and political role than the economists have admitted. Credit is a powerful weapon. Any body possessing this weapon is certainly better equipped to man oeuvre the process around him to his best advantage.

Commercial banks fail to minimize the credit needs of the poor for three main reasons. First, these banks require collateral, which the poor find difficult to provide. Second, their procedures for filling in application forms and completing other formalities for obtaining loans are too cumbersome for the illiterate poor; and third, they prefer handling large loans rather than the petty loans that the poor need. But BRDB provides loan to these poor without any collateral. Therefore, a study entitled "Impact of BRDB Micro-credit Programme as Perceived by the Beneficiaries."

5.1.2 Objectives of the Study

The following specific objectives were formulated to give the study a proper direction:

1. To determine and describe the socio-economic profiles of the BRDB micro-credit beneficiaries;

2. To ascertain the impact of BRDB micro-credit in uplifting social status of the beneficiaries;

3. To explore the relationship between socio-economic profiles of the BRDB beneficiaries and the impact of BRDB micro-credit as perceived by them.

4. To identify the problem faced by the BRDB micro-credit beneficiaries in getting and repayment of micro-credit.

5.1.3 Methodology

This study was conducted at the area of BRDB, Naikhongchhari upazila under Bandarban district. All the unions of this upazila were selected as the locale of the study. Data for this study were collected from a sample rather than the whole population. In this connection, random sampling method was followed in order to select the respondents. An updated list of all the BRDB beneficiaries of the selected upazila following the criteria was prepared with help of the local BRDB officials.

After completing the list, it was found that the total number of groups of the BRDB borrowers were 140. All the members of the groups were constituted the population for the study. Out of the 140 groups, 20 groups were randomly selected and then 5 members were randomly selected from each of the 20 groups i.e. 100 borrowers were selected as the sample of the study.

Data were collected by the researcher himself. Impact of micro-credit was the dependent variable. The selected socio-economic profiles of the respondents were the independent variables. The collected data were coded, complied, tabulated and analyzed in accordance with the objectives of the study. Various statistical measures were used in describing the variables. To find out the relationships between the selected characteristics of the respondents and the impact of micro-credit, correlation co-efficient was used. Five percent level of probability was used as the basis for rejection of any null hypothesis.

5.1.4.1 Selected profiles of the beneficiaries

Age

The majority portions (92%) of the respondents were young to middle aged. Only 8 percent of the respondents belonged to the old categories of above 50 years old.

Education

Over majority (85%) of the respondents were illiterate or had primary level of education. Such type of educational state might have made them landless, homeless and poor.

Family size

Majority (81 percent) of the respondents had small to medium size family.

Farm size

Ninety four percent respondents fall into marginal to medium categories. It showed that the respondents might face resource constraints in managing their farms.

Organizational participation with BRDB

Forty six percent of the respondents had medium participation compared to 34 percent had low and 20 percent had high participation.

Yearly savings

Sixty four percent of the respondents have small savings compared to 21 percent had medium and 15 percent had large saving. An average of yearly saving score of the respondents was 5.70.

Credit received

About half (49%) of the respondents were medium credit recipient while 25 percent were small and 26 percent were large credit recipient.

Credit utilization

Almost half of the respondents (49%) had high credit utilization compared to 46% of them had medium utilization.

Credit recovery procedure

More than half of the respondents (55%) had medium recovery compared to almost 24% of the respondents had high recovery while 21% of them had small recovery.

Attitude towards BRDB micro-credit

Majority of the respondents (71%) had medium to high favourable attitude compared to 29% of the respondents had low favourable attitude towards BRDB micro-credit.

5.1.4.2 Impact of BRDB Micro-credit Towards Uplifting Social Status of the Beneficiaries

a) Change in income:

The height proportion (58%) of the respondents had medium income difference compared to 32% had low income difference. Only 10% of the respondents had high income difference.

b) Change in food Consumption:

The highest proportion (68%) of the respondents had low calorie intake difference compared to 25% had medium and only 7% had high calorie intake difference. This indicates that the study group was heterogeneous in terms of calorie intake difference.

C) Change in housing unit:

It was found from this study that 54% of the respondents could not able to improve their housing condition but 43% of the respondents could changed their housing condition in low scale and 3% of them could changed their housing condition in high scale.

d) Change in drinking water source and toilet condition:

It was revealed that 42% of the respondents could not able to change their drinking water source and toilet condition but half of the respondents (50%) could able to change their condition in low scale and 5% of them changed their previous condition in high scale.

e) Change in family asset:

More than half of the respondents (52%) could improved their family asset possession in medium scale compared to 31% of them could improved in low scale. On the other hand, 17% of the respondents improved their family asset possession in high scale after their involvement in BRDB micro-credit programme.

Finally impact of BRDB micro-credit score was found to range 3 to 12. The mean impact score was 1.86 and the standard deviation was 0.68. Most of the respondents (60%) had perceived medium impact compared to 38% of the respondents had perceived low impact after involvement with BRDB. Though only 2% of the respondents had perceived high impact, all the respondents had perceived more or less improvement through micro-credit programme. On the other hand, most of the respondents were satisfy in different activities of BRDB. So, it was expected that respondents would get further improvement by the BRDB micro-credit programme

5.1.4.3 Relationship of the selected socio-economic profiles of the beneficiaries with the impact of micro-credit

Correlation analysis indicates that education, farm size, organizational participation with BRDB, yearly savings, credit received and attitude towards BRDB micro-credit of the respondents had positive significant relationship with the impact of micro-credit towards their social status. Age, family size, credit utilization, credit recovery procedures had no significance relationship with the impact of BRDB micro-credit.

5.1.4.4 Problems faced by the beneficiaries in receiving and utilizing the micro-credit

On the basis of Problem Faced Index (PFI) the 'do not get current credit when any one of them did not repay previous loan' ranked first followed by 'insufficient amount of credit'. 'Misuse of credit for social activities or buying foods' was ranked third and 'decisions taken based on nepotism' was ranked last.

5.2 Conclusions

On the basis of the findings of the study and the logical interpretation of their meaning in the light of other relevant facts enabled the researcher to draw the following conclusion:

1. Majority (60%) of the respondents could change their socio-economic status in medium scale compared to 38 percent of them could change in low scale and 2 percent of them could change in high scale after involvement with BRDB micro-credit programmes. Therefore it may be concluded that there is an opportunity to increase the social status of the beneficiaries by increasing more credit facilities for them.

2. Forty percent of the respondents were illiterate and can sign their name only. Education of the respondents showed a positive and significant relationship with the impact of micro-credit. Education makes a man more responsible and more accountable. Consequently the educated loaners become more cautious to utilize their loan properly. Hence, it may be concluded that a literacy programme would be very effective for the illiterate loaners.

3. Farm size of the respondents had significant relationship with impacts of micro-credit towards upliftment socio-economic status of the beneficiaries. It may be concluded that beneficiaries with large farm size could use more input to their farm with a help of micro-credit.

4. Organizational participation, credit received and yearly savings had positive significant relationship with the impact of micro-credit. Therefore, it may be concluded that these factors have a great influence for socio-economic development of the beneficiaries.

5. The respondents having favourable attitude towards BRDB were more likely to have higher impact of micro-credit. It may therefore be concluded that motivational work and various training programme may increase favourable attitude towards BRDB.

6. Twelve problems were identified which were faced by the beneficiaries of BRDB in receiving and utilizing their credit. On the basis of Problem Faced Index (PFI) the 'do not get current credit when any one of them did not repay previous loan' ranked first followed by 'insufficient amount of credit'. 'Misuse of credit for social activities or buying foods' was ranked third and 'decisions taken based on nepotism' was ranked last.

5.3.2 Recommendations for further research

1. Relationships of ten profiles of the beneficiaries with the impact of micro-credit were studied in this piece of research works. Further research should be undertaken with a view to exploring relationships of other socio-economic profiles of the beneficiaries with the impact of micro-credit.

2. This study was conducted on the population of the beneficiaries of Naikhongchhari upazila of Bandarban district. Findings of this study need to be verified by undertaking similar research in BRDB branches of other areas of the country. Similar study may be undertaken regarding change of status of the clients.

3. To assess the impact of micro-credit, in this study, five dimensions like change in income, change in food consumption, change in housing unit, change in drinking water source and toilet condition and change in family asset have been considered. Further study may be undertaken involving other dimensions like change in social status, change in purchasing power and change in confidence of the beneficiaries.

4. Similar study may be conducted by other leading organizations of the country in order to gain more meaning insights.

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APPENDIX-A

(English version of the Interview Schedule)

IMPACT OF BRDB MICRO-CREDIT TOWARDS UPLIFTING SOCIAL STATUS OF THE BENEFICIARIES

Sample No............

Name of the respondent.................................

Village...................

Union.....................

(Please answer the following questions)

1. **Age:** What is your present age? ....Years.

2. **Education:** Please mention your educational qualification

        a) Cannot read and write
        b) Can sign only
        c) Study up to class ....

3. **Family size:** Please mention your total number of family members.

    Total number of family members ....

4. **Farm size:** Please indicate the area of land in your possession.

Sl. No.	Type of land use	Land area	
		Local unit	Actual unit (ha.)
1.	Homestead area		
2.	Land under own cultivation		
3.	Land given to others on borga		
4.	Land taken from others on borga		
5.	Land taken from others on lease		

5. **Organizational participation with BRDB:** Please mention the following information.

Sl. No.	Nature of involvement	Duration (Years)
1.	As ordinary member	
2.	As executive committee member	
3.	As executive officer	

I

6. **Yearly savings:** Please, give the information relating to your annual family savings

Sl. No.	Type of savings	Amount of savings (Tk.)
1	Savings in group	
2	Savings in Bank	
3	Savings in own hand	
4	Other way	
	Total	

7. **Credit received:** Have you received any credit from any organization?   (Yes/No)

From which sources you received credit in last year? Please mention.

Sl. No.	Sources of credit received	Amount of credit received (Tk.)
1.	BRDB	
2.	Bank (Sonali, Krishi, Janata, etc.)	
3.	Rural private money lender	
4.	Friends and relatives	
5.	Neighboures	
6.	NGOs	
	Total	

8. **Credit utilization:** Please indicate the utilization of your last year's credit received from BRDB.

Purpose of credit	Utilization of credit			Effect of credit utilization		
	Fully in assigned purposes	Partially in assigned purposes	Fully in other than assigned purposes	Profit	Neither loss nor profit	Loss

9. **Credit recovery procedure:**
    a) Please mention your amount of credit repayment in last year.

Amount of credit received (Tk.)	Amount repaid (Tk.)	Outstanding credit (Tk.)

b) Repayment behavior : Please, mention the type of repayment of your credit

Type of repayment	
Regular	
Moderately regular	
Irregular	
Most irregular	
Never repayment	

10. Attitude towards BRDB Micro-credit:

Sl. No.	Subjects	Strongly agree	Agree	No comments	Disagree	Strongly disagree
1.	BRDB distributes credit among the members of village co-operative association in a discipline way.					
2.	Money received based on credit system is properly utilized by the members according to work plan					
3.	Credit distributing activitie insufficient as compared to need					
4.	Solvent beneficiaries get advantages for BRDB credit program while the poorer become deprived					
5.	It is better to receive credit from BRDB than from the village money –lenders					
6.	Credit system of BRDB is better than other organization					
7.	Field workers do not supervise regularly					
8.	Nepotism is found in BRDB credit.					
9.	BRDB credit does not play any role in increasing earning of the people.					
10.	Landless people are interested to get credit through BRDB co-operative association.					

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b) **Change in food consumption**: Please, mention the quantity of the following food items you used to uptake before involvement with BRDB and uptake at present.

Food items	Intake before receiving BRDB micro-credit (gm)	Intake after receiving BRDB micro-credit (gm)
Rice (daily)		
Bread (daily)		
Vegetables (daily)		
Pulse (weekly)		
Fish (monthly)		
Meat (monthly)		
Milk (monthly)		
Egg (monthly)		

c) **Change in housing unit**: Please, give information relating to type of your dwelling house before and after received credit.

Sl. No.	Type of housing unit	Unit of housing	
		Before receiving BRDB micro-credit	After receiving BRDB micro-credit
1.	No house at all		
2.	Katcha Ghar with straw roof		
3.	Katcha Ghar with tin roof		
4.	Pacca Ghar with tin roof		
5.	Pacca Ghar		

d) **Change in drinking water source and toilet condition:** Please, tell about source of drinking water and toilet condition of your family.

Sl. No.	Types of water source and toilet condition	Before receiving BRDB micro-credit	After receiving BRDB micro-credit
1.	Open water source and open latrine		
2.	Tubewell water and open latrine		
3.	Tubewell water and katcha latrine		
4.	Tubewell water and sanitary latrine		

e) **Change in family asset:** Please, give the information relating to following items, goods, furniture under your ownership

Sl. No.	Items of asset	Unit Price (Tk.)	Before receiving BRDB micro-credit		After receiving BRDB micro-credit	
			No. of item	Total price (Tk.)	No. of item	Total price (Tk)
1.	Chair	800				
2.	Chowki	1000				
3.	Bench	500				
4.	Wooden almirah	3000				
5.	Khat	3000				
6.	Show case	2500				
7.	Sewing machine	5000				
8.	Watch	200				
9.	Radio	500				
10.	Two-in-one	1500				
11.	Television	10000				
12.	Fan	1500				
13.	Bi-cycle	2500				
14.	Rickshaw	8000				
15.	Poultry bird	150				
16.	Goat	2000				
17.	Pig	3000				
18.	Cow	5000				
	Grand total					

Thank You

....
Signature of the interviewer

VI

APPENDIX-B
Correlation Matrix

	X_1	X_2	X_3	X_4	X_5	X_6	X_7	X_8	X_9	X_{10}	Y
X_1	100										
X_2	-.164	100									
X_3	.414**	-.061	100								
X_4	.014	.265**	.146	100							
X_5	.421**	.264*	.085	.145	100						
X_6	.016	.373**	.060	.267**	.225*	100					
X_7	.138	.179	-.143	.102	.389**	.407**	100				
X_8	.104	.211*	-.076	-.030	.049	.135	-.009	100			
X_9	-.158	.108	-.026	-.004	-.297**	.224*	-.066	-.013	100		
X_{10}	-.037	.258**	.048	.240*	.053	.070	-.051	.206*	.066	100	
Y	.055	.257**	-.021	.345**	.204	.246*	.203*	.011	.079	.239*	100

Tabulated value of 'r' at 0.01 = 0.256 and 0.05 = 0.196 with 98 df

* = Significant at 0.05 level

** = significant at 0.01 level

Where,

X_1	=	Age
X_2	=	Education
X_3	=	Family size
X_4	=	Farm size
X_5	=	Organizational participation with BRDB
X_6	=	Yearly savings
X_7	=	Credit received
X_8	=	Credit utilization
X_9	=	Credit recovery procedure
X_{10}	=	Attitude towards BRDB micro-credit
Y	=	Impact of micro-credit