

Caritas' Cooperative Credit Union (CCU) in Bangladesh: A New Approach to Poverty Alleviation and Rural Development

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Abstract

Caritas Bangladesh (CB) has been working in Bangladesh since 1971. It has seven Regional Offices in Barisal, Chittagong, Dhaka, Dinajpur, Khulna, Mymensingh and Rajshahi and one Area Office in Sylhet. CB has its National Office in Dhaka. CB has introduced the program of CCU in 2012 in Mymensingh region replacing microfinance program which was initiated by it in 1983 and terminated in 2012 due to piling up considerable outstanding loans and portfolio risk. The prime purpose of the present paper is, thus, to evaluate the performance of CCUs in terms of increasing income and livelihoods of the rural *Adivasi* people as well as to check with the sustainability of the organizations. To attain these objectives, a research framework has been formulated. A survey instrument is used for collecting data through field visits in greater Mymensingh. The analyses of these data helped to achieve the study objectives.

Keywords: CB, CCU, *Adivasi* people, poverty alleviation, rural development, Bangladesh

INTRODUCTION

Bangladesh is a pluralistic nation of religious and ethnic diversity (Huq, 2001). According to the census of 2011, the total number of indigenous peoples in Bangladesh was 1,586,141. However, indigenous peoples of Bangladesh claim that their population is exceeding 3 million (ALRD, 2013). Chittagong Hill Tracts is the only region in the country where indigenous peoples are largely concentrated. Others are located mainly in the north-west (Rajshahi-Dinajpur) Central north (Mymensingh Tangail), north east (greater Sylhet), South west (Patuakhali-Barguna-Barisal) and south-east (Chittagong-Coxs Bazar)

Caritas Bangladesh (CB) started its operation to develop socio-economic status of *Adivasi* (native or indigenous) peoples of greater Mymensingh in 1979 with Legal Aid Project (LAP) initiated by Tribal Welfare Association (TWA). After its intervention for a few years, LAP has been disrupted and annulled by the government. Later on, CB has started with a new approach of integrated development for *Adivasi* Peoples through Integrated Community Development Project (ICDP) in 1990. The prime focus of this project was to facilitate to socio-economic development in rural areas through village based groups as such the primary group was '*Samity*' (association). This group approach was manifested with microfinance programs which continued up to 2012 (CB, 2012).

In the meantime, Bangladesh Government has constituted new laws and regulations for microfinance institutions (MFIs) enacting the Microcredit Regulatory Authority (MRA) Act 2006 (Ashraf, 2014). In fact, microfinance programs failed to improve the income level of the *Adivasi* people (CB, 2012). In this situation, CB shifted the group approach to Cooperative Credit Union (CCU) approach in 2010. Yet, the previous group approach of microfinance scheme was continued up to 2012 for providing a reasonable time to the *Adivasi* group members to adjust their arrears (Non-repaid loans) with the *Samity* and MFIs.

In fact, CB emphasized on development through community empowerment and sustainable institution through re-organizing the traditional social organizations (TSOs) of the *Adivasi* communities in 2005 named as Village Development Council (VDC) which became the center of all activities of the *Adivasi* people. The *Adivasi* people also formed the *Adivasi* Cluster Development Forum (ACDF) and the Greater Mymensingh *Adivasi* Development Council (GMADC) which are the mid and upper level tier of the TSOs. CB has been facilitating to strengthen VDCs and ACDF of the *Adivasis* of greater Mymensingh area since July 2011 (CB, 2011).

However, it has been realized that indigenous peoples have century old TSOs that integrate the entire community with a sense of belongingness to TSOs which is unique and strong. It has also been observed that these TSOs (VDC, ACDFs and GMADC) and CCUs are playing an important role in people's daily life. As on June 2013, the project has been working in 515 villages, 66 unions, 14 *upazilas* (sub-district) under six districts of greater Mymensingh in Bangladesh. Near about 200,000 *Adivasi* people from different communities such as Garo, Hajong, Berman, Koch, Dalu, Banai, Khatrion or Hodi have been living in this greater Mymensingh region for more than 400 years (CB, 2012). So like other agenda, CB has been aiming to facilitate community

empowerment through sustainable institution building and re-organizing the target groups into village based Cooperative Credit Union (CCU) since 2010.

The purpose of the present paper is, however, to evaluate the performance of CCUs in terms of increasing income and livelihoods of the rural *Adivasi* people as well as to check with the sustainability of the organizations. To attain these objectives, a research framework has been formulated. A survey instrument is used for collecting data through field visits in greater Mymensingh. The analyses of these data helped to achieve the study objectives.

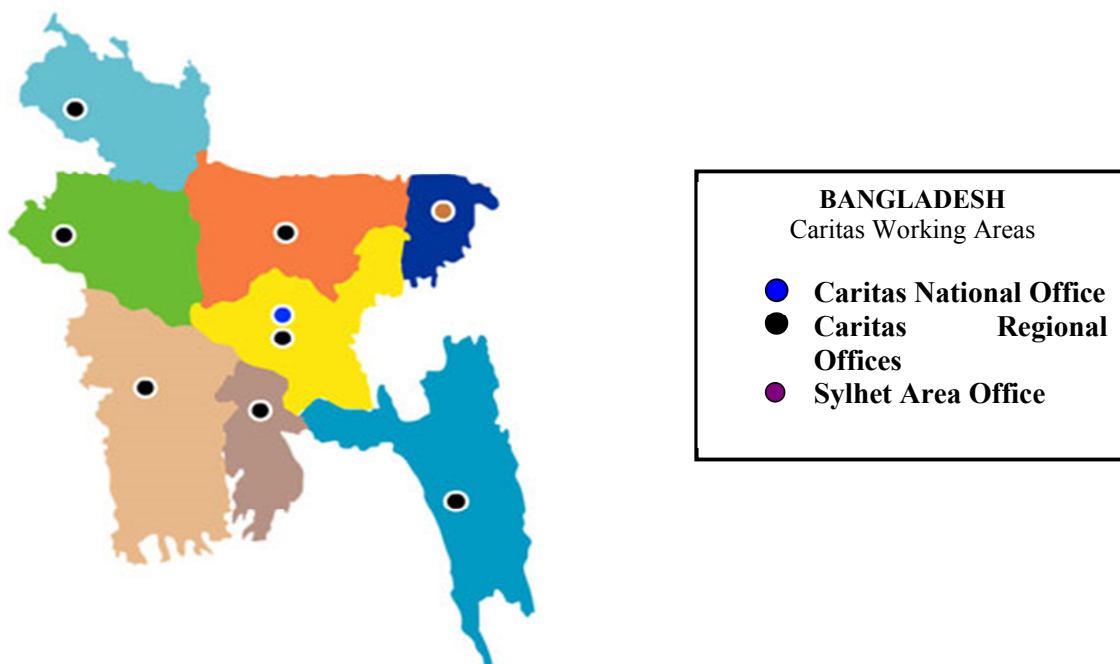
The plan of this paper is as follows: first, the origin and a brief overview of CB are explored. Second, a research framework of the study has been presented, followed by a discussion of research method and findings from the data analysis. A discussion of the meaning of the results and their conclusions ends the paper.

CARITAS BANGLADESH: A BRIEF PROFILE

Caritas was founded in 1967 as the eastern branch of Caritas Pakistan. Following the cyclone of November 1970 it was re-organized and became known as CORR (Christian Organization for Relief and Rehabilitation) and took on the character of a national organization on January 13, 1971. The name Caritas was re-introduced in 1976 (CB, 2012).

CB has its National Office in Dhaka. There are seven Regional Offices in Barisal, Chittagong, Dhaka, Dinajpur, Khulna, Mymensingh and Rajshahi and one Area Office in Sylhet. In all these places, CB is operational in Integrated Development, Disaster Management and Human Resource Development, under a central management. CB restricts itself at present to 155 *upazilas* (sub-districts) for integrated human development work. During emergencies, such as natural disasters, CB is operational in any part of the country. It is a member of the Caritas Internationals, a confederation of 165 Caritas Member Organizations over 200 countries and territories (CB, 2012).

Figure 1: Caritas Operational Areas in Bangladesh

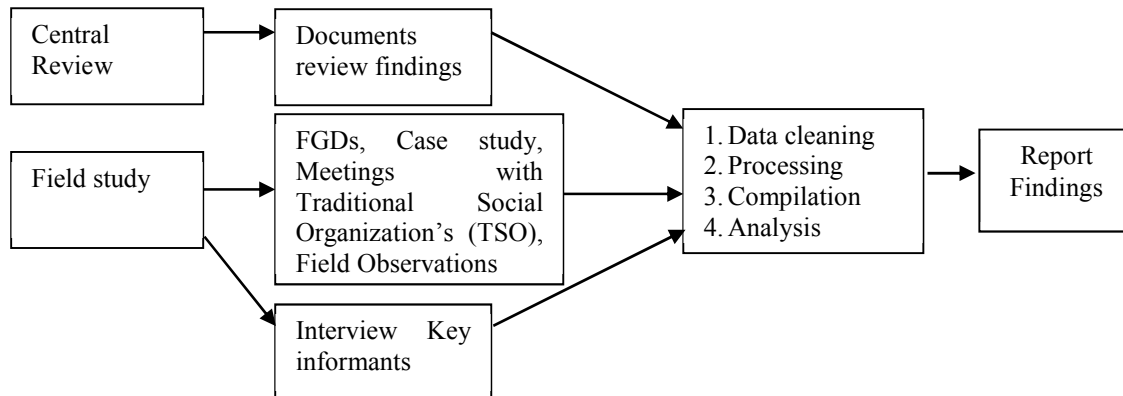


CB introduced microcredit program in early 80s in all its regional office-areas. This program has been terminated in 2011 in Khulna region and in 2012 in Mymensingh region. In its place, CB has launched new approach of poverty alleviation and rural development in *Adivasi* rural areas of Bangladesh in 2011 in Khulna and in 2012 in Mymensingh regions. This new program is named as Cooperative Credit Union (CCU). The program has already proved its potentiality in terms of raising income among the *Adivasi* communities. For this positive result of increasing income level, CCU has become highly popular among the *Adivasi* communities (CB, 2012).

METHODOLOGY

As the main objective of this study is to examine the economic feasibility and sustainability of CCUs in the *Adivasi* community located in various peripheral areas of Bangladesh, the following research framework has been undertaken. Qualitative analytical technique has been utilized for analyzing data collected by various means from the field. The study covers the areas of greater Mymensingh district. The local office of the Caritas Bangladesh located in Mymensingh town has provided every logistic support in collecting information from CCUs. The team has taken one week for gathering all necessary information from the fields during the last November 2013.

Figure 2: Research Framework



Central Level Review

At the central level desk, work has been done to review all available documents (project proposals, reports of study/evaluation, regular previous and existing reports) related to community development activities. Team members then met and discussed with Regional Management and National Management about the relevance, effectiveness and efficiency of the project. In line with the study, team also checked with the weaknesses and strengths of the project.

Field Study

In the field level, the study has been conducted by a team of experts using qualitative methods data analysis. Team members focus on the objectives of the study and process. The following steps have been made to conduct the field study in order to achieve the objectives. In the following Table 1, the tools and the purpose of the study have been presented for concise understanding of overall evaluation process. All of the activities related to data collection are also evident in the table.

Meeting with Stakeholders

Consultation with available major stakeholders is an integral part of the field level data collection. Study Team with the technical support of CARITAS GB will undertake the stakeholder's consultation. Team also arranges a discussion meeting with local government representatives, media, religious leaders, potential leaders, local leaders, (informal power structure) and department of government official (Assistant Commissioner (AC) of Land, Social welfare, forest) and NGOs and Adivasi Associations (in possible cases). Findings of the review are documented for presentation in the study report.

Table 1: The tools for evaluation

Serial	Tools	Purpose
1	Document review	Study project documents, especially the project proposals, reports including study/evaluation (previous and existing) reports
2	Introductory Workshop	Caritas Management/ project management
3	Meeting	Briefing with Regional Director and ICDP Regional Team. Discussion with Regional Management and National Management. De-briefing workshop on the draft report and collection of feedbacks.
4	Community consultation.	Primary groups, leaders of Village Development Committee (VDC), Adivasi Cluster Development Forum (ACDF), CCUs including Cluster and Regional level staffs of Adivasi Association
5	Discussion/meeting with local Stakeholders.	UP, media, Leaders are-religious, informal power groups & department of AC Land, Social welfare, forest NGOs and Adivasi Associations.
6	Focus Group Discussion	Primary groups, leaders of VDC, ACDF, CCUs including Cluster (men-women)
7	Key-informants interview	Project Key person personnel of Government of Bangladesh (GOB), NGOs, Adivasi Association
8	In-depth-Interview	Potential Leaders of VDC, ACDF, Mymensingh Greater Area Development Committee (MGADC)
9	Personal interview	Potential target Leaders
10	Observation	Primary groups, leaders of VDC, ACDF, CCUs including Cluster

Focus Group Discussions (FGDs)

Focus Group Discussions (FGDs) are organized with selected project beneficiaries of different food security projects. In so doing, a check list was prepared beforehand and shared with CARITAS for comments. Data gathered from the FGDs are documented, compiled and analyzed for preparing report and recommendations without distorting ownership of the participants.

Study Areas and Sampling

Initially all intervention areas have been identified during central review documents for collection of secondary data. The team selects at least one village from each project intervention. A total of 12 villages (maximum) are identified randomly from different interventions considering diversity of the geographical location, districts, socio-economic context, intervention duration and vulnerability of the area. Location map and districts are considered in selecting study villages.

RESULTS AND DISCUSSION

Economic Development of the Adivasi through CCUs

Economic activities have spurred among the *Adivasis* in the greater Mymensingh region mainly since the presence of Cooperative Credit Unions (CCUs) in 2012. As a requirement of regular savings, the members of CCUs used to save from their meager income for buying share and depositing in the CCUs on a regular monthly basis. By this way, they are getting able to build up a sustainable CCU-fund which can be mobilized by lending to their community-members of society. They also make annual donations as well.

As the economic activities are increased in the *Adivasi* society, people have more savings and more investment in small businesses. This activity induces more income for the *Adivasi* community. With this increased income, they can fight now to regain the confiscated land ownerships. They sometimes take loans for land rescue. They also preserve the land records and necessary other documents. The leaders also motivate the *Adivasis* to attach themselves with the land cultivating properly. So that nobody can seize the ownership of their land used from generation to generation.

Savings and Credit Position through Microfinance

At the beginning of the intervention of ICDP in greater Mymensingh areas, microfinance program was initiated. Under this program, the amount of total loans disbursed in 2008, 2009, 2010 and 2011 was BDT 12,217,000 BDT 16,577,000 BDT 22,437,650 and BDT 2,058,000 respectively. The loan realization rate in 2011 was only 95% (CB, 2012). Due to new rules and regulations formulated by Micro-Credit Regulatory Authority (MRA) where the weekly installments have been mandatory was very difficult for the *Adivasis*. Because around 95% *Adivasi* borrowers invest their loan money to agricultural sectors as they are not yet fully efficient in small business. On the other hand, it is really unrealistic to pay back loan money weekly from the agricultural incomes.

So, ICDP along with the *Adivasi* people finds a limitation and constraint with the MRA rules and regulations for the *Adivasi* communities for their economic emancipation. In this situation, Caritas management took a decision with the mandate of *Adivasi* people to establish Cooperative Credit Unions (CCUs) as alternative financial institutions, though the RLF activities of ICDP-Mymensingh were better than any other phases. Fiscal Year (FY) wise Savings and Credit Program Information on Key Indicators in Table 11.

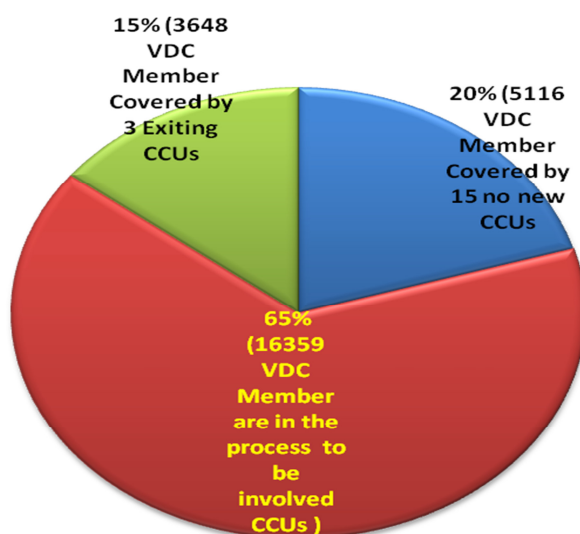
Table 11: Fiscal Year wise savings and credit programs (Source: CB, 2012)

SL	Particulars	Phase-V (Micro Credit Program Phase-V (Micro Credit Program Running))			Phase-VI After Micro Credit Program Stopped)	
		2008-2009 (Audited)	2009-2010 (Audited)	2010-2011 (Audited)	2011-2012 (Audited)	2012-2013 (Un Audited)
1	Loan Balance	22,226,528	25,656,184	28,772,232	21,959,799	16,738,577
2	Loan Disbursement	12,217,000	16,577,000	22,437,650	2,058,000	0
3	Loan Realization	9,925,551	13,588,041	18,648,332	8,870,433	3,324,246
4	Savings Realization	2,222,332	2,655,915	3,150,316	998,931	122,350
5	Savings Refund & Adjustment	665,344	821,126	650,644	3,974,688	7,329,251
6	Savings Balance	15,769,356	17,180,054	20,246,977	17,537,620	10,261,082
7	Realization Rate	91%	92%	95%	87%	87%

Transforming Project Approaches: From MFIs to CCUs

Based on the past experiences and learning, the *Adivasi* community has demanded to change the approach from microfinance to cooperative credit program. In so doing, the CCUs had been originated in the *Adivasi* communities of greater Mymensingh districts in 2012. For attaining economic emancipation, a total of 8,764 (of which 5,688 are female) have been covered through 18 CCUs out of 25,123 VDCs' members. As per information from ICDP, 15 Credit Union has been formed newly and three Credit Unions were existing in the respective working areas (in Modhupur 2, and Fulpur 1, which are already registered with Cooperative Society). The VDC members as well as group members of the Modhupur and Fulpur are encouraged / advised to get admission in the existing CCUs. Among the total figure, there have been 5,116 new members (of which 3,334 are female) in newly formed 15 CCUs in 2013 (CB, 2012). The distribution can be shown in the following pie chart:

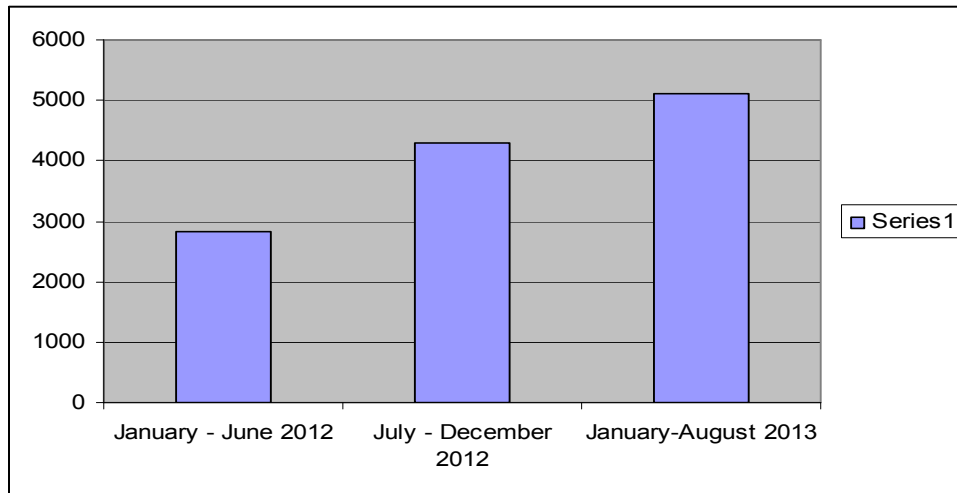
Figure 4: The Pie Chart



Source: CB (2012)

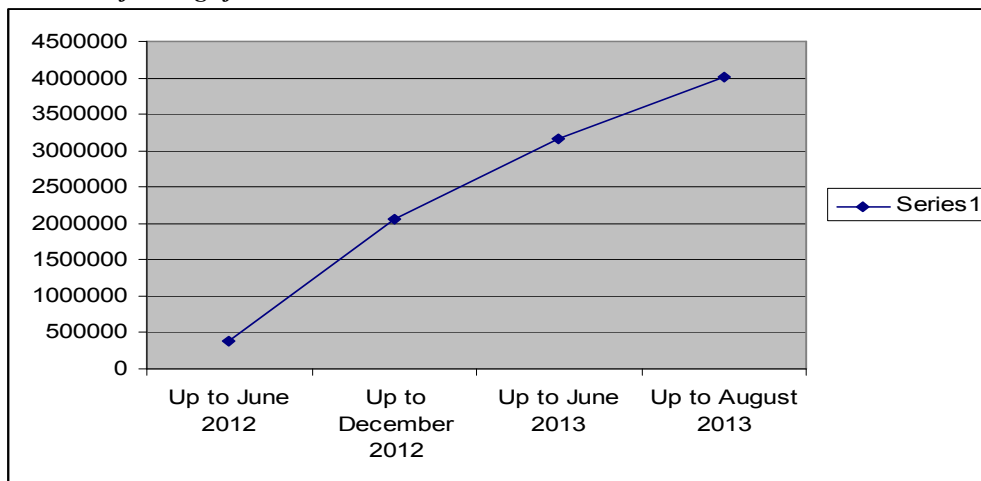
The trend of increasing members is highly positive which shows that during the periods of January-June 2012, July-December 2012 and January-August 2013, the total numbers of new members are 2,838, 4,309 and 5,116 respectively (CB, 2012). This trend is shown in following bar chart:

Figure 5: Trend of memberships



The total deposited shares and saving amounts of the fifteen CCUs' members stand up to Tk. 4,018,107 and the trend of this cumulative figure can be observed in the following graph:

Figure 6: Trend of savings funds



Newly formed 15 CCUs have already finalized their Byelaws and opened savings account in the bank. Nine CCUs have organized Annual General Meeting (AGM) in the FY: 2011-2012. Special general meetings were also organized by 8 CCUs for finalizing the By-Laws and approving the Budgets for respective areas (CB, 2012).

Eleven CCUs have received the government registration issued under the Cooperative Act (as on 19.11.2013) and the other 4 CCUs have submitted documents for their registrations. At present, CCUs can organize their board meeting regularly by themselves.

Five CCUs have started disbursing loans to their members. During July-December 2012, 15 members borrowed Tk. 145,000, during January-June 2013, 29 members borrowed Tk. 180,000, and during July-August 2013, 71 members borrowed Tk. 375,000. Altogether 115 members (99 female) borrowed Tk. 700,000. The repayment rate is 100 percent (CB, 2012).

Sustainability of CCUs

The leaders of SOs are professionally involved in their own activities. In SOs they are involved just to render the community services to the people. The leaders are aware about their rights and duties. They are trying to build up skilled manpower to make SOs self-dependent in terms of financial and human resource development. By this

way, the leaders are playing important role in building sustainability of SOs.

SOs and CCUs are trying to build up their own funds by motivating the members to build saving habits and to deposit in the savings account of CCUs. They are trying to provide training with the contents of encouragement to save more as much as they can. In this way, they are coping with the strategy of ensuring financial means and continuing their development activities.

Yet, SOs or CCUs are not ready yet to take the sole responsibility for running the organizations. They need more time and more training to build up that much capacity by which they can independently operate the organizations. Once CCUs can attain their self-dependence in terms of financial capital and skilled workforce, the organizations can initiate larger projects in the community belt which would help to contribute to the sustainability of SOs.

One of the major factors which influence the goal of organizational sustainability of the project is poverty of the *Adivasi* community. Due to prevalence of acute poverty in many *Adivasi* communities, the people are failing to build up their own capital by savings. Their income is low, so how they can make savings. For this reason, it will take more time to make their own finance for operating the organizations by their own.

Once the funding from the donor is ceased, Caritas still can be helpful by its advisory role in terms providing moral as well as social supports from the central and national offices. In fact, the process of handover the responsibility to SOs or CCUs ought to be gradual rather than all on a sudden. Otherwise, the organizations may experience unexpected and sudden shocks that may ruin the foundations of the organizations.

Overall, the observation of the evaluators is that SOs and CCUs need more time and assistance from Caritas. FGD meetings also support this view of prolonging more support from Caritas. In this respect, Caritas needs to rethink over their role and this sustainability issue.

Savings and Credit

Before 2012, VDC members used to deposit regular savings in primary groups or local ‘Samity’ following MRA rules and regulations. After formation of CCUs, they are depositing their ‘share’ and ‘savings’ in CCUs. The primary group or the ‘samity’ has been merged with these CCUs.

Traditionally, the rural credit programs were run by the village *Mohajans* and NGOs in Bangladesh. The *Adivasis* had to go to money lenders i.e. village ‘*Mohajans*’ who are termed as ‘Mahajom’ (i.e. giant killer) by the people, because the *Mohajans* used to provide credits with an exorbitant interest charge. For this reason, to avoid money lenders, the people used to borrow money from the neighbors and relatives who charge no interest. The credit program is run by CCU now. The *Adivasis* can repay the borrowed money with their increased income. They are organized under the organizational set up of CCU which has legal registration from the Cooperative Society.

Asset and Income

They had only some household utensils before. Household income has been increased now and it helps to purchase more land and other moveable assets. They have chairs, tables, colored TV, electricity facility, cell phone, wooden cupboard, wooden box etc. One states that ‘before we slept on torn bed, now we sleep on cotton mattress.’ The *Adivasi* people are reacquiring their lands and this program is going on.

Social exploitation was a barrier to engage them in different income generating activities. Daily income has been increased, because the poor people are now engaged in different income generating activities. Though the daily wage for the male has been increased, the daily wage for the women-folk is still less than the male.

Sustainability of CCU: Akota CCU

A perusal of the Byelaws of “Akota CCU” suggests that there are several clauses under the section (4) regarding the specific goals and objectives of the CCU which can contribute to the sustainability of SOs. Under this section of the Byelaws, this CCU aims:

- (a) To provide training and development education to the members of the CCU, so that the members can be prudent and can make savings and develop funds;
- (b) To accelerate the speed of socioeconomic development by disbursing the savings funds among the members of the CCU for utilizing the funds in productive activities;
- (c) To provide debt services to the members of the CCU collecting funds from the legitimate sources to

invest in several economic development related activities;

- (d) To initiate different investment programs through funding from the CCU for attaining the sustainability of the organization;
- (e) To accomplish socioeconomic development through enhancing the mutual cooperation among the members of the organization;
- (f) To help strengthen the mutual relationships among the members;
- (g) To unify the network of the organization with the family of other local, central and international networks; and
- (h) To finance in any project initiated for the socioeconomic progress of the members.

If all of the specific objectives are examined with a closer look, it would reflect that the CCU will be able to contribute to attain the sustainability of SOs which is one of the central concerns of ICDP for carrying out development activities in the *Adivasi* communities in the greater Mymensingh region. If these objectives can be attained, the members could be economically self-dependent which would lead the members to operate the CCU independently.

As the CCU is the new phenomenon in the region initiated in order to make the *Adivasi* communities to be self-dependent, it is imperative to continue the support to the CCU by which ICDP would get ultimate support for implementing their development activities. The Evaluation team experience that the CCU has not yet been matured enough to be self-sustained. They need more support to run their own activities independently.

They need at least a few more years to have support from Caritas in terms of training and capacity building among the members of the CCU. Once the CCU gained the capacity of self-support, it will be able to support the TSOs. If the CCU becomes self-dependent organization, it will be able to initiate many programs in order to attain socioeconomic development which the main objective of ICDP. So in this pattern, ICDP can be supported by the CCU.

A Case Study:

Utrail is a poor Garo (An *Adivasi* community) village very adjacent to Garohills under the Susong Durgapur Upazilla of Netrokuna district of Bangladesh. Mr. Sotodal Manda (30), son of late Narayan Rangsa is one of the permanent residents of this village. Mr. Sotodal Manda is an owner of 32 decimals land. He has two sons and both are going to school. The elder one (10) is a student of class three. In these circumstances, it becomes harder to maintain the four member's family with the small income from working as a day-laborer.

However, one day Mr. Sotodal Manda heard about the ICDP and its intervention from one of his neighbors who inspired him to join ICDP Primary Group (PG). Then, he once visited ICDP Birisiri cluster office and became happy on sharing his views and observing the activities. He took a membership of a PG in ICDP immediately on 1st October in 2003.

Completing one year regular savings, he took the 1st loan of BDT 3,000 (Three thousand) on 4th November 2004 and invested the full amount of loan in small grocery shop at his own village. He made a good profit from his small grocery shop and repaid the first loan nicely and then took 2nd loan of BDT 6,000 (Six thousand) on 16th November 2005 and invested the entire amount in the same business started. Repaying the 2nd loan duly, he took the 3rd loan of BDT 12,000 (Twelve thousand) on 12th February 2007 which he used in Poultry business as well as in grocery shop. Now, he becomes the owner of grocery shop and Poultry business. Besides, he sales eggs and hens almost regularly sitting in own house. Now she earns of BDT 5,500 per month from his grocery and Poultry shop.

With the passage of time, Mr. Sotodal Manda came to know about the Simsang Cooperative Credit Union and its intervention from one of his neighbors who inspired him to join the Simsang Cooperative Credit Union (CCU) which is assisted by the Integrated Community Development Project (ICDP), Birisiri Office. As a member of this CCU, he started depositing his share value and savings regularly and he took the 1st loan of BDT 10,000 (Ten thousand) on 16 September 2012 for Poultry business.

Mr. Sotodal Manda informed that before joining this NGO, his living condition was very poor and the quality of their daily food item was also very poor because of his meager income. But in the last couple of years, he made a few financial transactions with the ICDP, the life style has been changed significantly. Now Sotodal is not only a saver and borrower in CCUs, but he also used to save in the small pot-bank made of mud.

Why do you save in your pot-bank? In response, he said, "This savings might be of good use in future. I am

planning to buy a small piece of land using my personal savings and profits out of my business. I also save a handful of rice in every meal everyday. Besides, I have two sons. It would require a lot of money to settle their marriage. This is the best time to make savings as we are now active and energetic. I am also planning to open a five year term DPS (Deposit Pension Scheme) in any of the commercial banks for our old age.” Lastly, he said, “ICDP and Simsang Cooperative Credit Union show the path of my new life.”

Table12: Basic information of 15 new CCUs

Sl no	Name of CCUs	Location	Upazila	Formation date
1	Boruakona <i>Adivasi</i> Cooperative Credit Union	Boruakona	Kalmakanda	12/03/2012
2	Nalchakra <i>Adivasi</i> Cooperative Credit Union	Nalchakra		29/04/2012
3	Simsang Cooperative Credit Union	Birisiri	Durgapur	11/03/2012
4	Thengsua Cooperative Credit Union	Dhobaura	Dhubaura	20/05/2012
5	Bhalikapra Cooperative Credit Union	Bhalukapara		05/06/2012
6	Akota Cooperative Credit Union	Fulbaria	Fulbaria	23/02/2012
7	Setu Bondan Cooperative Credit Union	Nalitabari	Nalitabari	07/06/2012
8	BalaJuri <i>Adivasi</i> Cooperative Credit Union	Sreebordi	Bixigonj	02/05/2012
9	Mongoldeep Cooperative Credit Union	Ichamari	Doromapasha	08/05/2012
10	Somota Cooperative Credit Union	Bhaluka	Bhaluka	17/05/2012
11	Moytree Cooperative Credit Union	Baromari	Nalitabari	22/07/2012
12	Phulpur Cooperative Credit Union	Phulpur	Phulpur	09/06/2012
13	Simanta Cooperative Credit Union	Kamerkhali	Durgapur	28/06/2012
14	Babelakona Apsan Cooperative Credit Union	Sreebordi	Sreebordi	26/08/2012
15	Sotota Cooperative Credit Union	Fulbaria	Ghatail	10/11/2012

There have been 15 new CCUs in greater Mymensingh region. The following Table 12 reflects the basic information of 15 CCUs. These CCUs started to establish since March 2012 with the formation of the Simsung Co-operative Credit Union and this process was continued up to November 2012 with the formation of the Sotota Cooperative Credit Union (CB, 2012).

CONCLUSION AND RECOMMENDATIONS

The Caritas Bangladesh (CB) is an NGO working in this South Asian region since 1967 as the Caritas Pakistan. After the independence of Bangladesh, it changed its name as the Caritas Bangladesh. It was established primarily as a Christian organization for relief and rehabilitation. It has centralized all its activities in order to develop the socio-economic conditions of the *Adivasi* communities located in developing countries including Bangladesh. It has seven regional office areas in Bangladesh such as Barisal, Chittagong, Dhaka, Dinajpur, Khulna, Mymensingh and Rajshahi and one Area Office in Sylhet. In all these places, CB is operational in Integrated Development including Disaster Management and Human Resource Development.

As a part of integrated rural and human resource development, CB introduced microfinance program in 1982 in Bangladesh. Later it was found that the program failed to alleviate rural poverty and to raise the socioeconomic livelihoods of the *Adivasi* communities. In 2012, CB decided to terminate the microfinance program due to the substantial growth of loan outstanding of 14 percent (CB, 2012) among the borrowers and in its place a new approach called Cooperative Credit Union (CCU) was introduced in order to alleviate rural poverty and bring rural development among the *Adivasi* communities in Bangladesh.

The findings of the present study suggest that CCUs have been proved to be a potential approach of poverty alleviation and rural development raising income levels of the *Adivasi* people in greater Mymensingh region. Thus, this new model could be replicated in other rural areas of Bangladesh where poverty has been remained acute especially in northern parts of greater Rangpur areas.

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