# Poverty Reduction through Micro-credit: Transforming Micro Success into Macro Target Achievement of Poverty Reduction

*Sajjad Zohir*
*Director, Economic Research Group*
*sajjadzohir@gmail.com*

## Introduction

The NGOs and their micro credit activities in Bangladesh are quite well known across the globe. What began as experiments by NGOs in the late 1970's and found its manifestation in the Grameen model in 1981, has undergone several phases in terms of expansion, deepening and institutional dynamics. Some of these NGOs have their origins in post-Liberation years when relief and rehabilitation activities were of prime importance. During most of 1970's, they were providing services in such social sectors as, education, health & sanitation, family planning, etc. There were also some local movements, culminating into the formation of Swanirvar Bangladesh, which aimed at increasing crop production through dissemination of seed-fertilizer-irrigation technology. Pilot experiments into the provision of micro credit to small groups were made only towards the end of the 1970's. With the success of the Grameen Bank, the 1980's experienced a gradual acceptance of micro credit activities by the NGOs. New institutions, often with local initiatives and finance, emerged during the late 1980's and early 1990's, which had exclusive focus on micro credit. The pace of increased coverage continued into this millennium, in spite of shocks largely originating from natural disasters. The microcredit institutions are now at a cross-road, particularly since the recent attempts to run the politics, economy and society in different ways and the future appears less certain.

The proponents of microcredit had once (till late 1990's) genuinely believed that poverty could be reduced by microcredit alone, who now have come to terms with the critics and agree that it is only one among many instruments to combat poverty. More importantly, there is now wider recognition of the fallouts beyond the targeted clients with potentials of far-reaching impacts on the livelihood of poor in countries such as Bangladesh. This paper attempts to put together the various issues surrounding poverty-reducing potential of microcredit, drawing upon earlier works of the author as well as others, and based on the author's understanding of the empirics.

The first part briefly outlines what are involved in the delivery of microcredit in Bangladesh, and presents selected statistics to capture the developments. This is followed by a discussion on the areas of impacts and how these may or may not be linked with poverty reduction. The concluding part addresses ways to translate micro successes into macro target achievements for poverty alleviation. The paper, by no means, claims originality – it is put together in response to a last hour request from BARD-Comilla to convey important messages to an audience of foreign participants.

**Intervention Areas of Microcredit**[1]

Figure 1 below describes the broad activities undertaken by the microcredit institutions (MCIs). Most MCIs in Bangladesh engage in group-formation and provide financial services to group members[2]. In the former case, they form a subset of the numerous actors who are engaged in social mobilization for economic and non-economic purposes. Similarly, the MCIs provide financial services widening the canvas of the already existent financial market. Some of the MCIs also engage in providing social services,[3] most of which had traditionally been in the public sector domain. There are others who may also engage as economic agents, such as, through providing marketing support to the beneficiaries. In this latter position, which has surfaced more prominently in Bangladesh, the MCIs compete and complement existing private sector initiatives, giving rise to a new set of policy issues. The major activity of the MCIs is that of providing financial services. However social intermediation through group formation precedes all other activities undertaken by the MCIs. The other two functions, depicted in Figure 1, are cases where the MCIs act as active economic agents (entrepreneurs) in markets other than the financial market.

Given the multiplicity of tasks performed by the MCIs, it is no wonder that NGOs and MCIs in Bangladesh are often identified synonymously. A World Bank (WB) survey of NGOs in 2003 revealed that 92 percent of all NGO branches provided microcredit, little more than half were involved in health & sanitation, and a third priority sector was in provisioning of child schooling and clean drinking water. Other important activities that were simultaneously carried out with microcredit included agricultural training for adults, road construction/repair, non-formal adult education, etc. There are agencies which reportedly confine to microcredit activities only, such as, the Grameen Bank and ASA. However, even in such cases, engagements in non-credit activities, often tied to microcredit, have been facilitated by forming sister agencies – as in the case of Grameen Family.

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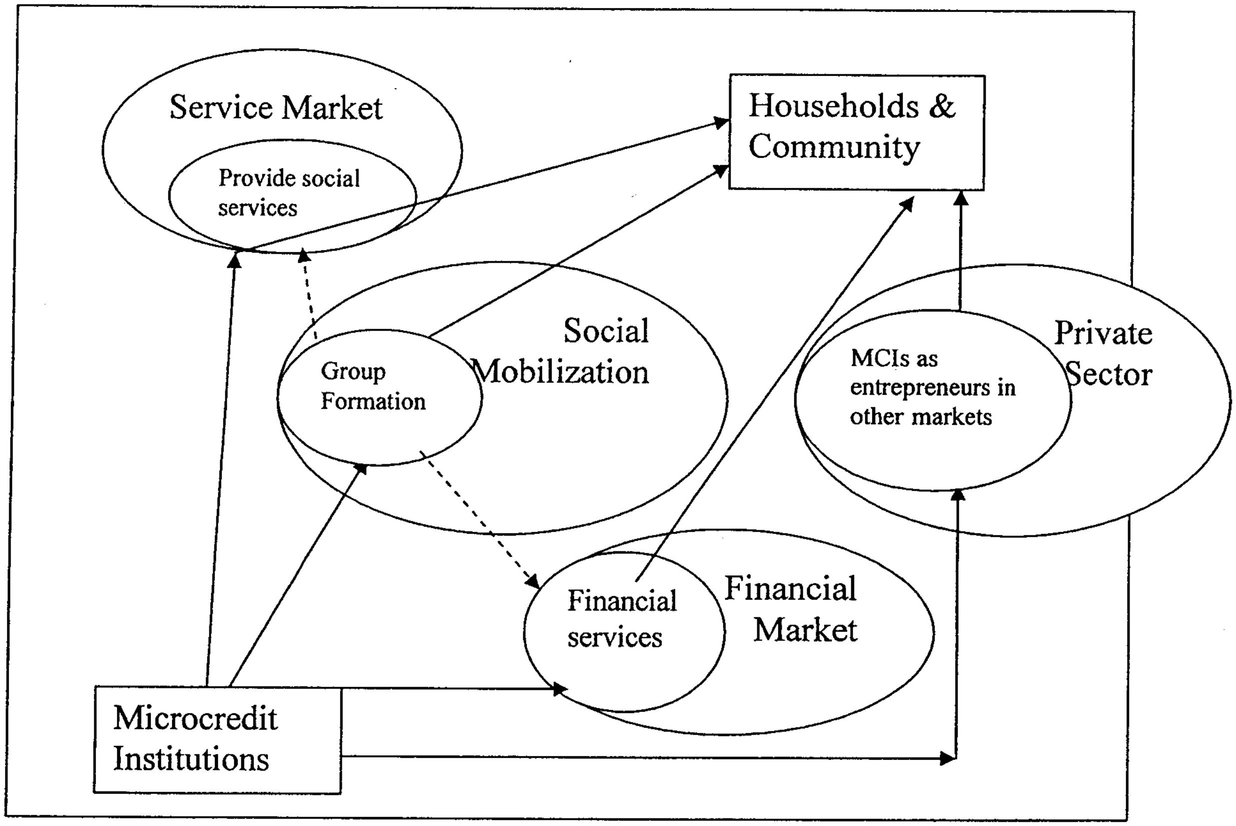
[1] See Zohir and Matin (2004) for a detail discussion.

[2] A global microfinance inventory exercise (Lapenu, C. and M. Zeller, 2000) finds that more than 40% of all MCIs in the world use solidarity group approach. Just over 6% of MCIs use pure individual lending, while the rest use a mixed approach.

[3] In the literature, they are referred to as "credit-plus" NGOs.

**Figure 1: Broad Areas of MCI Interventions**




Source: Adapted from Zohir and Matin (2004).

### Selected Statistics on MCIs in Bangladesh

One may not put a single figure for the number of MCIs operating in Bangladesh – common perception suggests the figure to be more than 1,000. As of 30 June 2006, a survey of 641 MCIs, which includes MCIs registering with the Microfinance Regulatory Authority but excludes Grameen Bank (GB), reported the total number of borrowers to be 17.18 million; with Tk. 75.2 billion taka outstanding and a savings of Tk. 27.6 billion.[4] During the same time, GB reported 6.39 million borrowers with Tk. 31.68 billion outstanding loan and a savings of Tk. 37.32 billion (of which, members' deposit amounted to Tk. 23.56 billion).[5] Table 1 summarizes some of the statistics on the 641 MCIs.

[4] Figures on membership are often misleading since these are cumulative and overestimates the coverage.
[5] Share of Grameen Bank was much higher before. An estimate for 1998 suggests that 70 percent of all rural credit originated from NGO/MCIs and GB accounted for almost 46 percent of the latter. This has now reduced to a third now.

**Table 1: Selected Statistics on 641 MCIs (excluding Grameen Bank)**

| Sl. No. | Particulars | Average, as of June 2006 |
|---|---|---|
| 1 | Member per branch (number) | 1,883 |
| 2 | Borrower per branch (number) | 1,413 |
| 3 | Savings per member (in taka) | 1,207 |
| 4 | Credit (outstanding) per borrower (in taka) | 4,378 |
| 5 | Borrower to member ratio | 0.75 |
| 6 | Member/employee | 139 |
| 7 | Borrower/employee | 104 |
| 8 | Savings to outstanding ratio | 0.37 |
| 9 | Total employees | 164700 |
| 10 | Percentage of female employees | 32.3 |
| 11 | Total Members (in million) | 22.89 |
| 12 | Percentage of female members | 81.2 |

The MCIs in Bangladesh vary widely in size – there are four big ones, GB, Brac, ASA and Proshika. There are 10 to 15 large ones who had been confined to regional levels (covering few districts) until recently when they started to expand into other regions as well. Most MCIs however are small or very small – about 81 percent serve less than 10,000 borrowers, while another 14 percent serves 10 to 50 thousand borrowers (see Table 2). Figures compiled by a World Bank study (Table 3) clearly indicates that the annual growths in membership under small and very small MCI/NGOs have been slowing down while the corresponding growth rates have been on increase for the large ones.

**Table 2: Distribution of 641 MCIs by Size groups**

| Number of members/borrowers | No. of MCIs on the basis of members | % of MCIs on the basis of members | No. of MCIs on the basis of borrowers | % of MCIs on the basis of borrowers | Remarks |
|---|---|---|---|---|---|
| Less than 10,000 | 483 | 75.35% | 521 | 81.28% | Very small |
| 10,000 to less than 50,000 | 123 | 19.19% | 92 | 14.35% | Small |
| 50,000 to less than 100,000 | 20 | 3.12% | 15 | 2.34% | Medium |
| 100,000 to less than 1,000,000 | 12 | 1.87% | 10 | 1.56% | Large |
| 1,000,000 or more | 3 | 0.47% | 3 | 0.47% | Very Large |
| Total | 641 | 100.00% | 641 | 100.00% | |

**Table 3: Outreach and Average Loan Size by NGO size**

| | 2001 | 2002 | 2003 | 2004 |
|---|---|---|---|---|
| *Very small NGOs* | | | | |
| Annual growth in clients (%) | - | 37 | 27 | 25 |
| Average loan size (taka) | 6,580 | 6,256 | 6,435 | 7,742 |
| *Small NGOs* | | | | |
| Annual growth in clients (%) | - | 20 | 18 | 16 |
| Average loan size (taka) | 5,622 | 6,610 | 7,510 | 9,979 |
| *Medium NGOs* | | | | |
| Annual growth in clients (%) | - | 19 | 21 | 24 |
| Average loan size (taka) | 5,420 | 5,960 | 5,504 | 6,280 |

Note: 'Medium' in Table 3 is synonymous with 'Large' in Table 2.
Source: World Bank (2007).

MCI/NGOs contribute significantly to generating employment – through their credit as well as non-credit operations. The 641 MCIs referred to earlier had a total of 164,700 employees as of end June 2006; while GB had more than 16,000 employees. Contributions to employment captured by these figures are likely to be under-estimates since the commercialized non-credit segments of the MCI activities provide additional direct and indirect employments. There have been several studies to estimate NGO contributions to GDP, a significant part of which accounts for use of loan money in different economic activities. None of these are however methodologically appealing, and the purpose of the exercise had often been promotional and biased towards the institution sponsoring such studies.

**Impact Areas and their Poverty Linkages**

In a recent seminar at ERG, one David Roodman of the Center for Global Development summarized his review of the literature on MFI contributions to development in terms of the following four components:

- development as freedom – removing constraints in the credit market;
- development as agency creation – giving voice to the poor and/or women;
- development as measured impacts – particularly, assets and human resources;
- development as institution building.

Figure 1 had described the intervention spaces, from which the first three components mentioned above can be derived. Role of social mobilization and its fallouts are further elaborated in Figure 2. This section discusses the poverty implications of these three. The more substantive achievement of MCIs is however the fourth component, and is discussed at the end of this section.

Removing a constraint faced by a consumer/client is perceived to be welfare-enhancing. Thus, making credit available to the rural poor that could not be realized through traditional banking system, had widened the set of options to choose from. Generally more people could now avail credit to smooth consumption, engage in economic activities to enhance income, etc. Generally, this is perceived to have reduced poverty – even though direct measures comparing program and control groups often fail to establish any significant 'difference in difference', such as, in the PKSF study (see Table 4). The same PKSF study however shows that poverty status of the clients of small MCIs had significantly improved over the years. It is commonly recognized that there are methodological problems in reaching any firm conclusion on the hypothesis. The more recent arguments in favor of MFI achievements on poverty front are couched in terms of indirect and wider impacts.

**Table 4: Estimates from PKSF Study**

| **Participation Status** | Head count ratio (proportion of households living in moderate poverty) | | | | Proportion of households below extreme poverty line | | | |
|---|---|---|---|---|---|---|---|---|
| | **1998** | **1999** | **2000** | **2004** | **1998** | **1999** | **2000** | **2004** |
| **Never Participants** | 0.699 | 0.669 | 0.632 | 0.591 | 0.589 | 0.556 | 0.519 | 0.454 |
| **Occasional Participants** | 0.746 | 0.742 | 0.698 | 0.635 | 0.630 | 0.611 | 0.554 | 0.515 |
| - Long-term drop-outs | 0.714 | 0.648 | 0.610 | 0.533 | 0.629 | 0.514 | 0.476 | 0.429 |
| - Recent drop-outs | 0.713 | 0.775 | 0.675 | 0.598 | 0.580 | 0.629 | 0.492 | 0.501 |
| - New entrants | 0.766 | 0.752 | 0.709 | 0.714 | 0.688 | 0.652 | 0.589 | 0.564 |
| - Drifters | 0.760 | 0.737 | 0.717 | 0.655 | 0.641 | 0.608 | 0.585 | 0.526 |
| **Regular Participants** | 0.785 | 0.743 | 0.702 | 0.683 | 0.660 | 0.585 | 0.560 | 0.537 |
| All | 0.747 | 0.727 | 0.685 | 0.639 | 0.629 | 0.592 | 0.548 | 0.508 |

On the *second component*, achievements are widely visible in Bangladesh. Formation of small groups, which are federated at the level of a Centre, precedes lending programmes by all MCIs in Bangladesh[6]. The focus on women and group formation among MCIs in Bangladesh are closely related. This has important consequences. Hashemi and Schuler (1996), for instance, shows how regular group meetings and interactions in a non-kinship based space results in important empowerment impacts for the members. Without detailing the evidence, one may note that the rural women in Bangladesh have relatively moved ahead of their counterparts in the neighboring countries. While the initial phase of social tensions remain in some pockets, these have been largely overcome in most parts of the country.

One obvious question in the present context: has this led to poverty reduction. The general impression is yes. Mobility of women into workforce – both within the village, into agricultural field works and self-employed business activities; and into RMG and construction in the cities – have been eased. Reduced burden to feed extra mouths and domestic remittance from these women earners have helped in reducing poverty. This

[6] Most common small groups have 5 members. However there are MFIs whose primary groups have 15-30 members. Though group based lending methodology is the most prevalent in Bangladesh, there are also examples of individual lending, such as *Safe*Save, a savings and credit cooperative working in the urban slums of Dhaka. For more up-market lending, some MFIs have developed individual lending programmes as well, such as the Micro Enterprise Lending Assistance (MELA) programme of BRAC.

however remains an assertion since there are other factors, such as, stipends to female students, have also contributed to the integration of rural women in the workforce.

The *third component* deals with impacts that are conventionally captured in empirical studies – such as, on education, asset, health, etc. As in the case of poverty, the conclusions of empirical studies remain largely inconclusive, when perceived at the aggregate. There are however pockets of significant asset building, as a result of improved income flow. For obvious reasons, 'credit plus' programs, such as the TUP of Brac, were able to ensure more sustained asset-building amongst their clients.[7]

Since the late 1990's there has been increasing realization that the major achievements of the microcredit has been in the field of institution building. Historically, this came in the following order:

- first, as an organized agency engaged in social mobilization and delivery of non-credit services;
- second, in the guise of a lending agency doing business; and
- third, as newly formed commercial entities run within a quasi-corporate management.

The first had partly replaced the traditional government roles and widened the scope and depth of the undertakings; the second was a clear net addition since MC expanded the banking net. The third is perceived by some as a move towards quasi-private sector development which partly replaced the family-based private sector, but was a net addition to economic activities since the 'network good' was successfully utilized The massive expansion of microcredit activity enabled the MCI/NGOs to spread their network into most rural areas. This network of rural people, who are simultaneously producers and consumers, turned out to be assets, which opened new opportunities to the MCI/NGOs. Accumulating internal savings and the compulsion to get financially self-reliant encouraged many NGOs to avail the opportunities and undertake commercial activities. Table 5 lists some of the commercial activities where MCI/NGOs are currently involved. All such activities do not necessarily create employment for the poor and/or reduce poverty. However, the potentials lie in several areas: (i) NGO/MCIs playing the role of a marketing agent and/or undertaking the risks associated with investments on productive activities, provide greater employment opportunities; (ii) rural people, including poor, are introduced to new products some of which subsequently opened up new opportunities (cell phone for example); (iii) even if the commercial engagement is unrelated to any sort of engagement of the poor, the MCI/NGOs are able to cross-subsidize their pro-poor programs with profits earned from these commercial activities. There has not been any one trend amongst the MCIs; and it is generally acknowledged that institution-building has provided a sustainable route to enhance economic growth and create pro-poor employment, particularly in the rural areas. It has also, in some instances, expanded the net of contract farming and sub-contracting activities that have provided increased employment.

<The theme of the final section will be included only during oral presentation.>

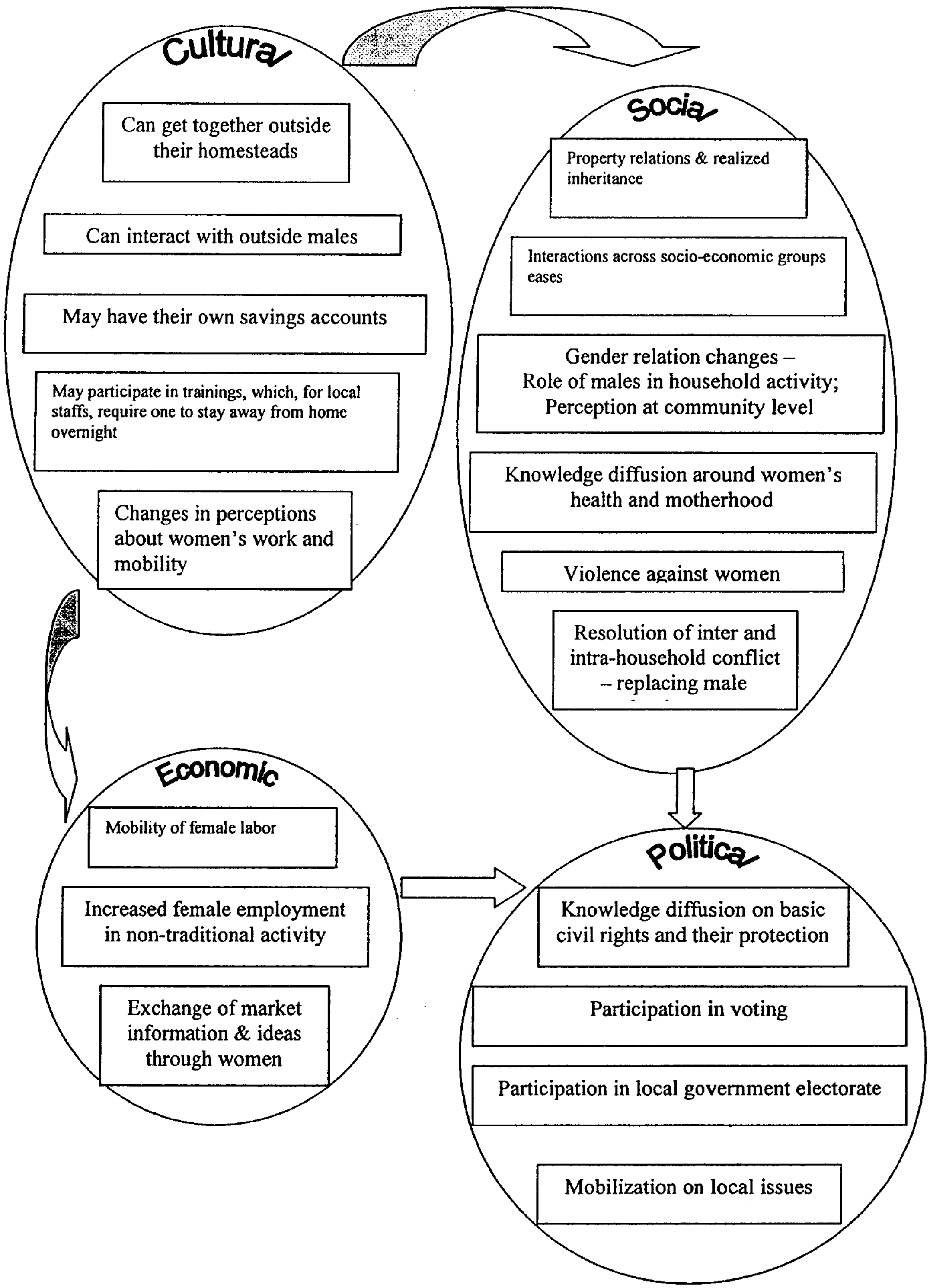
[7] See Zohir *et al* (2007).

**Table 5: An illustrative Range of NGO Businesses**

| Business Sectors | Businesses | Sponsoring NGO/MCI |
|---|---|---|
| Poultry hatchery | GKT poultry hatchery | GKT |
| | BRAC poultry hatchery | BRAC |
| Feed mill | BRAC poultry feed mill and marketing | BRAC |
| Seed production and processing | BRAC seed production and processing | BRAC |
| | BRAC tissue culture (potato) | |
| | GKT seed processing | |
| | GKT tissue culture (potato) | GKT |
| Fish hatchery and fish production | BRAC fish hatchery | |
| | JC fish farming | JC |
| | Grameen Mothsha Foundation | Grameen |
| | TMSS fish production | TMSS |
| Horticulture | BRAC horticulture and nursery and vegetable exports | BRAC |
| Dairy | BRAC dairy products | BRAC |
| | TMSS dairy and livestock | TMSS |
| Handicrafts/garments/ handloom | TMSS Uthpaddan | TMSS |
| | Chakra handicrafts | JC |
| | Aarong | BRAC |
| | Grameen Samogree | Grameen |
| | Grameen Uddog | Grameen |
| Rural Cell Phone | Grameen Telecom | Grameen |
| Internet services | BRAC BD Mail | BRAC |
| | Citechco.net | Grameen (joint venture) |
| Private Banking | BRAC Bank | BRAC (joint venture) |
| Land development | BRAC Concord Land | BRAC (joint venture) |
| Housing Financing | BRAC-Delta Housing Finance Corporation | BRAC (joint venture) |
| Private higher education | BRAC University | BRAC |
| Renewable energy (solar photovoltaic system) | Grameen Shakti | Grameen |
| | BRAC solar energy program | BRAC |
| | TMSS solar energy program | TMSS |
| Knitwear | Grameen Knitwear (in export processing zone) | Grameen |
| Cell phone | Grameen Phone | Grameen (joint venture) |

Source: Alamgir (2004), reproduced in World Bank (2007).

**Figure 2 Wider Implications of Group Formation**




Source: Zohir and Matin (2004).

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**Annex 1**

***Snapshots on Attempts to Circumvent Public Sector Failure in Delivering Social Services***[8]

This section sketches the development of institutions in Bangladesh that facilitated new ways of circumventing public sector failure in delivering social services. In a way, the same phenomenon also describes the increasing participation of 'private' sector in such deliveries.

*Scene 1*, early 1970s

Immediately after the Liberation in 1971, parts of donor assistance for relief & rehabilitation were channeled through international and few newborn local NGOs. The failure in public delivery was perceived as rooted in the difficulties of post-war era.

*Scene 2*, late 1970s

Swanirvar Bangladesh (SB) under Mr. Mahabubul Alam Chashi was reportedly the largest 'NGO' with national coverage. Attempts were made to ensure that respective government official properly distributed relief and other resources, allocated to individual thana/district. The village youth, associated with SB activities, were the provider of information, which reached a powerful bureaucrat. The latter had the leverage to get things done at the bottom through the internal chain of command.

*Scene 3*, early 1980s

Grameen Bank was established under Professor M Yunus. It was the credibility of a university Professor, which substituted the collateral normally required for bank loans. It was the groups, with members regularly borrowing from a source, which became the conduit for cost-effective financial transactions. The GB model successfully showed a way to reach the poor with credit services that the formal banks failed to do on account of excessive costs (and possible governance failures!).

*Scene 4*, mid-1990s

There are more than 500 active MCIs/NGOs with groups covering more than three-fourth of Bangladesh villages[9]. Some of them are large and nationally visible, some are regionally powerful medium sized, and the vast majority of the MCIs are small with coverage limited to one or two thanas. Facilitated by borrowings from the PKSF, a wholesale agency engaged i forward lending to the MCIs, most of these organizations specialized in microcredit program. Some of the NGOs continued to deliver other social services (e.g., non-formal education and healthcare).

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[8] Adapted from Zohir (2006).

[9] Several reports quote the number of MCIs to be around 1200. We have stated a conservative figure.

*Scene 5*, 2003

Several activities where the NGO/MCIs are engaged in include, provisioning of relief during emergency, collaborate with public sector in safety net programs (e.g., IGVGD), education and health services, telecommunication network (Grameen phone in rural areas), provisioning of electricity by promoting use of solar energy, and in agriculture extension services including seed development. In many of these ventures, large NGOs often engage in sub-contracts with the small ones, reducing the cost of operations and ensuring effective outreaches.

The choice of the scenes has been selective to highlight the emergence of 'private' sector in the area of delivering social services. It is important to note that the networks of small groups were initially raised during the 1970s and 1980s under awareness-building programs and for limited service delivery. It is only during the 1990s viability of such networks was convincingly established due to the success of microcredit programs. The groups reduced cost of delivering services and reduced asymmetry in information as well – two important elements underlying market failure. The group-based activities also have positive externality since the same group may serve as conduit for more than one type of transactions, thereby reducing the average cost under each type of transaction.

*More recent times*, 2007 and beyond

Of late, several important elements have surfaced with far-reaching implication for the MC industry. The political events and the drive against stalwarts in politics and business have slowed down the economic growth. The same moves had also hurt market establishments (such as, market places) due to attempts to remove alleged illegal occupants on government land, which had adverse effects on informal sector (which largely provides employment to poor and self-employed ones). The world-wide inflation, triggered off by unprecedented increase in oil prices, followed by increases in foodgrain prices in the international market, had also adversely affected the macro economic stability of the country. This has limited the scopes and gainful use of microcredit. The problems have been further aggravated by several natural disasters (flood and Sidr). One is yet to assess the full ramification of these events – but the stories for the smaller MCI/NGOs are rather gloomy.

At the same time, one observes some of the big and large MCIs vying to have their loan portfolio securitized for borrowing from international private capital market. Some such MCIs have already turned international and have initiated engagements abroad – particularly in Africa.

## Annex 2
## Additional Statistical Tables

### Table A1: Nature of Participation in MCIs

| *Participation Status* | *1997-2000* | *2004* |
|---|---|---|
| **Never Participants** | 28 | 28 |
| **Occasional Participants** | 31 | 44 |
| Of whom, | | |
| - Long-term drop-outs | (9) | (9) |
| - Recent drop-outs | (31) | (25) |
| - New entrants | (12) | (5) |
| - Drifters | (48) | (61) |
| **Regular Participants** | 41 | 28 |

Note: Percentage of households missing in the following rounds were respectively 6.41, 5.34 and 14.76 in 1999, 2000 and 2004.

### Table A.2: Sector-wise Disbursement of Microcredit

| Activities/Sub-sectors | 1998 | 1999 | 2000 | 2004 |
|---|---|---|---|---|
| Agriculture | 16.93 | 16.99 | 13.35 | 12.22 |
| Livestock | 11.27 | 4.63 | 3.74 | 9.97 |
| Poultry | 1.97 | 0.27 | 0.43 | 1.08 |
| Pisciculture | 0.80 | 0.43 | 0.60 | 0.93 |
| Nursery/Forestry | 0.11 | 0.07 | 0.11 | 0.15 |
| Grow vegetables | 0.34 | 0.07 | 0.00 | 0.15 |
| Sewing machine | 0.19 | 0.13 | 0.00 | 0.15 |
| Tube well | 0.13 | 0.30 | 0.22 | 0.15 |
| Irrigation machine | 0.30 | 0.37 | 0.38 | 0.12 |
| Raw (vegetable) business | 1.75 | 0.90 | 0.60 | 2.32 |
| House building/repair | 5.16 | 6.33 | 7.33 | 4.60 |
| Rickshaw/Van | 2.81 | 1.97 | 1.79 | 2.24 |
| vendor business | 0.66 | 0.53 | 0.76 | 0.56 |
| Processing/Business | 6.09 | 1.80 | 0.87 | 1.49 |
| To take land mortgage | 2.24 | 2.90 | 3.09 | 2.51 |
| Bribe for service | 0.04 | 0.07 | 0.33 | 0.12 |
| To send migrant workers | 0.23 | 0.10 | 0.33 | 0.21 |
| Marriage | 0.99 | 1.03 | 2.60 | 1.29 |
| Consumption | 18.12 | 27.28 | 20.62 | 25.07 |
| Small business | 17.63 | 12.39 | 16.17 | 19.00 |
| Other medium/large business | 0.91 | 0.97 | 2.60 | 2.55 |
| Usury | 0 | 1.17 | 1.19 | 0.85 |
| Sanitation | 0 | 3.00 | 0.05 | 0.02 |
| To repay previous NGO loan | 0 | 3.90 | 2.60 | 2.86 |
| To repay other loan | 1.56 | 0.17 | 7.54 | 3.92 |
| Others | 9.78 | 12.26 | 12.70 | 5.47 |

**Table A.3: Matrix of Growth (+), Decay (-) and Stagnation (0) by Sources of Household Income and Participation Status of Households in MFIs, 1997-2004**

| Participation Status | Sources of Income | 1997/98-1998/99 | 1998/99-1999/2000 | 1999/2000-2004 |
|---|---|---|---|---|
| Regular Participants | Crop | (-) | (-) | (+) |
| | Livestock | (+) | (-) | (+) |
| | Fisheries | (-) | (+) | (0) |
| | Wage | (+) | (-) | (+) |
| | Self-employment | (-) | (+) | (+) |
| | Transfers, rent | (-) | (+) | (+) |
| | Total | (-) | (+) | (+) |
| Occasional Participants | Crop | (+) | (-) | (+) |
| | Livestock | (+) | (-) | (+) |
| | Fisheries | (-) | (+) | (-) |
| | Wage | (-) | (-) | (+) |
| | Self-employment | (+) | (+) | (+) |
| | Transfers, rent | (-) | (+) | (+) |
| | Total | (+) | (+) | (+) |
| Non-participants | Crop | (-) | (-) | (+) |
| | Livestock | (+) | (+) | (+) |
| | Fisheries | (-) | (-) | (+) |
| | Wage | (-) | (-) | (+) |
| | Self-employment | (0) | (0) | (0) |
| | Transfers, rent | (-) | (+) | (+) |
| | Total | (0) | (+) | (0) |

Note: Growth rates less than or equal to 1% are considered as stagnant in view of the very low level of base year income.