

# Micro-Credit as a Tool for Poverty Reduction in Bangladesh

Muhammad Rabiul Islam Liton Md. Nazmus Sadekin\* Md. Moniruzzaman Muzib  
Department of Economics, Mawlana Bhashani Science and Technology University  
Santosh, Tangail-1902, Bangladesh.  
E-mail: sadekin1865@gmail.com

## Abstract

Poverty has remained a global phenomenon and has defied various endeavors at curbing it especially in developing countries. The high and unacceptable number of people within its grip around the world gave it a pride of place as one of the major goals of Millennium Development Goals (MDGs) adopted in 2000. Poverty alleviation was a prime target of the MDGs and micro-credit was recognized as a veritable tool for tackling it. Since the 1970s, especially during the new wave of microfinance in the 1990s, micro-credit has come to be seen as an important development policy and a poverty reduction tool. In this paper, we examined empirically the effect of micro-credit on poverty alleviation in Bangladesh using secondary data. The results of the study show that poverty level is still high among the rural populace; but those that have access to micro-credit seems to have managed better than those who have no access to micro-credit. In other words, access to micro-credit has positive but not significant impact on poverty alleviation among the rural populace. The study recommends that government should intensify effort in its recent financial inclusion strategy to ensure that the rural populace has greater access to micro credits. Government should also ensure that interest rate on micro credits are affordable, the terms of the credits flexible and the conditions attached to the credit well liberalized.

**Keywords:** Microcredit, Microfinance, Poverty, Eradication, Challenge.

## 1. Introduction

Poverty is a complex singularity and its causes and effects are more complex process (Ismail, 2000). As a developing country, Bangladesh has been putting vigorous shots towards achieving socio-economic development and poverty alleviation goal. With respect to the formal sector, banks and other financial institutions generally require significant collateral, have a preference for high income and high loan clients, and have lengthy and bureaucratic application procedures. With respect to the informal sector, money-lenders usually charge excessively high interest rates, tend to undervalue collateral, and often allow racist and/or sexist attitudes to guide lending decisions. The failure of the formal and informal financial sectors to provide affordable credit to the poor is often viewed as one of the main factors that reinforce the vicious circle of economic, social and demographic structures that ultimately cause poverty. As a partial response to this failure, there has been significant growth in what can be termed "micro-credit" over the past two decades. Micro-credit is essentially the dispersion of small collateral-free loans to jointly liable borrowers in groups in order to foster income generation and poverty reduction through enhancing self-employment. Micro-credit is considered as one of the vital tools for poverty alleviation in Bangladesh (The Role of Micro-Credit in Poverty Alleviation, 2009). At present, according to NGO Affairs Bureau, about 2,116 NGOs have been operating micro-credit program in Bangladesh and number of clients increased sharply (Assessment of Micro-Credit Program in Bangladesh, 2010). In Bangladesh, government sector served about 10 million poor and NGOs sector served 20 million poor (Assessment of Micro-Credit Program in Bangladesh, 2010). An increasing trend was observed in outstanding loans over the period 2006 to 2009 (Bangladesh Microfinance Statistics, 2009). Both GOs and NGOs together in Bangladesh, total loan outstanding is around Tk 200 billion and savings Tk140 billion. In this study we are trying to examine effects of micro credit on poverty eradication in Bangladesh.

The remainder of the paper is organized as follows: In section 2 the objectives of the study is presented. Section 3 gives emphasis on Poverty Situation in Bangladesh. Section 4 explores the present scenario of micro credit in Bangladesh. Section 5 highlights impact of microfinance in poverty elimination. Section 6 discusses some problems and challenges in this program. Finally section 7 presents some recommendations and concluding view.

## 2. Objectives of the Study

The objectives of the study are as follows:

- To recognize the role of micro-credit in eradicate poverty in Bangladesh.
- To ascertain the problems in micro finance system.
- To find out some suggestions to develop micro-credit system in Bangladesh.

## 3. Poverty Situation in Bangladesh

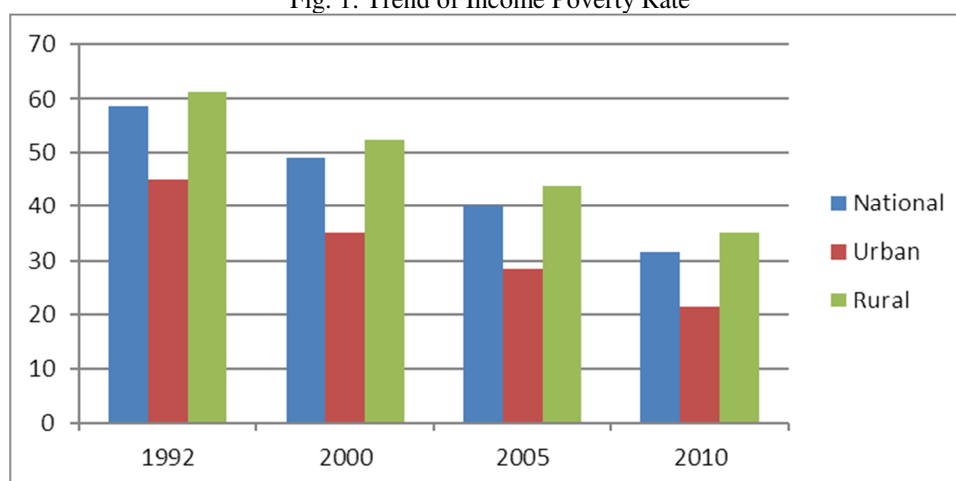
Bangladesh, home to a huge population of 1.4.23 billion (BBS, 2010), cannot escape the fact of severity of

poverty. Poverty alleviation has, therefore, been high on its development agenda as is evidenced in all plan documents. The decline of poverty in Bangladesh is by and large attributable to the relentless engagement in poverty reduction interventions. Yet the depth and dimension of poverty is a matter of great concern. It is also revealed from Human Development Report (HDR) that Bangladesh ranks 129<sup>th</sup> in HDI with Multidimensional Poverty Index (MPI) of 0.291. The Government has laid special emphasis on poverty alleviation and has pledged to eradicate poverty through planned economic development. The present Government aims at reducing poverty rate at 22 and 15 by 2015 and 2021 respectively. Besides this, the Government is determined to build sustainable social safety net for the hard core poor. The overarching goals of five Five-Year Plans and one Two-Year Plan and other government policies were to reduce poverty by accelerating economic development. As an outcome of these planned development activities, in the meantime Bangladesh has achieved remarkable progress in reduction of poverty. The present Government has also pledged to achieve the targets of the Millennium Development Goals (MDGs) by 2017. As a sequel of the first PRSP, the second Poverty Reduction Strategy (Steps Towards Change: National Strategy for Accelerated Poverty Reduction II for 2009-2011) (NSAPR-II) was revised for the second time to make it up to date. In line with Vision 2021, a long-term perspective plan (2010-20) and a Sixth Five Year Plan are being finalized. The main purpose of long-term perspective plan (2010-20) and Sixth Five Year Plan (SFYP) for 2011-15 is to achieve higher growth and reduce poverty. In other words, these plans aim at decreasing the head-count poverty to 22 percent from current 31.5 percent by 2015 and the number of people living below the poverty line to 15 percent and thus turning Bangladesh to a medium income country. It is to be noted that Bangladesh has already been successful in achieving some targets of MDGs including poverty and hunger related targets.

### 3.1. Trends of Poverty

Satisfactory progress in poverty reduction was observed during the last decade. The trends of poverty are shown in the following figure:

Fig. 1: Trend of Income Poverty Rate



Source: BBS, (HIES), 2005, 2010 and calculation of Finance Division

It would be observed from the figure that-

- The rate of income poverty (measured by CBN considering upper poverty line) declined after 1990s. The rate of income poverty declined from 58.8 percent to 48.9 percent during the period from 1991 to 2000. The compound poverty reduction rate per year is recorded at 1.8 percent. But the rate of reduction of poverty is higher in urban areas (yearly rate 2.2) during this period than that in rural area.
- During 2000 to 2005, income poverty also reduced from 48.9 to 40 and the compound reduction rate is 3.9 percent. The reduction rate during this period is also higher for the urban areas (yearly 4.2 percent).
- The rate of income poverty has declined from 40 to 31.5 during 2005 to 2010 with 4.7 percent of compound poverty reduction rate per year. This rate for urban areas is higher than that for rural areas.
- Over the last five years the compound rate of poverty reduction per year (2005-10) is 4.3 percent, whereas during 1991-92 to 2010 the depth and severity of poverty in rural areas was higher than in urban areas.

### 3.2. Head Count Ratio (HCR) on the basis of CBN method by Divisions

The head count ratio of incidence of poverty in six administrative divisions using CBN method is presented in the appendix:

From the Table 1 in Appendix it is evident that

- In 2010 the rate of poverty at the national level, using lower poverty line, has decreased to 17.6 percent in 2010 from 25.1 percent in 2005. However, it has decreased to 31.5 percent in 2010 from 40 percent in 2005 it measured using the absolute poverty line. According to this method, poverty incidence in the urban area is lower than the rural area.
- Using both the hardcore poverty line and the absolute poverty line, the rate of poverty in Barishal Division (26.7%, 39.4%), Rajshahii Division (old- 21.6, 35.7), and Rangpur Division (27.7, 42.3) is higher than that at national level in 2010. On the other hand, absolute poverty line, the rates for Dhaka Division, Chittagong Division and Sylhet Division are 30.5, 26.2, 32.1, 28.1 respectively which shows improved poverty reduction than that prevailing in northern and south-western parts of the country.
- Among seven divisions, Rangpur Division has the highest rate of poverty (42.3) and the poverty rate of rural areas has doubled than that of urban areas. Although the rate of poverty in Barishal Division was highest (52%) in 2005, it has declined by 5.7 percent in 2010.

#### **4. Micro-credit in Bangladesh**

##### **4.1. Institutional Background**

Bangladesh has experienced rapid growth in the micro-credit sector since 1990. Prior to 1990, only a handful of organizations were in operation. Many NGOs adopted and built on the experience of the Grameen Bank. Some of these NGOs experimented with the Grameen Bank micro-credit delivery system at the beginning and gradually they developed their own micro-credit delivery system (such as BRAC and ASA). The Grameen Bank evolved from research project aimed at identifying the causes of poverty carried out by Professor Muhammad Yunus. He found that capital constraints had been forcing women to sell their handicraft products to input providers at prices that were much lower than market prices. He concluded that a lack of small-scale capital in rural areas, needed for income-generating activities, was one of the main causes of poverty. This experience led him to experiment with a loan program targeted at poor people without collateral. In 1983, through a government statute, the Grameen Bank became an official financial institution. It is now regulated by the Central Bank of Bangladesh, and is the largest player in the micro-credit sector. The Grameen Bank receives funds from both the Central Bank and commercial banks (about 75 per cent of the total), along with contributions from international donors. The Grameen Bank pioneered (and continues to employ) the “group-lending model”. Upto June 2011, the total number of members stood at 83.75 lakh. It provides credit coverage of 81,376 villages of 64 districts, with a cumulative loan disbursement of about tk 64911.74 crore. It operates in over 40,000 villages, covering nearly half of the total land area of Bangladesh. In 2000, members had a total savings balance of \$83.2 million, and the recovery rate of was near 89 per cent (see Table 1). Currently, in terms of cumulative loan disbursement the Grameen Bank is the largest micro-credit organisation in Bangladesh.

After independence in 1971, the Bangladesh Rural Advancement Committee (BRAC) was established. Initially its main objective was to conduct relief and 7 rehabilitation programmes. It continued to widen its activities and in 1976 established a micro-credit programme. At present it is prominent among the biggest NGOs in terms of development and micro-credit activities. BRAC started its micro-credit programme in 1976. Its current programme was initiated in 1990 and is known as the “Rural Credit Project”. Other than micro-credit programmes, it also actively participates in poverty alleviation, health, education and social development initiatives. It especially provides various micro-credit and training to under-privileged and marginalised groups like poor women, retired and sacked employees of state owned industries, extreme poor living in char areas. BRAC has disbursed an amount of Tk. 64911.74 crore to as many as 83,74,910 beneficiaries (of which 8057039 are women) till June 2011.

The Association of Social Advancement (ASA) was established in 1978. It began its micro-credit programme in 1991. Currently, ASA is the third largest micro-credit organisation in Bangladesh. It has developed a less expensive model for the implementation of savings and credit program, which has helped it become a more cost effective and sustainable program (Jain, 1999; Rutherford, 1995). At present it has established itself as a self-dependent and fast growing micro-credit provider in the world. At the end of June 2011, the total loan disbursed an amount of on a cumulative basis stood at Tk. 51,693 crore and the recovered amount was Tk. 43,103 crore realisable from 45.22 lakh borrowers and the number of ASA’s active members stood at around 50.57 lakh. Other than micro-credit, ASA provides loan for small business, agro-business, disaster management, education etc.

Swanirvar Bangladesh came into being in 1975 through the joint efforts of the Government and NGOs. At the beginning it worked as an attached cell of Ministry of Agriculture and Forestry. Since 1985 it has been working for the socio-economic development of grass root level through implementation of several integrated

programmes. It has been promoting self-reliance by providing micro-credit facilities under income generating activities. Up to June 2011, through the state-owned commercial banks, PKSF and other sources Swanirvar Bangladesh disbursed a sum of Tk. 1139,09 crore to 1670102 beneficiaries and recovered a sum of Tk. 916.59 crore. The beneficiary coverage of this entity is 1670102 of which 1399210 are females.

Prpshika is one of the largest NGOs operating in Bangladesh. It started its' activities in a few villages of Dhaka and Comilla in 1975. Currently, the activities of Proshika are going 22700 villages. It had broad range of programmes in education and training leading to the different activities of income and employment generation, health education, environmental protection. A total of Tk.4,593.89 crore has been disbursed against against 14.72 lakh projects to create employment/self-employment opportunities for the poor up to June/2011. During this period, an amount of Tk. 4,728 crore has been recovered where the number of beneficiaries was 28,12,127. Sinxe inception, more than 1,23,50,700 people have availed themselves of these opportunities and 12,36,000 household has overcome poverty.

Thangamara Mohila Sobuj Sangha (TMSS) works for poverty alleviation, socio-economic development and empowerment of women. It started its micro-credit programme in 1985 and its aim is to bring about social development through socio-economic development of the deprived poor women. Besides PKSF, this organisation is implementing micro-credit programme with the financial assistance from ADB, World Bank, DFID, EU and Bangladesh Bank. Up to June 2011, the cumulative amount of micro-credit distributed was Tk. 991.46 crore, where the recovered amount was Tk. 870.65 crore and the yearly increase of the number of beneficiaries stood at 78,168.

Shakti Foundation is engaged in providing credit facility for the disadvantaged women living in the slums of Dhaka, Chittagong, Khulna, Comilla, Bogra, Rajshahi and other major cities and towns. Micro finance, which is supported by a number of loan and saving products, is the core programme of Shakti Foundation. Besides, it also provides help for health-care, business entrepreneurship and social development of poor women. Up to June 2010, average growth rate of membership, disbursement and recovery was 28.36 percent, 30.17 percent and 28.76 percent respectively. The amount of disbursement and recovery of loan stood at Tk. 513.89 crore and Tk. 413.96 crore.

Society for Social Services (SSS) came into being in 1986 with an aim to contribute to the process of sustainable social development through poverty alleviation and awareness building on basic rights with special emphasis on health of the poor and the disadvantaged section of the community. Up to June 2011, the cumulative disbursement and recovery stood at Tk. 3101 crore and Tk. 2737.99 crore respectively.

BURO, Bangladesh was established in 1990 in Tangail intended to reduce both income and human poverty by extending credit programme for the poor. It started its activities in 1990 in Tangail. At present it is implementing its programmes with 516385 families. It has schemes of loan, savings, insurance and also remittance services. It also actively participated in healthcare, pre-primary education, women development and empowerment, water and sewerage management, family planning, plantation and social forestry, disaster management etc. Upto June 2011, the total disbursement of credit and its recovery stood at Tk. 576.13 crore and Tk. 572.31 crore respectively.

Besides these, other NGOs are also contributing to the process of socio-economic development of the country. On a cumulative basis, up to June 2011, 9 major NGOs have disbursed and recovered Tk. 70120.34 crore and Tk. 63843.7 crore respectively. The number of beneficiaries stood at 18847610.

#### **4.2. Trends of Micro Credit in Bangladesh**

The amount of disbursement provided by different NGOs, Govt. organizations and banks are in the appendix: The Table 2 shows that total amount of disbursement increases over time. After only half of a decade (2005-2011) it becomes double. Grameen Bank is the largest microcredit provider in Bangladesh. Three-Fourth of the total disbursements are provided by three major organizations Grameen Bank, BRAC and ASA. Other organizations provide only a smaller amount. On the other hand NGOs provide more loan than specialized organizations and banks. In 2005 NGOs, Specialized organizations and banks provide 11035.61, 1191, 884.86 crore taka respectively. In 2010 it becomes 26491.62, 3303.28 and 2014.91 crore taka respectively.

#### **4.3. Number of Beneficiaries**

Number of people taking benefits from micro-finance organizations is in the appendix:

The Table 3 shows that Number of beneficiaries also increases day by day. In the last five years of last decade (2005-2011) the number of beneficiaries increases more than 50 percentage points. In 2005 this number was 22

million and in 2010 it becomes 32.85 million. During first three years of relevant five years it increases at a faster rate. Like the disbursement, most of people benefited from few organizations. More than 90 percent beneficiaries are benefited from only four NGOs namely Grameen Bank, BRAC, PKSF and ASA.

#### 4.4. Sexual combinations of microcredit beneficiaries

Women are given more emphasis in micro-finance though there are some male members also exist in these programs.

Table 4: Sexual combinations of microcredit beneficiaries

Year	Male (%)	Female (%)
2005	33.70	66.30
2006	33.96	66.04
2007	34.32	65.68
2008	34.34	65.66
2009	34.90	65.10
2010	35.35	64.65

Source: Researcher own calculation from the data of concerned NGOs, Organizations and Banks.

Women get priority as the target group in most of the microcredit provider organizations. As a result all over the time women hold more than 65% share in total number of beneficiaries. In 2005 the share of female and male beneficiaries was 66% and 34% and after five years it becomes 64.65% and 35.35% respectively. Most of the NGOs gave priority for women because of women empowerment. But very most time it becomes impossible to empower women because these loans are used by not these women but by man member of their family. A recent BIDS study, sponsored by the PKSF and the World Bank, showed 90 percent of the borrowers to be females. When asked on who used the money and who repaid them (along with weekly savings), the female borrowers can be distributed as follows: husband – 71.5%, son – 5.2%, father – 1.2%, brother – 1.2%, son-in-law – 0.3%, jointly with husband – 6.6%, self – 6.3%, mother – 0.6% and other relatives – 1.8%.

### 5. Impact of Microfinance

#### 5.1. Economic Impacts of Microfinance

**Income:** The 1998 survey of PKSF found the average annual income of participant households to be higher than that of the non-participants. Self-employment activities had more than 50% contribution to total income for the participants as against 43 percent in case of non-participants. The second BIDS survey suggests that nominal household income increased by 19 percent in program villages and by only 13.5 percent in control villages. Compared to non participants the participant households were better able to cope with flood, sustain their income, achieve higher purchasing power and consumption level.

##### 5.1.1. Food Security

The BIDS study finds the program participants, due to greater access to sharecropping, had better food security and about 26 percent of rice consumption out of own production (after sale), which was also marginally higher than the non-participants.

##### 5.1.2. Wage

The 1998 survey of PKSF found that, wage earning contributed about 23 percent of total annual income for the land-poor households. Microcredit helped participant households to earn about 8 percent higher income than that of the non-participants.

##### 5.1.3. Employment

The participant households are better able to ensure more employment on own farms due to their better access to the land rental market. Wage and self-employment in non-agricultural sector is also higher for the participant households due to their access to microcredit program.

##### 5.1.4. Assets (land and non-land)

Average size of land owned by participant households is lower than the non-participants; 91 decimals compared to 149 decimals. The BIDS study however suggests that the eligible participants' mortgage or rent-in more land than the non-participants, and therefore, have larger operational holding. Higher percentage of program participants own poultry, goat/sheep and cows compared to non-participants. A higher percentage of the participants own bicycles (12.5% compared to 8%), boat (3.7% compared to 1.6%), irrigation equipment (1.23%

compared to 0.23%), radio (17.9% compared to 12.6%) and rickshaw/van (8% compared to 2%) thus showing higher asset ownership of the participants.

## **5.2. Social and Other Development Impacts**

### **5.2.1. Health and Nutrition**

There is positive program placement effect on nutrition status.

Sanitation and Drinking Water: The BIDS study finds small positive influence of participation on waste disposal and use of sanitary toilets among the land-poor households with no clear evidence of program impact on hand-washing. Change in sources of drinking water was considered by number of users before and after joining the credit program. It indicates that all respondents (100%) used tube-well to meet their daily water requirement after their involvement in credit program whereas before joining it was 93.4% and the rest 6.6% used either river or pond water (Mazumder and Wencong, 2013).

### **5.2.2. Literacy and School Enrollment of Children**

Adult literacy rate is significantly higher among the eligible participants. The BIDS study also found that program participation increases the chance of both boys and girls to be enrolled in schools.

### **5.2.3. Empowering Women**

Microcredit programs' main target is women. There are strong evidences that, microcredit programs contribute to women's empowerment. One consistent finding is the increased self-confidence and increased self-esteem. Another is women's increased in decision making in the areas of family planning, children's marriage, buying and selling of properties and sending daughters to school. There have been some evidences that members of microfinance institutions are able to stop domestic violence due to personal empowerment and through group action. In Bangladesh, microcredit programs have also increased women's participation in the activities of local government. Some women microcredit clients have been elected as Chairpersons and Members of various Union Parishads, the lowest and most vibrant tier of local government. Now women microcredit clients take greater roles in community activities and organizing for social change.

## **6. Challenges in Microcredit Programs**

### **6.1. Cycle of loans and liability**

Microcredit has changed life style of the poor people but they could not come out from the causes of poverty. Sometimes they use microcredit loan from one organization to meet interest obligations from another. It chained the poor people, so they are rolling in the cycle of loans and liability.

### **6.2. Highly expensive**

Microcredit imposes high interest on the borrowers. So, many borrowers fail to repay the loans. As a result they are carrying the burden of high interest which is not at all in favor of eradicating poverty.

### **6.3. The human system for collecting installment**

The way micro credit lenders collect the installment of the loans is really pitiable. Most of the field officers are in a position of power locally and are judged on repayment rates as the primary metric of their success. They sometimes use force and even violent tactics to collect installments on the microcredit loans. Many borrowers bound to sale their last belongings to pay the installment. Many committed suicide under frustration.

### **6.4. Increases dowries**

A large number of people believe that, microcredit increase the dowries. Poor parents take loan for their daughter to meet the demand of the grooms. Many people put pressure on women to borrow from the micro financier. Micro credit is indirectly responsible for increasing dowries.

Ignorance to agriculture sector: Micro credit could not play any significant role in the agriculture sector. But it is simply impossible eradicate poverty from our country without developing this sector.

## **7. Recommendations and Conclusion**

Microcredit, originated in Bangladesh has blowout all over the globe. Today within the international coverage of microcredit Bangladesh's achievement stands out prominently. The world community has appreciated the contributions of Bangladesh in the field of microcredit, which was evident in the Asia Pacific Region Microcredit Summit (APRMS) Meeting of Councils in Dhaka, Bangladesh from 16-19th February, 2004 arranged by Palli Karma -Sahayak Foundation (PKSF), in association with the Microcredit Summit Campaign based in Washington D.C. More than 1200 participants from 47 countries from different parts of the globe

pledged their firm commitment to take forward the microcredit movement. Bangladesh government has also placed adequate emphasis on microcredit programs. The Interim Poverty Reduction Strategy Paper (IPRSP) of the government of Bangladesh has outlined some important roles for microcredit. The policy makers have recognized the importance of microcredit in Bangladesh and the present government has pledged its support to this program. To become micro credit programs more fruitful we should give emphasis on the followings –

- Ensuring close monitoring.
- Using micro credit in high profitable business.
- Fixing reasonable rate of interest.
- Making sufficient laws for the operation of micro credit.
- Ensure suitable behavior of by the officers.
- Give more emphasis on rural economic productive sector, especially in agriculture.
- Ensure more research in micro credit and its effectiveness.

If we fulfill these requirements, we could hope that micro credit becomes a tool of eradicating poverty. Only then we can get poverty and hunger free Bangladesh.

#### Reference(s)

1. Assessment of Micro-Credit Program in Bangladesh. (2010), Retrieved from [www.docstoc.com/.../Assessment-of-Micro-Credit-Programme-in-Bangladesh](http://www.docstoc.com/.../Assessment-of-Micro-Credit-Programme-in-Bangladesh).
2. BBS (2010). *Bangladesh Bureau of Statistics 2010*. Finance Division, Ministry of Finance, Government of the People's Republic of Bangladesh.
3. BBS (2013). *Bangladesh Bureau of Statistics 2013*. Finance Division, Ministry of Finance, Government of the People's Republic of Bangladesh.
4. BIDS (2001). Bangladesh Institute of Development Studies 2001. Final report on BIDS Study on PKSF's Monitoring and Evaluation System (MES), October, Dhaka.
5. MOF (2013). *Bangladesh Economic Review 2013*. Ministry of Finance Division. Dhaka, Bangladesh Government Press.
6. Bangladesh Microfinance Statistics. (2009), Retrieved from Institute of Microfinance (InM) and Credit and Development Forum (CDF).
7. Ismail, S. (2000), Elimination of Poverty: Challenges and Islamic Strategies, *Islamic Economic Studies*, Vol. 8(1), 1.
8. Jain, P. S. (1999). *Maturing of Micro Credit Movement*. Dhaka: Association of Social Advancement.
9. Mazumder, M.S.U., and Wencong, L. (2013). Micro-Credit and Poverty Reduction: A Case of Bangladesh, *Parague Economic Papers*, Vol. (3), 403.
10. Rutherford, S. (1995). *ASA-The Biography of an NGO*. Dhaka: Association of Social Advancement.
11. Smith A. (1937). *The Wealth of Nations*, 93.
12. World Savings Bank Institute. (2010), "Financial Service Access Can Accelerate Millennium Development Goals Achievement."

### Appendix

**Table 1: Division wise Incidence of Poverty (HCR) by CBN Method (in percentage)**

	2000			2005			2010		
	National	Urban	Rural	National	Urban	Rural	National	Urban	Rural
	Hardcore Poverty, Daily less than 1805 kilocalorie food intake								
National	34.3	37.9	20.0	25.1	28.6	14.6	17.6	21.1	7.7
Barisal	34.7	35.9	21.7	35.6	37.2	26.4	26.7	27.3	24.2
Chittagong	27.5	30.1	17.1	16.1	18.7	8.1	13.1	16.2	4.0
Dhaka	34.5	43.6	15.8	19.9	26.1	9.6	15.6	23.5	3.8
Khulna	32.3	34.0	23.0	31.6	32.7	27.8	15.4	15.2	16.4
Rajshahi	42.7	43.9	34.5	34.5	35.6	28.4	21.6	22.7	15.6
Rajshahi(new)	-	-	-	-	-	-	16.0	16.4	14.4
Rongpur	-	-	-	-	-	-	27.7	29.4	17.2
Sylhet	26.7	26.1	35.2	20.8	22.3	11.0	20.7	23.5	5.5
	Absolute Poverty, Daily less than 2122 kilocalorie food intake								
National	48.9	52.3	35.2	40.0	43.8	28.4	31.5	35.2	21.3
Barisal	53.1	55.1	32.0	52.0	54.1	40.4	39.4	39.2	39.9
Chittagong	45.7	46.3	44.2	34.0	36.0	27.8	26.2	31.0	11.8
Dhaka	46.7	55.9	28.2	32.0	39.0	20.2	30.5	38.8	18.0
Khulna	45.1	46.4	38.5	45.7	46.5	43.2	32.1	31.0	35.8
Rajshahi	56.7	58.5	44.5	45.7	46.5	43.2	35.7	36.6	30.7
Rajshahi(new)	-	-	-	-	-	-	29.7	29.0	32.6
Rongpur	-	-	-	-	-	-	42.3	44.5	27.9
Sylhet	42.4	41.9	49.6	33.8	36.1	18.6	28.1	30.5	15.0

Source: BBS, HIES-2010.

**Table 2: The amount of disbursement provided by different NGOs, Govt. organizations and banks  
(in Crore taka)**

	2005	2006	2007	2008	2009	2010	2011	Total
Disbursement by Non-Government Organizations (NGOs)								
BRAC	3254.2	4261.5	6232.87	8428.9	7568.08	7375.88	3992.85	41114.3
ASA	3317.9	4131.6	4836.47	6110.85	6191.19	6866.72	4487.78	35942.5
PROSHIKA	288.13	316.5	312	267	222	195	98	1698.63
Swanirvar Bangladesh	75.91	91.36	96.3	96.73	131.65	157.93	176.77	826.65
Caritas	106.18	118.24	147.78	140.2	153.46	154.38	123	943.24
TMSS	292.11	409.79	514.8	571.93	656.01	768.65	991.46	4204.75
Shakti Foundation	150.42	179.97	176.13	202.74	305.15	513.89	-	1528.3
BURO, Bangladesh	236.84	318.03	375.16	590.58	813.96	1090.86	825	4250.43
SSS	165.52	260.77	354.06	432.69	523.8	613.8	405.64	2756.28
Grameen Bank	3148.3	4590.5	5019.44	5561.85	7184.59	8754.51	10295.9	44555.2
Disbursement by Specialized Government Organizations								
Karmasangsthan Bank	168.2	226.48	292.6	375.83	482.36	680.42	993.37	3219.26
RDA, Bogra	1.94	1.99	2.26	3.57	6.19	6.72	6.91	29.58
PKSF	366	692.62	1350.7	1408.9	1819.53	1941.7	1931.28	9510.73
BRDB	654.86	683.77	862.73	796.06	691.19	674.44	735.78	5098.83
Disbursement by State-owned Commercial Banks (SCBs) and Public Specialised Banks								
Rupali Bank	15.28	16.09	11.02	16.97	16.88	22.69	23.32	122.25
Sonali Bank	485.9	456.62	410.02	557.08	617.44	755.57	676.23	3958.86
Agrani Bank	100.34	182.07	210.6	290.4	339.66	487.92	33.61	1644.6
Janata Bank	193.75	193.75	290.16	497.93	560.94	631.63	254.21	2622.37
Bangladesh Krishi Bank	58.86	57.02	54.51	53.43	47.82	98.49	52.26	422.39
Rajshahi Krishi Unnayan Bank	30.73	29.23	14.99	17.71	18.03	18.61	27.68	156.98
Total	13111.4	17218	21564.6	26421.3	28349.9	31809.8	26131.1	164606.

Source: Bangladesh Economic Review (2013)



**Table 3: Number of people taking benefits from micro-finance organizations**

	2005	2006	2007	2008	2009	2010	Total
BRAC	4837099	5310317	7370847	8090369	8359993	8054415	42023040.0
ASA	5988134	6455979	6674058	7276677	5498293	5656257	37549398.0
PROSHIKA	20076	15030	8209	6723	847	193	1078.0
Swanirvar Bangladesh	94945	129894	101565	104702	123803	127176	682085.0
Caritas	14936	4227	4362	99.71	11932	41855	77411.7
TMSS	115470	68587	99826	89544	22462	6027	401916.0
Shakti Foundation	157517	167113	156108	181990	299158	475976	1437862.0
BURO, Bangladesh	273286	331329	376710	602273	746938	985182	3315718.0
SSS	184591	260110	320110	362636	356483	369883	1853813.0
PKSF	5104940	5522406	6778262	7723451	8283814	8262465	41675338.0
Grameen Bank	4764216	6390148	7208455	7527700	7904797	8276494	42071810.0
Sonali Bank	189560	201841	199190	179188	208478	251856	1230113.0
Agrani Bank	42435	104387		115383	139903	158978	561086.0
Janata Bank	101220	100073	145080	124483	124653	130921	726430.0
Bangladesh Krishi Bank	59117	50083	52028	47761	49356	35044	293389.0
Rajshahi Krishi Unnayan Bank	47834	30033	16634	15818	16239	13779	140337.0
Rupali Bank	5402	5431	2804	4242	3458	5672	27009.0
Total	22000778	25146988	29514248	32453040	32150607	32852173	174117833.7

Source: Bangladesh Economic Review (2013)

The IISTE is a pioneer in the Open-Access hosting service and academic event management. The aim of the firm is Accelerating Global Knowledge Sharing.

More information about the firm can be found on the homepage:  
<http://www.iiste.org>

## CALL FOR JOURNAL PAPERS

There are more than 30 peer-reviewed academic journals hosted under the hosting platform.

**Prospective authors of journals can find the submission instruction on the following page:** <http://www.iiste.org/journals/> All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Paper version of the journals is also available upon request of readers and authors.

## MORE RESOURCES

Book publication information: <http://www.iiste.org/book/>

## IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

