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THE EFFICIENCY OF MICROCREDIT APPLIED TO SOCIAL EXCLUSION

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Introduction

Social exclusion is a concept used in many parts of the world to characterise contemporary forms of social disadvantage. Dr. Lynn Todman, director of the Institute on Social Exclusion at the Adler School of Professional Psychology, suggests that social exclusion refers to processes in which individuals and entire communities of people are systematically blocked from rights, opportunities and resources (e.g. housing, employment, healthcare, civic engagement, democratic participation and due process) that are normally available to members of society and which are key to social integration.

Microcredit has long been hailed as a tool to alleviate poverty, of course there are doubters of that tool, there are thinkers who think that it would never be able to alleviate poverty, but the examples all over the world shows that there is a need for credit in the village specially in the harvest season, in time of real crunch situation of their lives and for the starting up and expansion of their businesses. There is a need for institutional credit which would serve as a catalyst of their life savior. Credit is needed to see off the moneylenders once for all. But the commercial Banks have drastically failed to realize the potentiality of credit for the villagers, they have never thought the villagers as bankable people. They never thought of them as a responsible and valuable clients.

The commercial Banks throws most of the people out of the equation from banking sector and this same people has been trapped by moneylenders for this reason for long. Credit has never been institutionalized for these people although there were strong co operative movements to solve this problem. But Institutional microcredit is the first real instance where we see an urge to fight against this malise. In the middle of the 70's in the last century a Professor named Muhammad Yunus in Bangladesh started this movement called microcredit and set up a Microcredit Bank for the poor people living in the village. Initially credit was given to a group of five people for both men and women. Soon after this credit was meant only for women and we see a kind of a change in the rural monetary atmosphere. Women beginning to come out from their household, women beginning to voice for their rights, women beginning to participate in the decision making, women beginning to empower in a more positive note.

A lot of research shows that there is a positive correlation on women empowerment and microcredit.

But what happens to the women's self belief, self assurance, what happens to women centrality in the village, specially the social participation, trust to others and social mobility that is something that we wanted to observe and this is my research study. This research is meant to see microcredit as a strong tool for social exclusion. 85 samples were taken from Grameen Bank borrowers. The tangible and intangible aspect of microcredit is intertwined in this research. The household questionnaire by the World Bank was used to see the tangible aftermath of microcredit and Social capital tool of... was used to observe the social capital and by doing so we intertwined these two aspects of microcredit.

The research is a time period research. The difference of the first sample data and the second is almost one year. In this period the same questions were asked to see the difference in a one year period and thus to observe the change in time. In the first data collection one hundred samples were taken and in the second period 85 samples were found. So, 85 samples were analysed in this research. And then Statistical analysis is done to see significant results and on the basis of these results, descriptive analysis has been made.

Chapter 1: Microcredit

The definition of Microcredit

Much of the current interest in microcredit stems from the Microcredit Summit (2-4 February 1997), and the activities that went into organizing the event. The definition of microcredit that was adopted there was:

Microcredit (mI-[*]Kro'kre-dit); noun; programmes extend small loans to very poor people for self-employment projects that generate income, allowing them to care for themselves and their families.

Definitions differ, of course, from country to country. Some of the defining criteria used include- size - loans are micro, or very small in size target users - microentrepreneurs and low-income households utilization - the use of funds - for income generation, and enterprise development, but also for community use (health/education) etc. terms and conditions - most terms and conditions for microcredit loans are flexible and easy to understand, and suited to the local conditions of the community.

The word "microcredit" did not exist before the seventies. Now it has become a buzz-word among the development practitioners. In the process, the word has been imputed to mean everything to everybody. No one now gets shocked if somebody uses the term "microcredit" to mean agricultural credit, or rural credit, or cooperative credit, or consumer credit, credit from the savings and loan associations, or from credit unions, or from money lenders. When someone claims microcredit has a thousand year history, or a hundred year history, nobody finds it as an exciting piece of historical information. According to Prof. Myhammad Yunus Grameen Microedit is as follows:

- A) *Traditional informal microcredit (such as, moneylender's credit, pawn shops, loans from friends and relatives, consumer credit in informal market, etc.)*
- B) *Microcredit based on traditional informal groups (such as, tontin, su su, ROSCA, etc.)*

- C) *Activity-based microcredit through conventional or specialised banks (such as, agricultural credit, livestock credit, fisheries credit, handloom credit, etc.)*
- D) *Rural credit through specialised banks.*
- E) *Cooperative microcredit (cooperative credit, credit union, savings and loan associations, savings banks, etc.)*
- F) *Consumer microcredit.*
- G) *Bank-NGO partnership based microcredit.*
- H) *Grameen type microcredit or Grameencredit.*
- I) *Other types of NGO microcredit.*
- J) *Other types of non-NGO non-collateralized microcredit.*

This is a very quick attempt at classification of microcredit just to make a point. The point is — every time we use the word "microcredit" we should make it clear which type (or cluster of types) of microcredit we are talking about. Otherwise we'll continue to create endless confusion in our discussion. Needless to say that the classification I have suggested is only tentative. We can refine this to allow better understanding and better policy decisions. Classification can also be made in the context of the issue under discussion. I am arguing that we must discontinue using the term "microcredit" or "microfinance" without identifying its category.

Microcredit data are compiled and published by different organizations. We find them useful. I propose that while publishing these data we identify the category or categories of microcredit each organization provides. Then we can prepare another set of important information — number of poor borrowers, and their gender composition, loan disbursed, loan outstanding, balance of savings, etc. under each of these categories, countrywise, regionwise, and globally.

These sets of information will tell us which category of microcredit is serving how many poor borrowers, their gender break-up, their growth during a year or a period, loans disbursed, loans outstanding, savings, etc. The categories which are doing better, more support can go in their direction. The categories which are doing poorly may be helped to improve their performance. For policy-maters this will be enormously helpful. For analysis purpose this will make a world of difference.

Grameen credit

Whenever I use the word "microcredit" I actually have in mind Grameen type microcredit or Grameencredit. But if the person I am talking to understands it as some other category of microcredit my arguments will not make any sense to him. Let me list below the distinguishing features of Grameencredit. This is an exhaustive list of such features. Not every Grameen type programme has all these features present in the programme. Some programmes are strong in some of the features, while others are strong in some other features. But on the whole they display a general convergence to some basic features on the basis of which they introduce themselves as Grameen replication programmes or Grameen type programmes.

General features of Grameencredit are :

- a) *It promotes credit as a human right.*
- b) *Its mission is to help the poor families to help themselves to overcome poverty. It is targeted to the poor, particularly poor women.*
- c) *Most distinctive feature of Grameencredit is that it is not based on any collateral, or legally enforceable contracts. It is based on "trust", not on legal procedures and system.*
- d) *It is offered for creating self-employment for income-generating activities and housing for the poor, as opposed to consumption.*

- e) *It was initiated as a challenge to the conventional banking which rejected the poor by classifying them to be "not creditworthy". As a result it rejected the basic methodology of the conventional banking and created its own methodology.*
- f) *It provides service at the door-step of the poor based on the principle that the people should not go to the bank, bank should go to the people.*
- g) *In order to obtain loans a borrower must join a group of borrowers.*
- h) *Loans can be received in a continuous sequence. New loan becomes available to a borrower if her previous loan is repaid.*
- i) *All loans are to be paid back in instalments (weekly, or bi-weekly).*
- j) *Simultaneously more than one loan can be received by a borrower.*
- k) *It comes with both obligatory and voluntary savings programmes for the borrowers.*
- l) *Generally these loans are given through non-profit organizations or through institutions owned primarily by the borrowers. If it is done through for-profit institutions not owned by the borrowers, efforts are made to keep the interest rate at a level which is close to a level commensurate with sustainability of the programme rather than bringing attractive return for the investors. Grameencredit's thumb-rule is to keep the interest rate as close to the market rate, prevailing in the commercial banking sector, as possible, without sacrificing sustain-ability. In fixing the interest rate market interest rate is taken as the reference rate, rather than the moneylenders' rate. Reaching the poor is its non-negotiable mission. Reaching sustainability is a directional goal. It must reach sustainability as soon as possible, so that it can expand its outreach without fund constraints.*
- m) *Grameencredit gives high priority on building social capital. It is promoted through formation of groups and centres, developing leadership quality through annual election of group and centre leaders, electing board members when the institution is owned by the borrowers. To develop a social agenda owned by the borrowers, something similar to the*

"sixteen decisions", it undertakes a process of intensive discussion among the borrowers, and encourage them to take these decisions seriously and implement them. It gives special emphasis on the formation of human capital and concern for protecting environment. It monitors children's education, provides scholarships and student loans for higher education. For formation of human capital it makes efforts to bring technology, like mobile phones, solar power, and promote mechanical power to replace manual power.

Grameencredit is based on the premise that the poor have skills which remain unutilised or under-utilised. It is definitely not the lack of skills which make poor people poor. Grameen believes that the poverty is not created by the poor, it is created by the institutions and policies which surround them. In order to eliminate poverty all we need to do is to make appropriate changes in the institutions and policies, and/or create new ones. Grameen believes that charity is not an answer to poverty. It only helps poverty to continue. It creates dependency and takes away individual's initiative to break through the wall of poverty. Unleashing of energy and creativity in each human being is the answer to poverty.

Grameen brought credit to the poor, women, the illiterate, the people who pleaded that they did not know how to invest money and earn an income. Grameen created a methodology and an institution around the financial needs of the poor, and created access to credit on reasonable term enabling the poor to build on their existing skill to earn a better income in each cycle of loans.

If donors can frame categorywise microcredit policies they may overcome some of their discomforts. General policy for microcredit in its wider sense, is bound to be devoid of focus and sharpness.

The concept of microfinance is not new. Savings and credit groups that have operated for centuries include the "susus" of Ghana, "chit funds" in India, "tandas" in Mexico, "arisan" in Indonesia, "cheetu" in Sri Lanka, "tontines" in West Africa, and "pasanaku" in Bolivia, as well as numerous savings clubs and burial societies found all over the world.

Formal credit and savings institutions for the poor have also been around for decades, providing customers who were traditionally neglected by commercial banks a way to obtain financial services through cooperatives and development finance institutions. One of the earlier and longer-lived micro credit organizations providing small loans to rural poor with no collateral was the Irish Loan Fund system, initiated in the early 1700s by the author and nationalist Jonathan Swift. Swift's idea began slowly but by the 1840s had become a widespread institution of about 300 funds all over Ireland. Their principal purpose was making small loans with interest for short periods. At their peak they were making loans to 20% of all Irish households annually.

In the 1800s, various types of larger and more formal savings and credit institutions began to emerge in Europe, organized primarily among the rural and urban poor. These institutions were known as People's Banks, Credit Unions, and Savings and Credit Co-operatives.

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The concept of the credit union was developed by Friedrich Wilhelm Raiffeisen and his supporters. Their altruistic action was motivated by concern to assist the rural population to break out of their dependence on moneylenders and to improve their welfare. From 1870, the unions expanded rapidly over a large sector of the Rhine Province and other regions of the German States. The cooperative movement quickly spread to other countries in Europe and North America, and eventually, supported by the cooperative movement in developed countries and donors, also to developing countries.

In Indonesia, the Indonesian People's Credit Banks (BPR) or The Bank Perkreditan Rakyat opened in 1895. The BPR became the largest microfinance system in Indonesia with close to 9,000 units.

In the early 1900s, various adaptations of these models began to appear in parts of rural Latin America. While the goal of such rural finance interventions was usually defined in terms of modernizing the agricultural sector, they usually had two specific objectives: increased commercialization of the rural sector, by mobilizing "idle" savings and increasing investment through credit, and reducing oppressive feudal relations that were enforced through indebtedness. In most cases, these new banks for the poor were not owned by the poor themselves, as they had been in Europe, but by government agencies or private banks. Over the years, these institutions became inefficient and at times, abusive.

Between the 1950s and 1970s, governments and donors focused on providing agricultural credit to small and marginal farmers, in hopes of raising productivity and incomes. These efforts to expand access to agricultural credit emphasized supply-led government interventions in the form of targeted credit through state-owned development finance institutions, or farmers' cooperatives in some cases, that received concessional loans and on-lent to customers at below-market interest rates. These subsidized schemes were rarely successful. Rural development banks suffered massive erosion of their capital base due to subsidized lending rates and poor repayment discipline and the funds did not always reach the poor, often ending up concentrated in the hands of better-off farmers.

Meanwhile, starting in the 1970s, experimental programs in Bangladesh, Brazil, and a few other countries extended tiny loans to groups of poor women to invest in micro-businesses. This type of microenterprise credit was based on solidarity group lending in which every member of a group guaranteed the repayment of all members. These "microenterprise lending" programs had an almost exclusive focus on credit for income generating activities (in some cases accompanied by forced savings schemes) targeting very poor (often women) borrowers.

- ACCION International, an early pioneer, was founded by a law student, Joseph Blatchford, to address poverty in Latin America's cities. Begun as a student-run volunteer effort in the

shantytowns of Caracas with \$90,000 raised from private companies, ACCION today is one of the premier microfinance organizations in the world, with a network of lending partners that spans Latin America, the United States and Africa.

- **SEWA Bank.** In 1972 the Self Employed Women's Association (SEWA) was registered as a trade union in Gujarat (India), with the main objective of "strengthening its members' bargaining power to improve income, employment and access to social security." In 1973, to address their lack of access to financial services, the members of SEWA decided to found "a bank of their own". Four thousand women contributed share capital to establish the Mahila SEWA Co-operative Bank. Since then it has been providing banking services to poor, illiterate, self-employed women and has become a viable financial venture with today around 30,000 active clients.
- **Grameen Bank.** In Bangladesh, Professor Muhammad Yunus addressed the banking problem faced by the poor through a programme of action-research. With his graduate students in Chittagong University in 1976, he designed an experimental credit programme to serve them. It spread rapidly to hundreds of villages. Through a special relationship with rural banks, he disbursed and recovered thousands of loans, but the bankers refused to take over the project at the end of the pilot phase. They feared it was too expensive and risky in spite of his success. Eventually, through the support of donors, the Grameen Bank was founded in 1983 and now serves more than 4 million borrowers. The initial success of Grameen Bank also stimulated the establishment of several other giant microfinance institutions like BRAC, ASA, Proshika, etc.

Through the 1980s, the policy of targeted, subsidized rural credit came under a slow but increasing attack as evidence mounted of the disappointing performance of directed credit programs, especially poor loan recovery, high administrative costs, agricultural development bank insolvency, and accrual of a disproportionate share of the benefits of subsidized credit to larger farmers. The basic tenets underlying the traditional directed credit approach were debunked and supplanted by a new school of thought called the "financial systems approach", which viewed credit not as a productive input necessary for agricultural development but as just one type of financial service that should be freely priced to guarantee its permanent supply and eliminate rationing. The financial systems school held that the emphasis on interest rate ceilings and credit subsidies retarded the development of financial intermediaries, discouraged intermediation between savers and investors, and benefited larger scale producers more than small scale, low-income producers.

Meanwhile, microcredit programs throughout the world improved upon the original methodologies and defied conventional wisdom about financing the poor. First, they showed that poor people, especially women, had excellent repayment rates among the better programs, rates that were better than the formal financial sectors of most developing countries. Second, the poor were willing and able to pay interest rates that allowed microfinance institutions (MFIs) to cover their costs.

1990s These two features - high repayment and cost-recovery interest rates - permitted some MFIs to achieve long-term sustainability and reach large numbers of clients.

Another flagship of the microfinance movement is the village banking unit system of the Bank Rakyat Indonesia (BRI), the largest microfinance institution in developing countries. This state-owned bank serves about 22 million microsavers with autonomously managed microbanks. The microbanks of BRI are the product of a successful transformation by the state of a state-owned agricultural bank during the mid-1980s.

The 1990s saw growing enthusiasm for promoting microfinance as a strategy for poverty alleviation. The microfinance sector blossomed in many countries, leading to multiple financial services firms serving the needs of microentrepreneurs and poor households. These gains, however, tended to concentrate in urban and densely populated rural areas.

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It was not until the mid-1990s that the term "microcredit" began to be replaced by a new term that included not only credit, but also savings and other financial services. "Microfinance" emerged as the term of choice to refer to a range of financial services to the poor, that included not only credit, but also savings and other services such as insurance and money transfers.

ACCION helped found BancoSol in 1992, the first commercial bank in the world dedicated solely to microfinance. Today, BancoSol offers its more than 70,000 clients an impressive range of financial services including savings accounts, credit cards and housing loans - products that just five years ago were only accessible to Bolivia's upper classes. BancoSol is no longer unique: more than 15 ACCION-affiliated organizations are now regulated financial institutions.

Today, practitioners and donors are increasingly focusing on expanded financial services to the poor in frontier markets and on the integration of microfinance in financial systems development. The recent introduction by some donors of the financial systems approach in microfinance - which emphasizes favorable policy environment and institution-building - has improved the overall effectiveness of microfinance interventions. But numerous challenges remain, especially in rural and agricultural finance and other frontier markets. Today, the microfinance industry and the greater development community share the view that permanent poverty reduction requires addressing the multiple dimensions of poverty. For the international community, this means reaching specific Millennium Development Goals (MDGs) in education, women's empowerment, and health, among others. For microfinance, this means viewing microfinance as an essential element in any country's financial system.

Chapter 2: Methodology of Grameen Bank

Introduction of Grameen Bank

Grameen Bank is a Specialized Bank in Bangladesh which provides small credit to the poverty stricken people without any collateral. It has created over the years such a banking system which is based on mutual trust, accountability, participation and creativity. At GB, credit is a cost effective weapon to fight poverty and it serves as a catalyst in the over all development in the rural areas.

Grameen Bank was started as an action research project in the year 1976 by Prof. Muhammad Yunus who was the Head of the Rural Economics Program at the University of Chittagong at that time. He wanted to provide Banking service to the doorstep of the poor people with a model which should be simple enough to understand and manage and more effective in the operational levels. He also wanted to free them from the vicious money lenders and make them self sufficient through income generating loans in the rural areas.

Grameen bank has a unique credit delivery mechanism which opposes the formal rules of usual banking system. It's borrowers are women and poor people who are not termed as credit worthy from the normal Banks in Bangladesh. It's target people are homeless and landless people. It gives credit to individual after a group formation mechanism. Grameen Bank goes to their doorstep to provide all the Banking facilities which is completely opposite to the other Banks. Grameen is the Bengali word of rural, so this rural Bank only operates in the villages of Bangladesh where most of the poor people lives.

In October 1983, the Grameen Bank Project was transformed into an independent bank by government legislation. Today Grameen Bank is owned by the rural poor whom it serves. Borrowers of the Bank own 96% of its shares, while the remaining 4% is owned by the government.

As of January, 2011, it has 8.35 million borrowers, 97 percent of whom are women. With 2,565 branches, GB provides services in 81,377 villages, covering more than 97 percent of the total villages in Bangladesh. The recovery rate of Grameen Bank is 97%.

The transformation of Grameen bank over the years.

Over the years we occasionally tried adding new rules and amending specific features of the basic Grameen system without conducting any major overhaul of the entire program. As a result Grameen system remained a one size fits all program that worked generally well but could not address any

special needs that borrowers might have. After fifteen years of operation, Grameen was ripe for change-and the great flood of 1998 provided the opportunity for a major upgrade of the system.

A hallmark of Grameen 1 was group fund, the purpose of which was to act as a mini-bank for the group. Five percent of each loan plus a fixed weekly amount was deposited into this fund. The borrowers, with the approval of group members, could borrow from the fund for many reasons, but they had to pay the loan back within agreed-upon time. Before 1995 Grameen borrowers could not access group funds other than for short term withdrawal subject to approval by the group that had to be repaid. Even though borrowing from the group fund was interest free, borrowers had to pay 5% group tax, known as group tax 2 on these loans. More important, borrowers who dropped out could not claim their share of group fund.

Grameen bank which attained its formal status in 1983, faced a repayment problem in 1998 in the aftermath of an unprecedented flood that inundated two thirds of Bangladesh for thirteen weeks from June to September. Even though 80% of the borrowers repaid on time, the other 20% lost all contact with the bank. This loss affected the whole system. The rigidity of the rules and the precarious nature of the poor's existence increased the debt burden of the borrowers so much so that they stopped coming to the center meetings to make payments.

In some areas a combination of difficult geography, post flood decline in economic activity, staff neglect, and a breakdown of repayment culture created serious problems for the bank; the members discontinued their installment payments and attendance in the regular weekly meetings, and staff lost contact with members completely. But the flood was only a mere cause for this problem. Together the staff and the management came to the conclusion that the rigid rules of Grameen Bank 1 were the main contributing factor to the problem. The result is Grameen 2.

The difference between Grameen1 and Grameen2:

Grameen 1	Grameen 2	Reason for change
No provision to save for pension.	Borrower deposits a fixed monthly amount in Grameen pension scheme	To help borrowers build a nest egg retirement
Fixed, one size fits all savings program.	Varied savings plans to fit member's individual needs	To encourage savings for special needs and long term economic benefit.
No initiative to collect savings from members.	Active campaigns to collect savings from non members	To enable the bank to self fund future loans
Mostly one year loans with fixed installment amounts.	Loan duration and installment size	To allow borrowers to tailor loan products to individual needs and changing circumstances
Common loan ceilings for an entire branch.	Individual loan ceilings based on savings and other measurements	To reward and incentivize good borrowing and repayment practices by members.
Family responsible for loan of deceased borrower.	Special savings fund ensures that outstanding loans are paid off after death	To alleviate borrowers fears of leaving debt behind after death
Borrower becomes defaulter if loan is not repaid in 52 weeks.	Borrower becomes defaulter if repayment schedule is not met within six months	To create an early warning signal of potential borrower problems
Funds for new bank branches borrowed from head office at 12 percent interest.	New branches are self funding from day 1, using savings from borrowers and non borrowers.	To ensure that branches become self sufficient quickly.

The repayment problems in the late 90's made Grameen bank the transformation but there were borrower revolution and staff anger even before that. These happened because of the rigid payment system and inability to withdraw savings from the group fund. But each of these happenings made GB management think about a overhaul of the program itself.

Grameen Bank methodology:

Grameen Bank Credit Delivery methodology involves taking credit to the very poor in their villages by means of the essential elements of the Grameen credit delivery system.

Grameen Bank credit delivery system has the following features:

1 There is an exclusive focus on the poorest of the poor.

Exclusivity is ensured by:

- i) establishing clearly the eligibility criteria for selection of targeted clientele and adopting practical measures to screen out those who do not meet them
- ii) in delivering credit, priority has been increasingly assigned to women
- iii) the delivery system is geared to meet the diverse socio-economic development needs of the poor

2 Borrowers are organized into small homogeneous groups.

Such characteristics facilitate group solidarity as well as participatory interaction. Organizing the primary groups of five members and federating them into centres has been the foundation of Grameen Bank's system. The emphasis from the very outset is to organisationally strengthen the Grameen clientele, so that they can acquire the capacity for planning and implementing micro level development decisions. The Centres are functionally linked to the Grameen Bank, whose field workers have to attend Centre meetings every week.

3 Special loan conditionalities which are particularly suitable for the poor.

These include:

- i) very small loans given without any collateral
- ii) loans repayable in weekly instalments spread over a year
- iii) eligibility for a subsequent loan depends upon repayment of first loan
- iv) individual, self chosen, quick income generating activities which employ the skills that borrowers already possess
- v) close supervision of credit by the group as well as the bank staff
- vi) stress on credit discipline and collective borrower responsibility or peer pressure
- vii) special safeguards through compulsory and voluntary savings to minimise the risks that the

poor confront

viii) transparency in all bank transactions most of which take place at centre meetings.

4 Simultaneous undertaking of a social development agenda addressing basic needs of the clientele.

This is reflected in the "sixteen decisions" adopted by Grameen borrowers. This helps to:

- i) raise the social and political consciousness of the newly organized groups
- ii) focus increasingly on women from the poorest households, whose urge for survival has a far greater bearing on the development of the family
- iii) encourage their monitoring of social and physical infrastructure projects - housing, sanitation, drinking water, education, family planning, etc.

5 Design and development of organization and management systems capable of delivering programme resources to targeted clientele.

The system has evolved gradually through a structured learning process, that involves trials, errors and continuous adjustments. A major requirement to operationalize the system is the special training needed for development of a highly motivated staff, so that the decision making and operational authority is gradually decentralized and administrative functions are delegated at the zonal levels downwards.

6 Expansion of loan portfolio to meet diverse development needs of the poor.

As the general credit programme gathers momentum and the borrowers become familiar with credit discipline, other loan programmes are introduced to meet growing social and economic development needs of the clientele. Besides housing, such programmes include:

- i) credit for building sanitary laterines
- ii) credit for installation of tubewells that supply drinking water and irrigation for kitchen

gardens

- iii) credit for seasonal cultivation to buy agricultural inputs
- iv) loan for leasing equipment / machinery, ie., cell phones purchased by Grameen Bank members
- v) finance projects undertaken by the entire family of a seasoned borrower.

Grameen bank Products and services:

The underlying premise of Grameen is that, in order to emerge from poverty and remove themselves from the clutches of usurers and middlemen, landless peasants need access to credit, without which they cannot be expected to launch their own enterprises, however small these may be. In defiance of the traditional rural banking postulate whereby "no collateral (in this case, land) means no credit", the Grameen Bank experiment set out to prove - successfully - that lending to the poor is not an impossible proposition; on the contrary, it gives landless peasants the opportunity to purchase their own tools, equipment, or other necessary means of production and embark on income-generating ventures which will allow them escape from the vicious cycle of "low income, low savings, low investment, low income". In other words, the banker's confidence rests upon the will and capacity of the borrowers to succeed in their undertakings.

The mode of operation of Grameen Bank is as follows. A bank branch is set up with a branch manager and a number of center managers and covers an area of about 15 to 22 villages. The manager and the workers start by visiting villages to familiarise themselves with the local milieu in which they will be operating and identify the prospective clientele, as well as explain the purpose, the functions, and the mode of operation of the bank to the local population. Groups of five prospective borrowers are formed; in the first stage, only two of them are eligible for, and receive, a loan. The group is observed for a month to see if the members are conforming to the rules of the bank. Only if the first two borrowers begin to repay the principal plus interest over a period of six weeks, do the other members of the group become eligible themselves for a loan. Because of these restrictions, there is substantial group pressure to keep individual records clear. In this sense, the collective responsibility of the group serves as the collateral on the loan.

Loans are small, but sufficient to finance the micro-enterprises undertaken by borrowers: rice-husking, machine repairing, purchase of rickshaws, buying of milk cows, goats, cloth, pottery etc. The interest rate on all loans is 16 percent. The repayment rate on loans is currently - 95 per cent - due to group pressure and self-interest, as well as the motivation of borrowers.

Although mobilization of savings is also being pursued alongside the lending activities of the Grameen Bank, most of the latter's loanable funds are increasingly obtained on commercial terms from the central bank, other financial institutions, the money market, and from bilateral and multilateral aid organizations.

The management structure of the bank is one characteristic that has retained its original form. The lowest administrative unit of the bank is the branch, which typically consists of a branch manager, a senior assistant, several bank workers, and a peon cum guard. A branch usually manages eighty centers, each of which consists of six to eight groups. The bank worker known as the center manager is in charge of ten centers.

The next administrative level of the bank's operation is an area office, which supervises ten branches. Ten area offices constitute a zonal office. The zonal offices are managed by the head office., which is situated in the capital city, Dhaka. Each branch of the bank borrows money from the head office at 12% and on lends it to borrowers at 20%. The branch office is supposed to cover all its costs from the 8% margin; after three to four years of operation, the branch usually starts making profit. One or two Zonal Manager Conferences are held in the head office every year: A Conference lasts for three days and all Zonal Managers participate-one area manager from each zone and all department and section heads from the head office, including the managing director, deputy managing director and general managers. Usually zonal audit officers are also invited to attend these all important meetings. Under the supervision of the managing directors, participants discuss the critical issues facing the bank. Many of the major decisions, such as those involving the introduction of new products, the development of important policy, and rule changes, are made in these meetings. The meetings are also used to hammer out differences on major policy and implementation issues across zones.

Its loan program includes basic loan, housing loan, higher education loan for member's children, micro enterprise loan, loan for village phone, business loan for graduate students of Grameen families and loan for struggling members. Grameen has also life and loan insurance products. The period for the basic loan may vary from 3 months to 3 years. The period for housing loan is 10 years. Micro enterprise loan is also given for a period up to 3 years, education loan provided for the period of education. Grameen has also scholarship program for the children of its members. The basic loan which includes all income generating loan activities constitutes about 98 percent of the total loan portfolio. The first disbursement of Grameen loan was US\$ 27 to 42 members. The cumulative disbursement by the end of September 2008 stood at US \$ 7.4 billion. The monthly disbursement is more than US \$ 80 million. The amount of loan outstanding was US \$ 609.60 million in September 2008. Grameen has different kinds of savings products. These are Grameen

Pension Savings (for Grameen Bank members and staff), personal savings (open to all), double in 7years-term deposits (open to all), loan insurance savings fund (Grameen Bank members), Fixed Deposit with monthly income (open to all) and others (like weekly compulsory saving at the rate of taka 10, additional GPS etc.). Grameen has mobilized more than US\$ 826 million as deposits including US\$ 373 from non-members (Sept. 2008). The deposit as percentage of outstanding loans is 136 percent. Grameen Bank offers very attractive rates for deposits. Minimum interest offered is 8.5 percent and maximum rate is 12 percent. As Grameen is always for developing and operating a sustainable micro credit program, it charges the borrowers an affordable interest rate. It remains cautions to avoid changing a price which makes the borrowers pay for any inefficiency of the system or luxury of its management.

Grameen Bank center and group formation

The center consist of a number of Groups. The number could be 8 to 10 depending upon the population of a certain area. The center is the base of Grameen Bank where most of the economic activities take place. It is a place where the borrowers come, meet and repay their instalments. It is a place where the loan proposal takes place. It is a place where all the interaction and talk about the 16 decisions happens.

Center is very important apart from the Branch as the borrowers don't come to the Branch to repay their instalment. It take place in the Center each week. 8 to 10 groups mean 40 to 50 borrowers. A branch might have 60 to 70 centers which means A branch might have 2400 to 3500 borrowers (Approximately, these numbers depend upon the location, population etc.)

A Branch might work with 20 to 30 village. Each village might have 2 to 3 centers. Before the meeting starts all the group member sits in their respective benches in a disciplined manner. Let's talk about one particular group. In a group there are 5 people. There is a Group Chairman, one group Secretary and the other 3 borrowers. The group chairman and the secretary are selected by their respective group members once a year. They change each year. One cannot be selected for another year repeatedly.

This center meeting take place every week. All the borrowers live close to the center, so that they don't have to go far to or expand money to repay each week. There are important things to be noted:

1. The center leader is selected among the group chairman. This selection process happens each year. One center leader cannot be selected for 2 successive terms.
2. The center leader is the most important person of the center. She is the spokesperson or responsible person from the center. On her absence the associate center leaders performs her duties.
3. In each group all the fellow members in it has to know each other very well. They do it quite easily as they form the group. Grameen Bank don't interfere in it.
4. In a group, similarity in age is preferable and no blood connection is a must (compulsory).
5. The center meeting is a participatory process rather than a command oriented process but it has strict disciplines that all the borrowers has to obey.
6. It is a meeting place where each week the members get a chance to see each other, talk, meet, share and interact.

7. The center house is built by all of the borrower's participation. They have a huge feeling for it. They use it, they maintain it and they protect. It belongs to them.
8. The relationship of group and individual is participatory and of sharing. If anyone fails to repay for a particular week, they all try to resolve the problem depending on the nature of the problem. As they possess a very good and sharing relationship, it becomes easier as a individual to prosper in life

Chapter 3: Social Capital

Social Capital

While social capital has been given a number of different definitions, many of them refer to manifestations of social capital rather than to social capital itself. The definition I will use in this

paper is: social capital is an instantiated informal norm that promotes cooperation between two or more individuals. The norms that constitute social capital can range from a norm of reciprocity between two friends, all the way up to complex and elaborately articulated doctrines like Christianity or Confucianism. They must be instantiated in an actual human relationship: the norm of reciprocity exists in potentia in my dealings with all people, but is actualized only in my dealings with my friends. By this definition, trust, networks, civil society, and the like which have been associated with social capital are all epiphenominal, arising as a result of social capital but not constituting social capital itself.

Not just any set of instantiated norms constitutes social capital; they must lead to cooperation in groups and therefore are related to traditional virtues like honesty, the keeping of commitments, reliable performance of duties, reciprocity, and the like. A norm like the one described by Edward Banfield as characterizing southern Italy, which enjoins individuals to trust members of their immediate nuclear family but to take advantage of everyone else, is clearly not the basis of social capital outside the family.¹

James Coleman, who was responsible for bringing the term social capital into wider use in recent years, once argued that it was a public good and therefore would be underproduced by private agents interacting in markets.² This is clearly wrong: since cooperation is necessary to virtually all individuals as a means of achieving their selfish ends, it stands to reason that they will produce it as a private good (see Section IV below). In Partha Dasgupta's phrase, social capital is a private good that is nonetheless pervaded by externalities, both positive and negative.³ An example of a positive externality is Puritanism's injunction, described by Max Weber, to treat all people morally, and not just members of the sib or family.⁴ The potential for cooperation thus spreads beyond the immediate group of people sharing Puritan norms. Negative externalities abound, as well. Many groups achieve internal cohesion at the expense of outsiders, who can be treated with suspicion, hostility, or outright hatred. Both the Ku Klux Klan and the Mafia achieve cooperative ends on the basis of shared norms, and therefore have social capital, but they also produce abundant negative externalities for the larger society in which they are embedded.

It is sometimes argued that social capital differs from other forms of capital because it leads to bad results like hate groups or inbred bureaucracies. This does not disqualify it as a form of capital; physical capital can take the form of assault rifles or tasteless entertainment, while human capital can be used to devise new ways of torturing people. Since societies have laws to prevent the production of many social "bads," we can presume that most legal forms of social capital are no less "goods" than the other forms of capital insofar as they help people achieve their aims.

Perhaps the reason that that social capital seems less obviously a social good than physical or human capital is because it tends to produce more in the way of negative externalities than either of the other two forms. This is because group solidarity in human communities is often purchased at the price of hostility towards out-group members. There appears to be a natural human proclivity for dividing the world into friends and enemies that is the basis of all politics.⁵ It is thus very important when measuring social capital to consider its true utility net of its externalities.

Another way of approaching this question is through the concept of the "radius of trust."⁶ All groups embodying social capital have a certain radius of trust, that is, the circle of people among whom cooperative norms are operative. If a group's social capital produces positive externalities, the radius of trust can be larger than the group itself. It is also possible for the radius of trust to be smaller than the membership of the group, as in large organizations that foster cooperative norms only among the group's leadership or permanent staff. A modern society may be thought of as a series of concentric and overlapping radii of trust (see Figure I). These can range from friends and cliques up through NGOs and religious groups.

Virtually all forms of traditional culture-social groups like tribes, clans, village associations, religious sects, etc.-are based on shared norms and use these norms to achieve cooperative ends. The literature on development has not, as a general rule, found social capital in this form to be an asset; it is much more typically regarded as a liability. Economic modernization was seen as antithetical to traditional culture and social organizations, and would either wipe them away or else be itself blocked by forces of traditionalism.

Microcredit and Social Capital

An earlier analysis shows that women's level of empowerment increase with time in a credit program (Hashemi, Schler and Riley, 1996). The credit programs draw women out of their homes and strengthen their ability to contribute to family support by providing loans for small scale income generating activities and by requiring that they attend weekly meetings with other participants from their own villages. Although it is unusual for women to interact in nonfamily groups, especially when this entails contact with adult men to whom they have no kinship ties, the prospect of obtaining access to loan induces families to let women join credit programs. In many cases this is the only significant group outside the family to which the women has ever belonged. The weekly meetings, at which loans are repaid and savings deposited, provide a legitimate reason for women to leave their homes and to associate both with one another and with authority figures—the predominantly male field staff of the programs. Previous analyses suggest that both the loans and social aspects of credit programs contribute to women's empowerment. Channeling an important resource to families through women strengthens women's status and perceived worth within their households, increasing their influence and their bargaining power. The ritualistic features of the programs give women a sense of identities as Grameen or BRAC members. The frequent interaction with program staff and other members exposes women to new ideas and increase their self confidence. (Hashemi. Schuler and Riley, 1996).

Hashem, Schuler and Riley (1996) findings were that women's access to credit was a significant determinant of the magnitude of economic contributions reported by women; of the likelihood of an increase in asset holdings in their own names; of an increase in their exercise of purchasing power; of their political and legal awareness. The study also found that access to credit appeared to be associated with an overall reduction to the incidence of violence against women. but that the magnitude of women's economic contribution did not have any significant effect. They concluded that it was women's participation in the expanded set of social relationships embodied in membership of credit organizations rather than increase in their productivity per se which explained reductions in domestic violence.

In 'Social Capital and Development: The coming agenda', Francis Fukuyama points out that "there isn't an agreed definition of social capital, so he explains it as, shared norms or values that promote social cooperation, instantiated in actual social relationships". He argues that social capital is a necessary precondition for successful development, but a strong rule of law and basic political institutions are necessary to build social capital. He believes that a strong social capital is necessary for a strong democracy and strong economic growth. Fukuyama believes that bridging social capital is essential for a strong social capital because a broader radius of trust will enable connections across borders of all sorts and serve as a basis for organizations. He admits that there is still much to be done to build a strong social capital.

Social Capital offers a wealth of resources and networks that facilitate political engagement. Since social capital is readily available no matter the type of community, it is able to override more traditional queues for political engagements. (e.g., education, employment, civil skills etc.). There are unique ways in which women organize. These differences from men make social capital more personable and impressionable to women audiences thus creating a stronger presence in regards to political engagements.

Chapter 4: Social Exclusion

Social Exclusion:

Social exclusion has been defined by the Department of International Development (DFID) as “a process by which certain groups are systematically disadvantaged because they are discriminated against on the basis of their ethnicity, race, religion, sexual orientation, caste, descent, gender, age, disability, HIV status, migrant status or where they live. Discrimination occurs in public institutions, such as the legal system or education and health services, as well as social institutions like the household” (DFID, 2005, 'Reducing Poverty by Tackling Social Exclusion: A DFID Policy Paper', p.3).

Whilst the concept arose in response to dissatisfaction with approaches to poverty that focussed on income alone, the term remains contested and there is no agreed definition. Most commonly, social exclusion is seen to apply to groups, involving the exclusion of individuals due to their membership of particular groups that suffer discrimination, i.e. according to racial, ethnic, gender, geographic or age characteristics. There are various understandings of social exclusion which emphasise different aspects: the groups at risk of being excluded; what people are excluded from, e.g. employment, education, citizenship, respect; the problems associated with the impact of social exclusion, e.g. low income, poor housing; the processes driving exclusion; and the agents and actors involved.

There is agreement, however, that social exclusion is multidimensional – it encompasses social, political, cultural and economic dimensions, and operates at different social levels. It is also dynamic, in that it impacts people in various ways and to differing degrees over time. And it is relational – it is the product of social interactions which are characterised by unequal power relations, and it can produce ruptures in relationships between people and society, which result in a lack of social participation, social protection, social integration and power. However, since there is rarely a complete lack of access, there is some arbitrariness in where the social exclusion lines are drawn, and therefore who is perceived to be excluded.

One particularly useful feature of the concept of social exclusion is its focus on process and relations. It complements the concept of inequality, which focuses more on disparities between different categories of people. ‘Social inequalities’, for example, are conceptualised as constraints on opportunity, in accessing education or healthcare for example, which are based on class and other status ascriptions such as gender, age or ethnicity. However, such a focus on structural

constraints can ignore the actors who are continuously building and transforming these structures. Thus many believe that the utility of social exclusion is in that it offers an actor-oriented approach, which points to who is doing what, and in relation to whom. It also allows us to identify and tackle issues of power.

In development practice the term ‘exclusion’ has become popular with non-economic social scientists. This popularity is due to its focus on societal institutions, actors, relationships and processes, of which measured disparity in income or lack of access to social services may be both an indicator and an outcome.

Chapter 5: Research Methodology

Map of Bangladesh



The research area



Demographic aspect:

- The interviews were conducted with the support of **three different branch offices** in Nangolkot sub district in Noakhali District.

- *Population* 2,75,985; male 48%, female 52%; Muslim 98.31%, Hindu 0.83%
- *Average literacy* 30.2%; male 36.6% and female 24.3%.
- *Main occupations* Agriculture 40.63%,commerce 9.03%, service 13.97%
- *Land control* Among the peasants 10% are landless, 38% small, 42% intermediate and 10% rich
- *Main crops* Paddy, wheat, potato and corn

Tangible indicators: CGAP

- **Human Capital** (Indicators: Demographic characteristics of a household).
- **Clothes** (Indicators: money spent for clothes for 1 year)
- **Food** (Indicators: quality and quantity of food for 1 week, 1 month, 1 year)
- **Dwelling** (Indicators: quality of material used for housing; electricity; fuel for cooking; source of water)
- **Assets** (Indicators: quantity and value)

Reason to use this methodology:

- The methodology is simple enough to remain operational.
- Permit comparisons between different borrowers.
- inexpensive and quick in time.

Why indicator based method:

- Identifying a range of indicators that reflect powerfully on poverty.
- Designing a survey methodology that facilitates the collection of varied information.
- Formulating a single summary index.

The purpose to use this indicators:

- Family structure indicators (human capital and clothes)- Quantify the key aspect of the household's investments in human capital and measure to what extent the households have taken advantage from MFI's.
- Food related indicators- Household eating pattern are strong indicators of relative poverty and vulnerability. Assumptions are that poorer household tend to consume food on a less regular basis and may eat lesser quantities per person.
- Dwelling related indicators-The materials used in house construction is a good indicator to show the relative poverty of a household. Indicators of the facilities associated with the housing, such as toilet facilities and access to drinking water can also measure aspects of its quality.
- Asset related indicators- Accumulation of assets is strongly influenced by household income levels. Measuring the value of certain types of consumer durable assets can signal differences in relative poverty.

Why social capital:

- It refers to the resources such as information, ideas, support that individual are able to procure by virtue of their relationship with other people.
- It also refers to the nature and extent of one's involvement in various informal networks and formal civic organizations.

The dimension of social capital:

- **Trust and solidarity-** This category of questions seek to procure data on trust towards neighbors, key service providers, and strangers and how these perception have changed overtime.
- **Collective action and cooperation-** This category explores whether and how household members have worked with others in their community on joint projects and or in response to a crisis.
- **Information and communication-** Access to information is being increasingly recognized as central to helping poor communities have a stronger voice in matters affecting their well being.

SAMPLE

Period of research : from 1 January 2010 to 10 February 2010 in Dhaka for pre-test and from 11 January 2010 to 15 February 2010 in Noakhali District .

Sample: 109 new borrowers and 20 old borrowers in different villages of Noakhali.

- The new borrowers have just started to take loans from microcredit programs. Her membership period in GB is between 1-3 months.
- The old borrowers are in grameen bank between 7–12 years
- Women aged 18 – 45 years

Methodology

Interviews number: were carried out 129 interviews in total of which 120 valid

Field of inquiry: The interviews were conducted with the support of three different branch offices.

Tools: To achieve the interviews we used the dossier built specifically for this project. The file consists of different questionnaires designed to collect information on different areas:

- Areas tangible socio-economic condition of the subject (poverty indicators, MDI Multiple Deprivation Index)
- Areas intangibles: self-esteem (Rosenberg Self Esteem Scale), quality of relationships (network card), mental health and wellbeing (General Health Questionnaire GHQ -12), decision making (Decision Making Questionnaire), Microcredit Group Experience, some questions about society of Social Capital Questionnaire.

Following the pre-test (1 January- 10 January) the original file has been modified in some parts.

- we have removed some parts that were poorly adapted to the situation (semantic differential)

- we have simplified the structure of the graphics Dossier.
- we replaced the control group with a small number of old borrowers in hopes of finding significant differences compared to the sample of new borrowers

Some considerations first developed to research

The existing review and analysis of relevant scientific literature say that:

- The relationship between poverty and mental disorder has not been studied systematically.
- Instruments for measuring poverty and mental disorders can be chosen more specifically in relation to the context.
- Need a longitudinal study in specific areas.
- There is still no clear evidence that reducing poverty can result in a benefit to the mental health of the population but on the contrary, it is proved that mental illness helps raising individual poverty level.
- Programs that invest on education and micro-credit may have the unexpected effect of reducing the risk of mental disorder.
- The MC probably can not affect the decrease in the number of people suffering from mental disorders, but can perhaps avoid that more people will be affected.

The hypothesis of the research:

The loan scheme invests the creativity of the individual, encouraging the person to develop his potential, this leads to increased self-confidence in himself and in others, these are factors that play an important role in the etiology of some mental disorders such as anxiety and depression. The mechanism of microcredit could be a tool for prevention of mental disorder.

Definition of methodology:

This project is located within the scientific debate, identifying a correlation between poverty and mental health, "Is there a relationship between poverty and mental health, poverty may be a causative factor or a risk factor for depression, suicide, abuse of alcohol and illicit drugs. For other

diseases of poverty contributes to worsening conditions "(WHO 2001), focuses on research of the indicators of poverty that can determine the prevalence, onset and evolution of mental disorders. In this project, the micro credit scheme is the independent variable, as membership in these programs could respond to two needs: removing the individual from the edge of poverty by promoting personal development and relationships and reduce the risk of mental disorder.

TimePeriod:

Time 0: In this first phase (time 0), the subjects will be required to complete a series of questionnaires. Assessment tools used are collected in a single dossier, and intend to investigate different areas together: the tangible areas (socio-economic conditions and poverty indicators) and intangible areas (the state of health and mental well-being, level of esteem., the quality of relationships..) And 'plans to apply the same procedure to a control group composed of individuals who do not benefit from microcredit programs. The analysis of data obtained in this first phase to check the relevance and internal validity of the techniques used.

Time 1: At a distance of 12 months (time 1) is provided for further administration of the tests the same sample.

Result and analysis

F1. Participation in decision making in society.

1. Crosstabs F1

F1 * F1_T1 Crosstabulation*

			F1_T1		Total
			1	2	
F1	1	Count	3	6	9
		% of Total	4,0%	8,0%	12,0%
	2	Count	5	61	66
		% of Total	6,7%	81,3%	88,0%
Total	Count	8	67	75	
	% of Total	10,7%	89,3%	100,0%	

Descriptive Statistics*

Dependent Variable: Ricchezza

F1Code	Mean	Std. Deviation	N
11	206708,33	352563,144	3
12	-295712,50	361537,266	6
21	-39765,00	1348796,216	5
22	235430,82	1047060,347	61
Total	173444,07	1011721,278	75

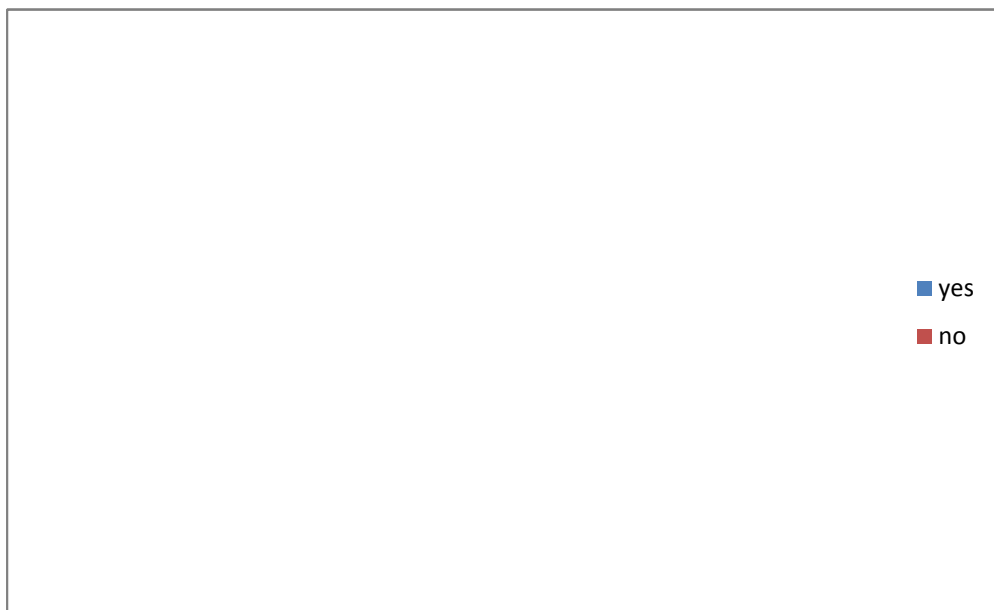
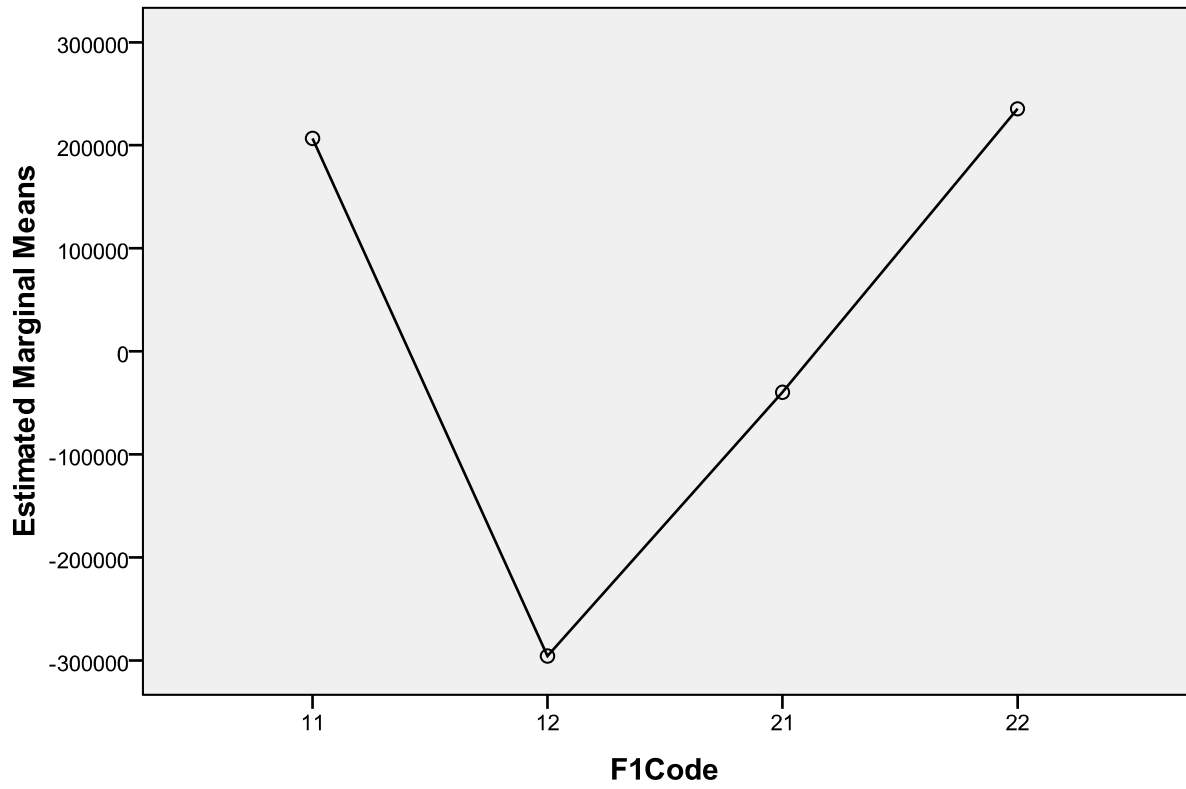
Estimated Marginal Means

F1Code

Dependent Variable: Ricchezza

F1Code	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
11	206708,333	589259,401	-968241,541	1381658,208
12	-295712,500	416669,318	-1126527,524	535102,524
21	-39765,000	456438,369	-949877,259	870347,259
22	235430,820	130677,925	-25133,562	495995,202

Estimated Marginal Means of Ricchezza



From the statistical analysis, there is no significant change in regard to the participation in decision making in society. Seeing the histogram, there is an increase in more participation and a decrease in non participation. But the change is not that much. It seems that in one year the borrower's participation is not growing that much. We also see that although there is a steep decrease in non participation mark but it still is there. It means that there are women who still is not participating in decision making in society. During our interview we have also found that there are numbers of women who were unaware of the importance of decision making in the society and they never did that because of a conservative approach within the household atmosphere but we took it as an observation which we have not scientifically analyzed. It could also be noted here that may be a strong male dominated society and patrierchal enviroment has a role to play here in this aspect. In a society where decisions are being made by the men inside and outside of the household, the women participation in decision making in the society become less significant. But the encouraging factor is that the women is participating more in one year period but in a less sufficient number. And whether this change belong to microcredit is not recognizable.

F 2. Participation in problem solving in surrounding.

Crosstabs F2

F2 * F2_T1 Crosstabulation

			F2_T1		Total
			1	2	
F2	1	Count	19	8	27
		% of Total	25,3%	10,7%	36,0%
	2	Count	16	32	48
		% of Total	21,3%	42,7%	64,0%
Total	Count	35	40	75	

F2 * F2_T1 Crosstabulation

			F2_T1		Total
			1	2	
F2	1	Count	19	8	27
		% of Total	25,3%	10,7%	36,0%
	2	Count	16	32	48
		% of Total	21,3%	42,7%	64,0%
Total	Count	35	40	75	
	% of Total	46,7%	53,3%	100,0%	

Descriptive Statistics*

Dependent Variable:Ricchezza

F2Code	Mean	Std. Deviation	N
11	305268,42	938925,598	19
12	130573,13	643122,888	8
21	-177748,13	482819,365	16
22	281487,19	1280028,794	32
Total	173444,07	1011721,278	75

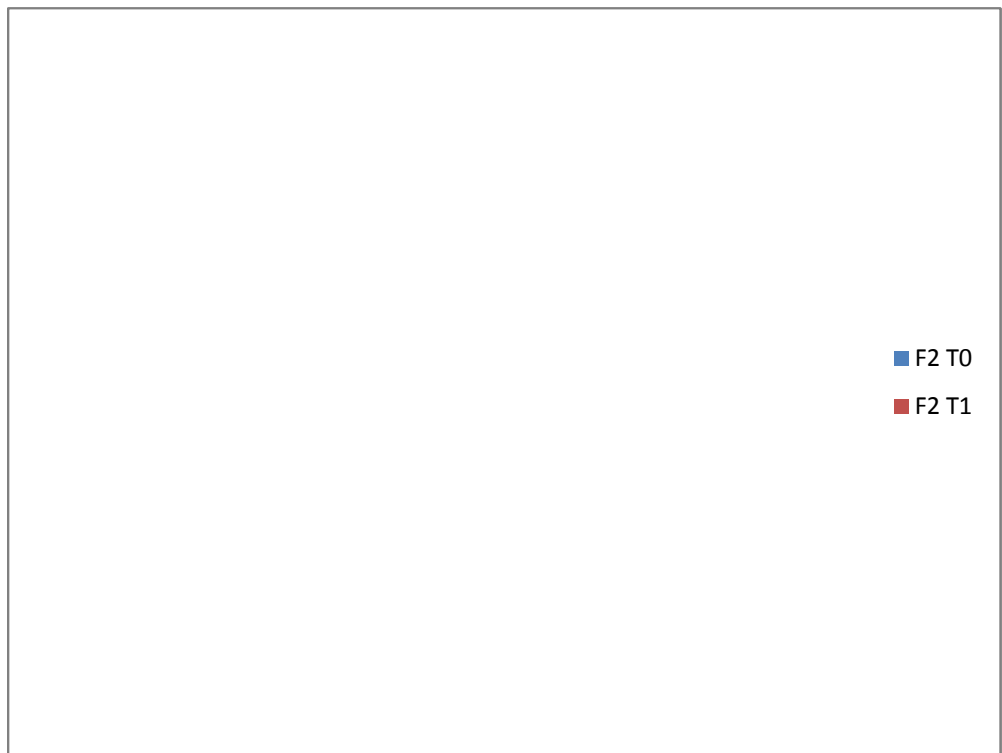
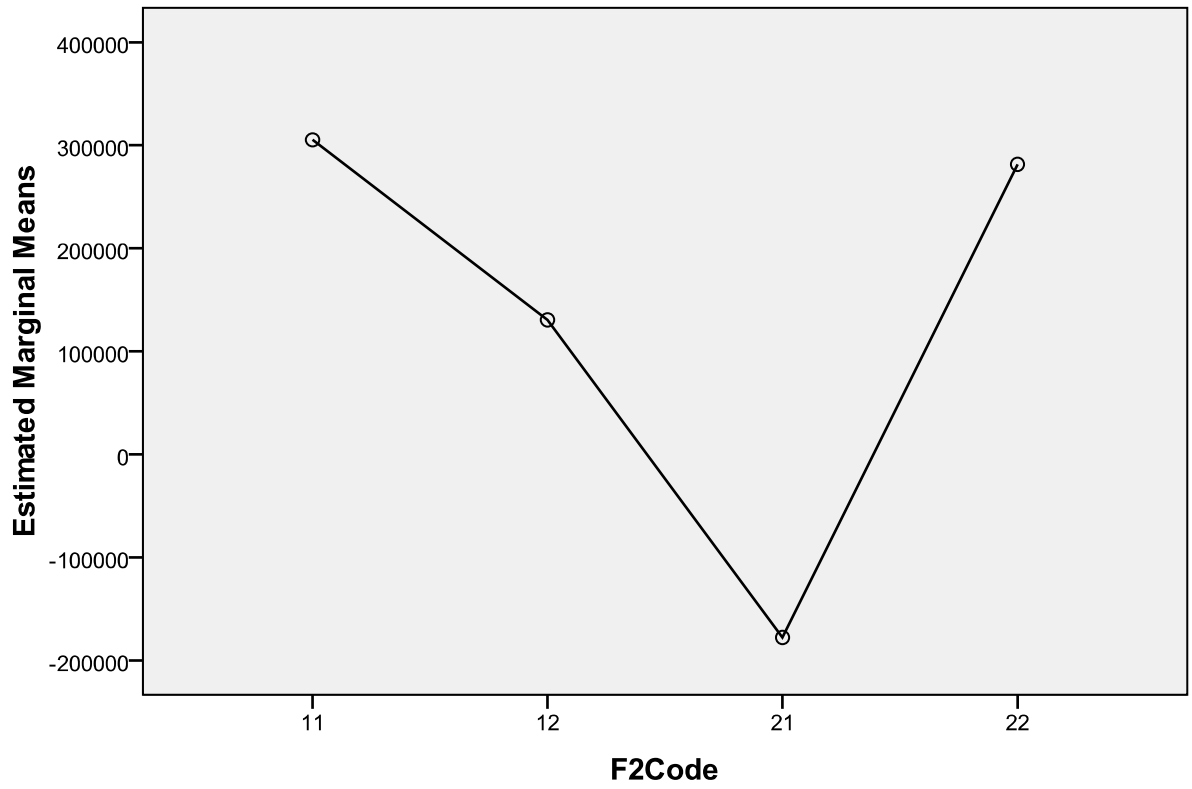
Estimated Marginal Means

F2Code

Dependent Variable: Ricchezza

F2Code	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
11	305268,421	232709,116	-158740,377	769277,220
12	130573,125	358628,833	-584512,459	845658,709
21	-177748,125	253588,880	-683389,990	327893,740
22	281487,188	179314,417	-76055,604	639029,979

Estimated Marginal Means of Ricchezza



Even in problem solving around the surrounding we see the same insignificant result. Women are participating more in this regard but in an insignificant manner. The reasons can be the same as we already mentioned above. A male dominated patriarchal society does hinder the women to have a strong activity in problem solving situations in the surroundings. Does Microcredit has something to do with this insignificant change, we are not convinced about it.

F3. Participation in social and cultural events.

2. Crosstabs **F3**

F3 * F3_T1 Crosstabulation

			F3_T1		Total
			1	2	
F3	1	Count	56	3	59
		% of Total	74,7%	4,0%	78,7%
	2	Count	14	2	16
		% of Total	18,7%	2,7%	21,3%
Total	Count	70	5	75	
	% of Total	93,3%	6,7%	100,0%	

Chi-Square Tests

	Value	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
McNemar Test		,013^a	,006 ^a	,005 ^a
N of Valid Cases	75			

a. Binomial distribution used.

The difference is statistically significant

Descriptive Statistics*

Dependent Variable: Ricchezza

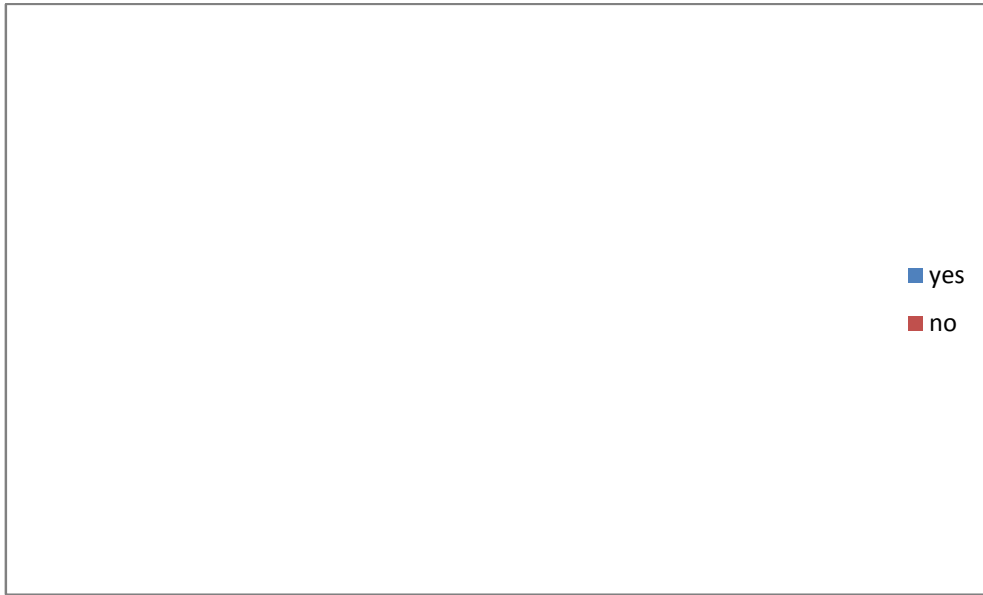
F3Code	Mean	Std. Deviation	N
11	42901,07	723340,390	56
12	413798,33	900395,864	3
21	669552,14	1769604,476	14
22	-4640,00	5642,712	2
Total	173444,07	1011721,278	75

Estimated Marginal Means

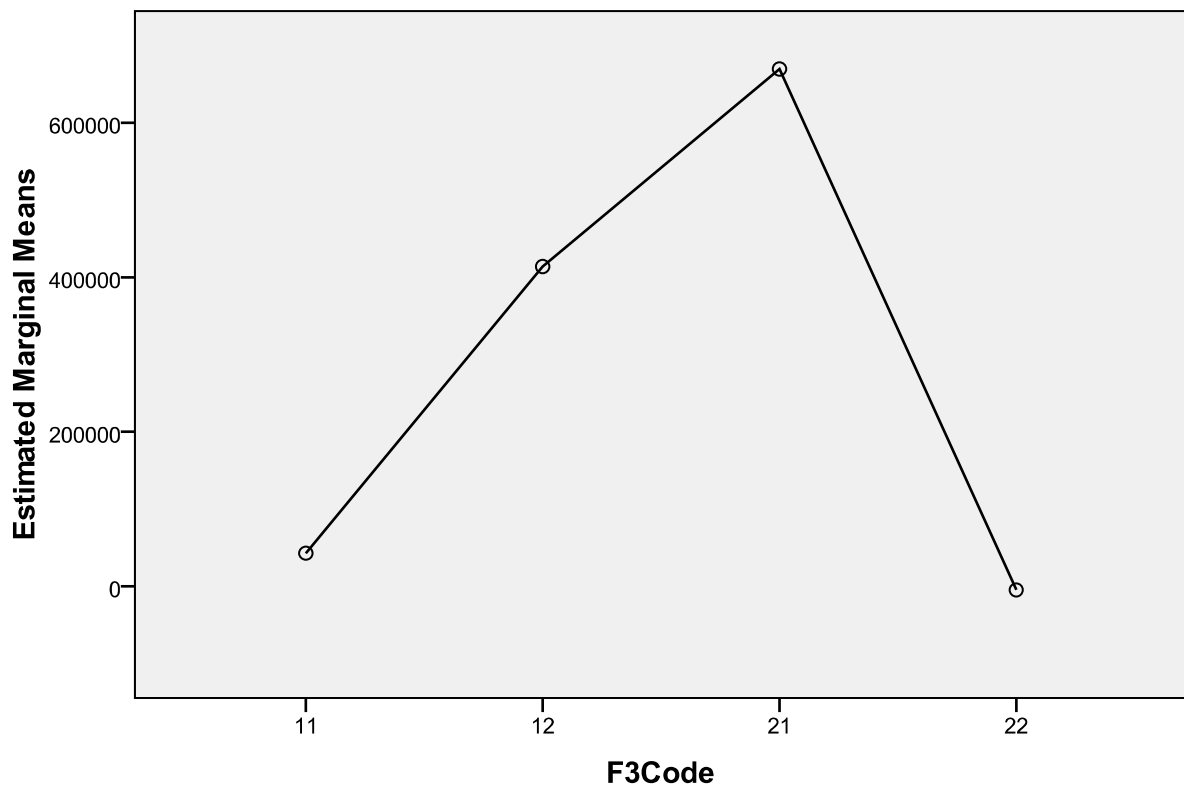
F3Code

Dependent Variable: Ricchezza

F3Code	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
11	42901,071	133732,339	-223753,639	309555,782
12	413798,333	577789,741	-738281,689	1565878,356
21	669552,143	267464,678	136242,722	1202861,564
22	-4640,000	707645,022	-1415644,099	1406364,099



Estimated Marginal Means of Ricchezza



There is a significant change in this aspect as there is a good number of engagement in social and cultural even participation among the women borrowers which shows that they actually share a vibrant social life. May be this events are mostly in the household not so much outside.

Nevertheless it is an encouraging sign. Microcredit groups might have a role to play here. It can only assume as there is a positive change in one year time period and group always help to have a more encouraging social participation.

F4. Organizing events.

3. Crosstabs **F4**

F4 * F4_T1 Crosstabulation

			F4_T1		Total
			1	2	
F4	1	Count	37	10	47
		% of Total	49,3%	13,3%	62,7%
	2	Count	17	11	28
		% of Total	22,7%	14,7%	37,3%
Total	Count	54	21	75	
	% of Total	72,0%	28,0%	100,0%	

Descriptive Statistics*

Dependent Variable: Ricchezza

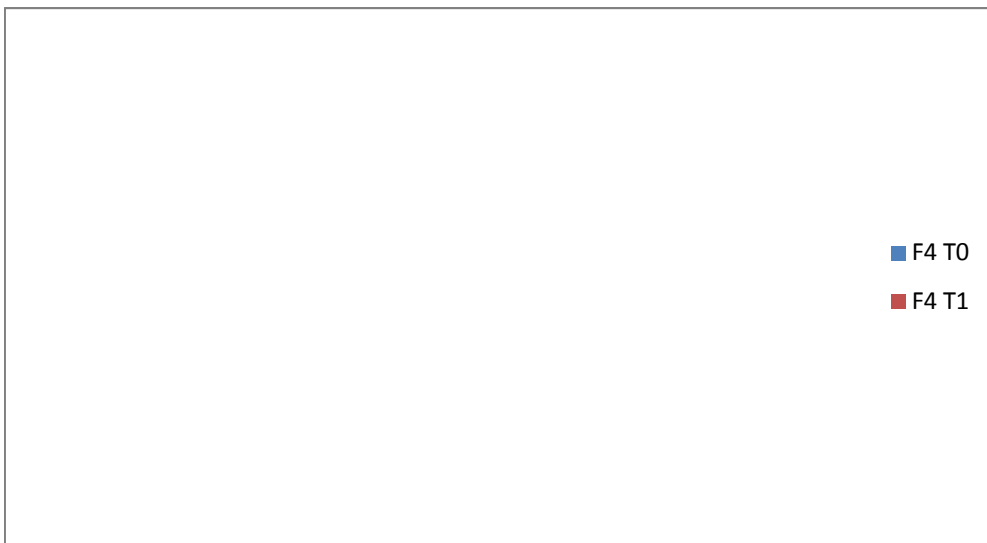
F4Code	Mean	Std. Deviation	N
11	303533,92	1236179,509	37
12	273935,00	851189,398	10
21	-71355,59	862221,124	17
22	22840,45	179155,610	11
Total	173444,07	1011721,278	75

Estimated Marginal Means

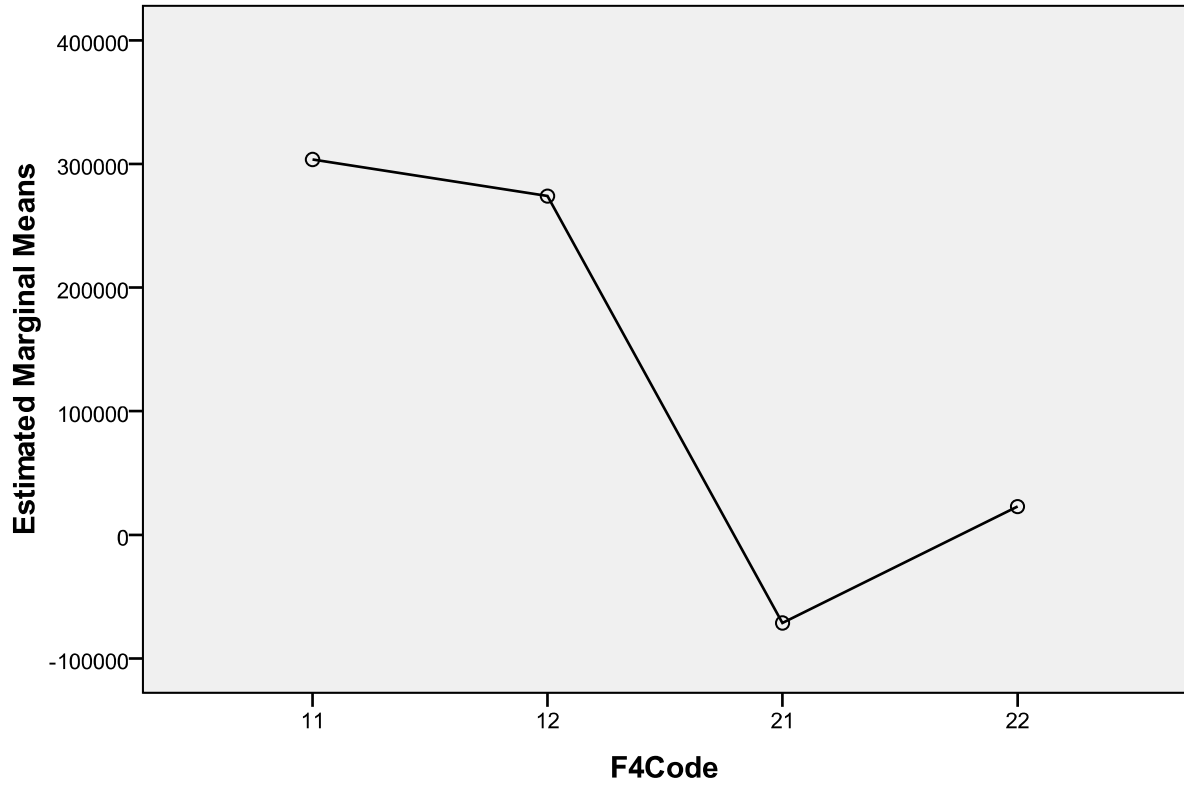
F4Code

Dependent Variable: Ricchezza

F4Code	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
11	303533,919	167551,973	-30555,226	637623,064
12	273935,000	322292,655	-368698,301	916568,301
21	-71355,588	247187,182	-564232,831	421521,654
22	22840,455	307293,989	-589886,357	635567,266



Estimated Marginal Means of Ricchezza



Statistically insignificant, Histogram wise a little increase in participation can be observed from here. Hard to say it is for microcredit as most of the answers revolved around household event organizations. And off course the women take strong part in almost any kind of festivity and event making in the household. It is also to be noted that they were very quick to appreciate the fact that they enjoy doing it in the household whether it is a seasonal event oor a family get together on the eve of marriage ceremonies and others.

F5. Participation in creating awareness.

4. Crosstabs F5

F5 * F5_T1 Crosstabulation

			F5_T1		Total
			1	2	
F5	1	Count	4	4	8
		% of Total	5,3%	5,3%	10,7%
	2	Count	10	57	67
		% of Total	13,3%	76,0%	89,3%
Total	Count	14	61	75	
	% of Total	18,7%	81,3%	100,0%	

Descriptive Statistics*

Dependent Variable:Ricchezza

F5Code	Mean	Std. Deviation	N
11	256068,75	725479,897	4
12	-414493,75	1142938,155	4
21	523402,50	2094339,211	10
22	147508,42	708339,076	57
Total	173444,07	1011721,278	75

Tests of Between-Subjects Effects

Dependent Variable:Ricchezza

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	2,673E12	3	8,910E11	,866	,463
Intercept	4,253E11	1	4,253E11	,413	,522
F5Code	2,673E12	3	8,910E11	,866	,463
Error	7,307E13	71	1,029E12		
Total	7,800E13	75			
Corrected Total	7,574E13	74			

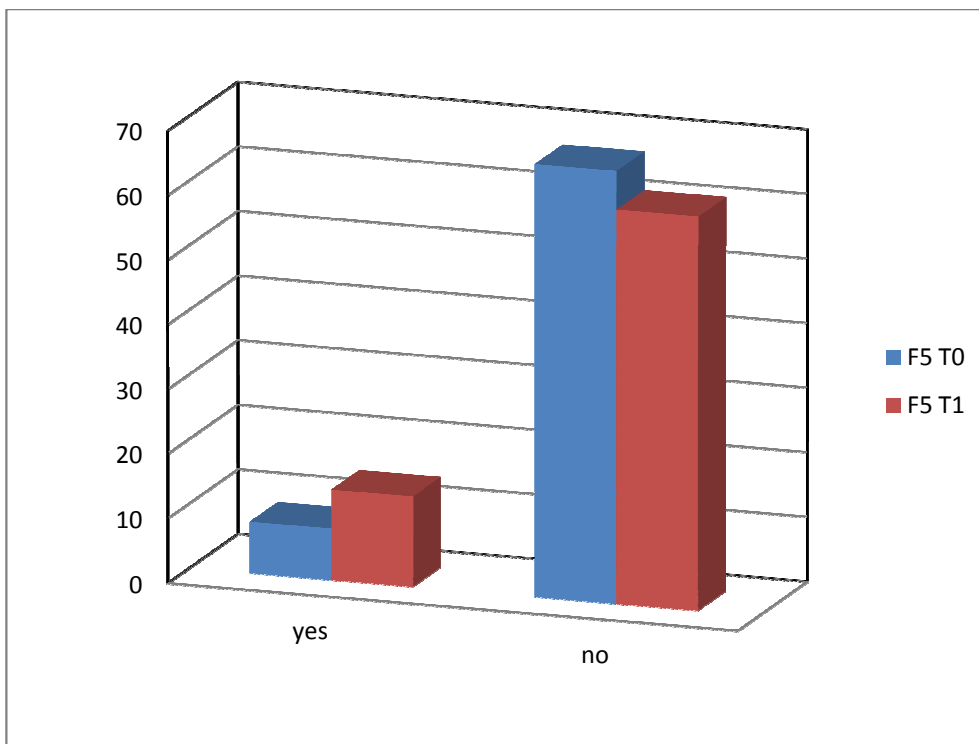
a. R Squared = ,035 (Adjusted R Squared = -,005)

Estimated Marginal Means

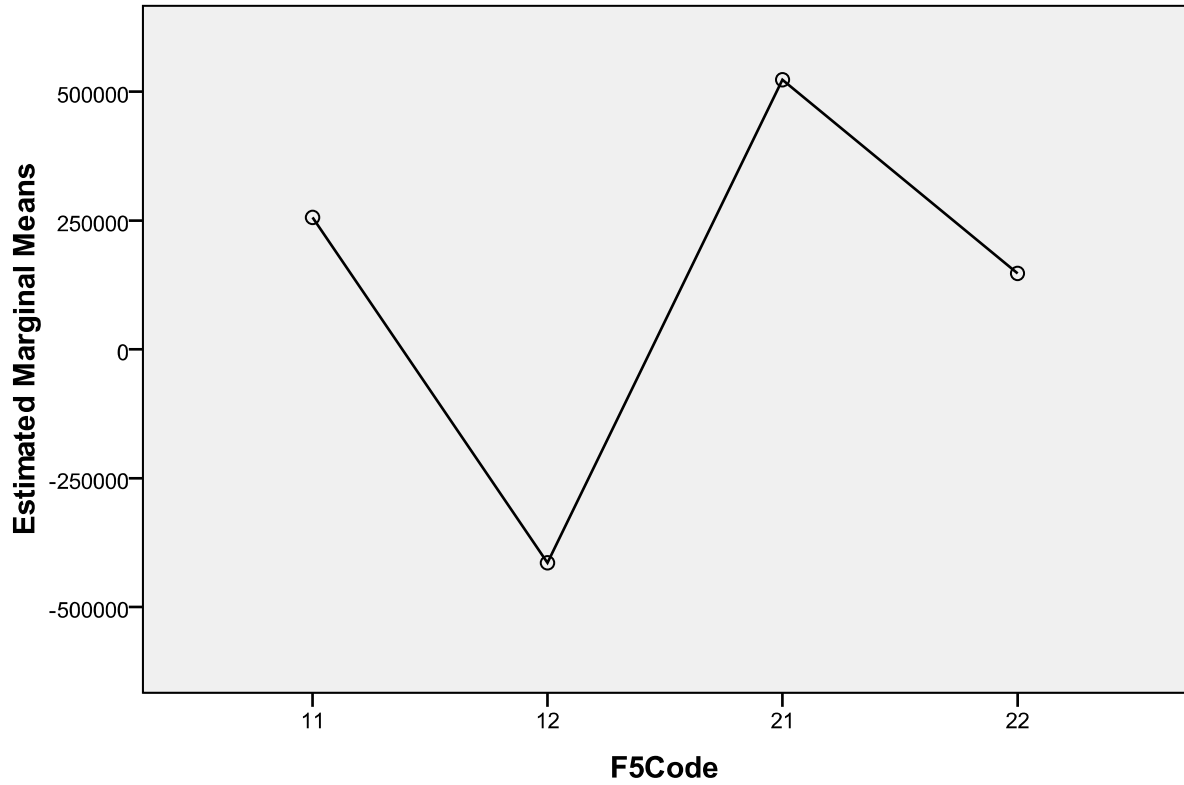
Code

Dependent Variable: Ricchezza

F5Code	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
11	256068,750	507242,873	-755344,813	1267482,313
12	-414493,750	507242,873	-1425907,313	596919,813
21	523402,500	320808,561	-116271,603	1163076,603
22	147508,421	134371,920	-120421,577	415438,419



Estimated Marginal Means of Ricchezza



Statistically insignificant and if we see the histogram we notice that women are non participant in awareness creation in the society. As our previous analysis shows that there is not enough participation in decision making and other areas, it is quite obvious that women are almost quite in this aspect. The slight increase in participation actually is totally insignificant in terms of numbers and consequences.

F6. Most people are trustworthy or not.

ar Tests F6

Wilcoxon Signed Ranks Test

Ranks

	N	Mean Rank	Sum of Ranks
F6_T1 - F6 Negative Ranks	17 ^a	14,09	239,50
Positive Ranks	11 ^b	15,14	166,50
Ties	47 ^c		
Total	75		

a. F6_T1 < F6

b. F6_T1 > F6

c. F6_T1 = F6

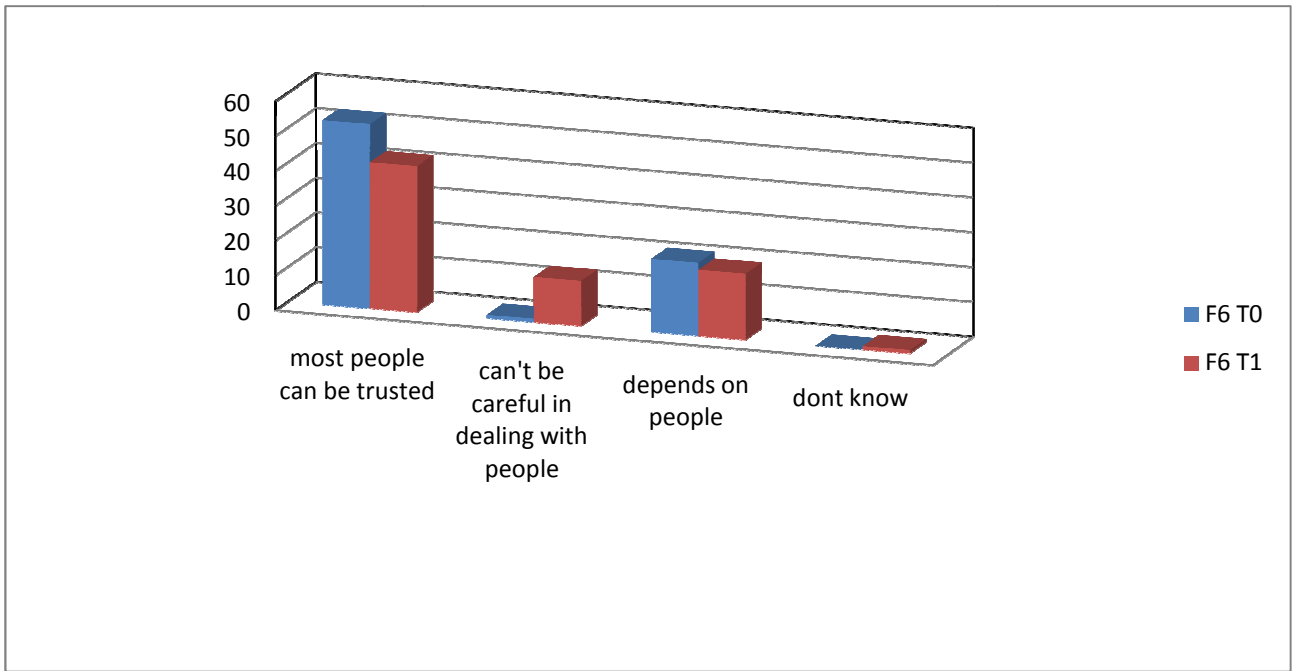
Test Statistics^b

	F6_T1 - F6
Z	-,857 ^a
Asymp. Sig. (2-tailed)	,392
Exact Sig. (2-tailed)	,404
Exact Sig. (1-tailed)	,202
Point Probability	,022

a. Based on positive ranks.

b. Wilcoxon Signed Ranks Test

wilcoxon test z = -,857, p > 0,05



Although staisically insignificant but the trust in people decreased. Dealing with people cannot be done in careful manner or it can be an obvious has increased. Trust depend on the individuals decreased. The point here is why the trust in people are decreasing. As Microcredit group is supposed to grow trust on people, wht this opposite observation! Actually this question is more about a general observation and we can see that may be this observation is about people thay do not know quite well. If this is the case, then male dominated society could well be the only reason behind it, where women usually do not mix with unknown people, and less known persons.

Social network F8-F12

Ranks

		N	Mean Rank	Sum of Ranks
F8_T1 - F8	Negative Ranks	15 ^a	19,40	291,00
	Positive Ranks	27 ^b	22,67	612,00
	Ties	33 ^c		
	Total	75		
F9_T1 - F9	Negative Ranks	15 ^d	18,07	271,00
	Positive Ranks	17 ^e	15,12	257,00
	Ties	43 ^f		
	Total	75		
F10_T1 - F10	Negative Ranks	4 ^g	7,75	31,00
	Positive Ranks	7 ^h	5,00	35,00
	Ties	64 ⁱ		
	Total	75		
F11_T1 - F11	Negative Ranks	18 ^j	14,33	258,00
	Positive Ranks	11 ^k	16,09	177,00
	Ties	46 ^l		
	Total	75		
F12_T1 - F12	Negative Ranks	18 ^m	15,00	270,00
	Positive Ranks	31 ⁿ	30,81	955,00
	Ties	26 ^o		
	Total	75		

Ranks

		N	Mean Rank	Sum of Ranks
F8_T1 - F8	Negative Ranks	15 ^a	19,40	291,00
	Positive Ranks	27 ^b	22,67	612,00
	Ties	33 ^c		
	Total	75		
F9_T1 - F9	Negative Ranks	15 ^d	18,07	271,00
	Positive Ranks	17 ^e	15,12	257,00
	Ties	43 ^f		
	Total	75		
F10_T1 - F10	Negative Ranks	4 ^g	7,75	31,00
	Positive Ranks	7 ^h	5,00	35,00
	Ties	64 ⁱ		
	Total	75		
F11_T1 - F11	Negative Ranks	18 ^j	14,33	258,00
	Positive Ranks	11 ^k	16,09	177,00
	Ties	46 ^l		
	Total	75		
F12_T1 - F12	Negative Ranks	18 ^m	15,00	270,00
	Positive Ranks	31 ⁿ	30,81	955,00
	Ties	26 ^o		
	Total	75		

a. F8_T1 < F8

b. F8_T1 > F8

c. F8_T1 = F8

d. F9_T1 < F9

Test Statistics^c

	F8_T1 - F8	F9_T1 - F9	F10_T1 - F10	F11_T1 - F11	F12_T1 - F12
Z	-2,115 ^a	-,135 ^b	-,190 ^a	-,913 ^b	-3,470 ^a
Asymp. Sig. (2-tailed)	,034	,892	,850	,361	,001

a. Based on negative ranks.

b. Based on positive ranks.

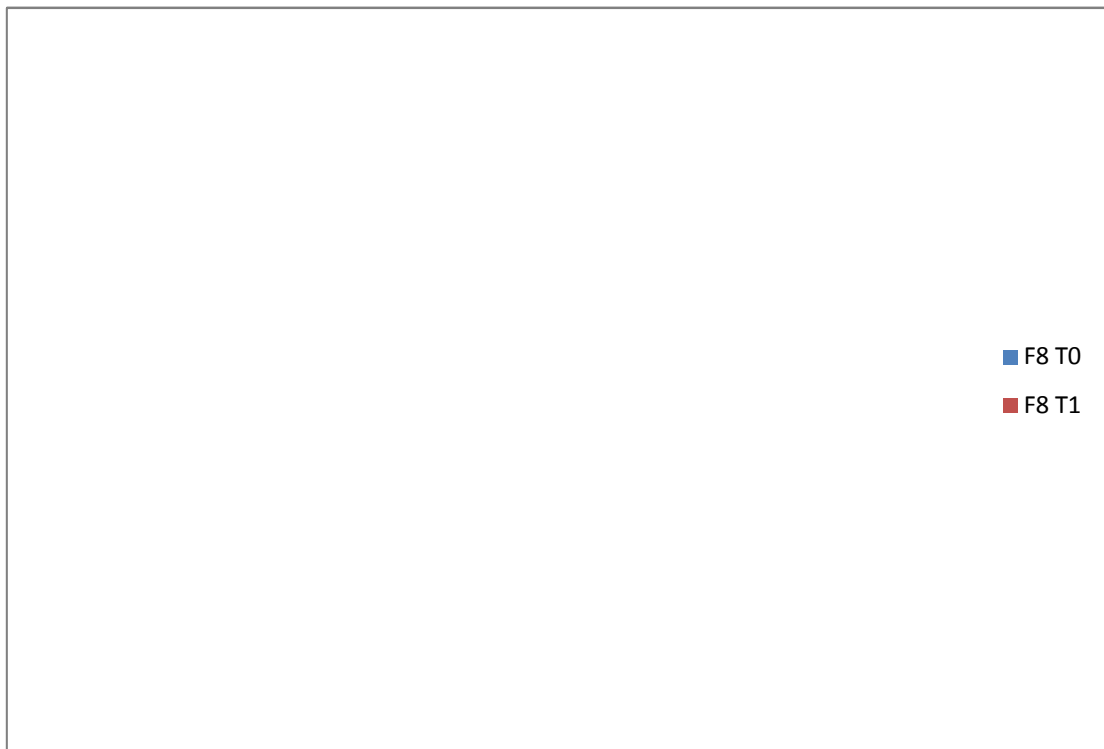
c. Wilcoxon Signed Ranks Test

Wilcoxon test:

F8 $z = -2,115$, $p = ,034$

F12 $z = -3,470$, $p = ,001$

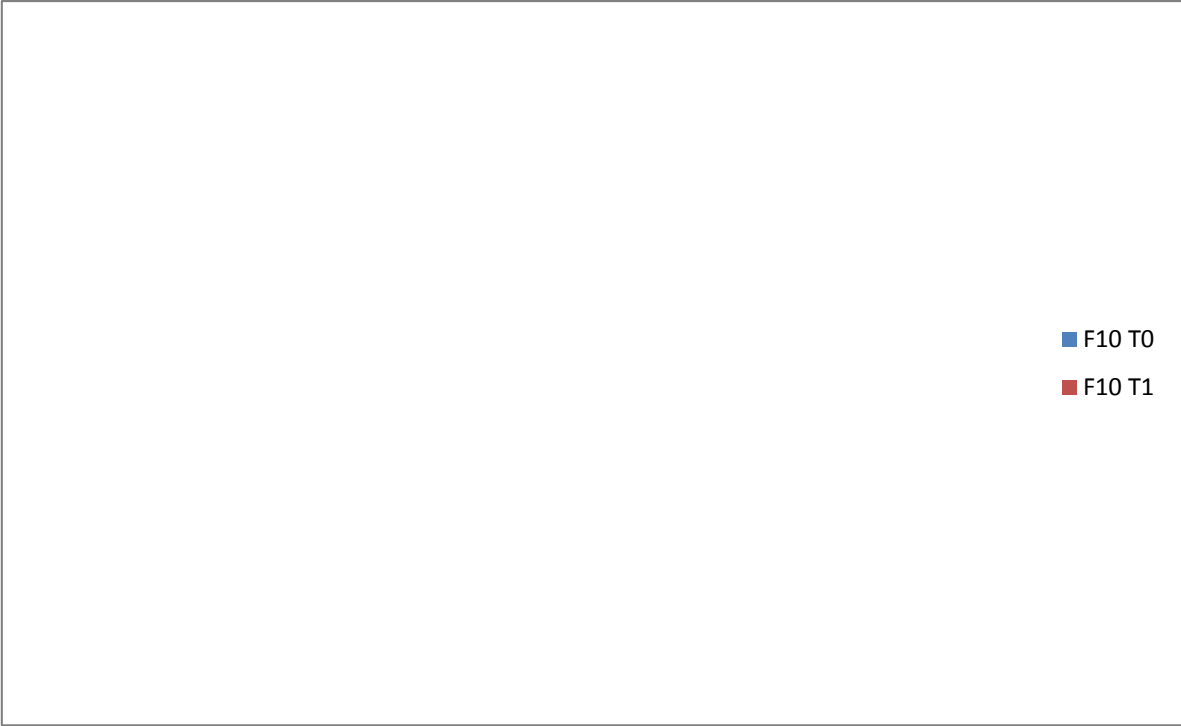
. **F8. Frequency of speaking to relative by phone**



F 9. Frequency of speaking to friends by phone.

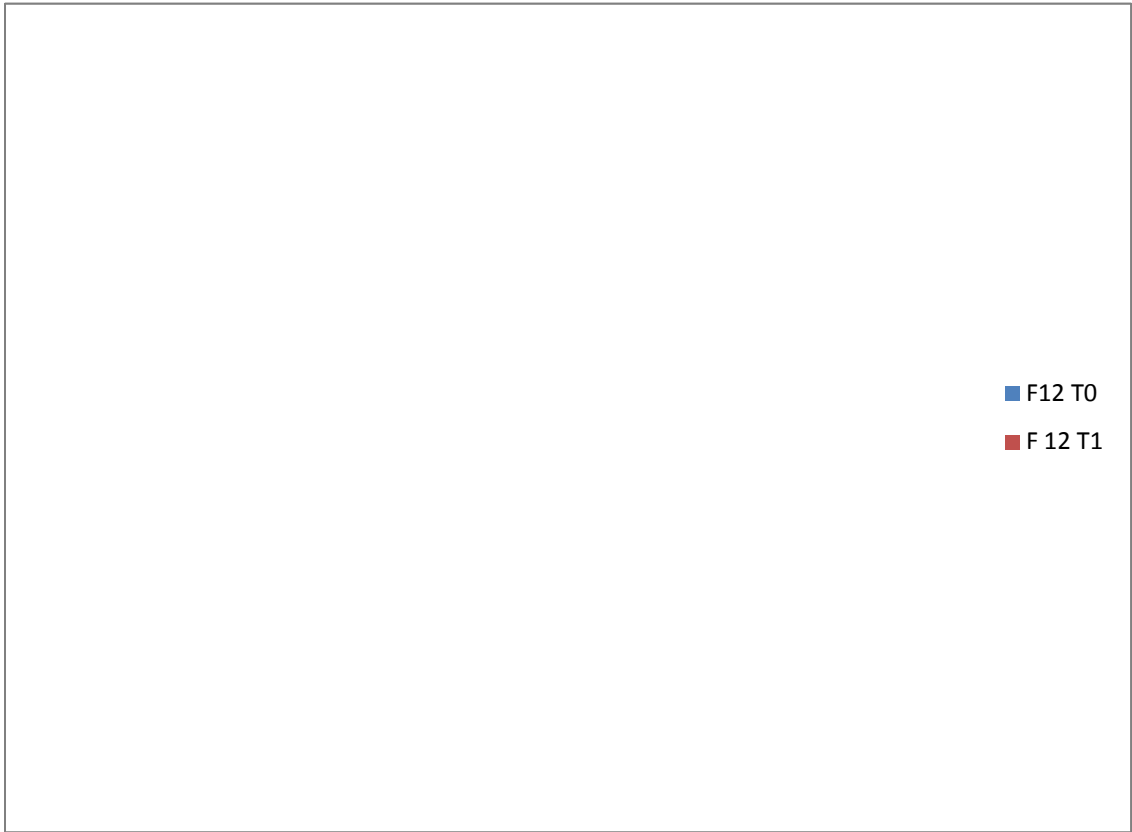
F 10. Frequency of speaking to neighbors.





F11. Frequency of meeting with relatives.

F12. Frequency of meeting with friends.



F8. Frequency of speaking to relative by phone.

Statistically significant. The frequency of talking by phone to the relatives increasing from time 0 to time 1 specially in the case of .It can be observed that there is a vibrant social life these women possess. Most of them use phone in the village but few of them talk on most days, most of them phone once or twice in a week, few of them speak once or twice a month and some of them never talk to their relatives. From time 0 to time 1 we see sharp increase in phoning once or twice a weak and decrease in once or twice a month which means that their phone conversation with the relatives are increasing. Whether microcredit has an impact on it, we are not totally sure but we can assume that being in a group of people it might influence women to have a more positive approach towards phone activity, conversing through technology. We have found that almost everyone has cellular phone at their house, but the control and owner of this mobile phone is yet to be made sure. Looking at the culture of using phone, it seems that men take control of it and women also using it at regylar intervals to contact their relatives.

F 9. Frequency of speaking to friends by phone.

Statistically insignificat but we find that the women do not have any sort of phone conversation with their friends. Adking this question informally, the answer was that as after the marriage these women left the village in a very early age, they loose contacts with the same old friend and they do not find the same curoosity any more to contact them. The non contact has even increased from time 0 to ime 1. Microcredit group is usually composed of a group of the same villagers. So, it does not have a role to play for this increase in non conversation, it can be guessed.

F 10. Frequency of speaking to neighbors.

Statistically insignificant but speaking to neighnors has increased from time 0 to time 1. Althoughthe increase is not significant but we assume that microcredit has an influence in it as the group of MC is composed of the neighbors.

F11. Frequency of meeting with relatives.

Statistically insignificant but we see from the histogram that all the borrowers have some sort of irregular meeting with relatives. From time 0 to time 1 the change is not sharp and it is difficult to comment on it but it seems that meeting with relatives is irregular but frequent. One of the reasons could be from the fact that most of their parents' houses are very close to their in-law's house. So it is obvious and easier for them to maintain a regular meeting with them.

F12. Frequency of meeting with friends.

Frequency of meetings with friends is significant statistically. and histogram wise it can be observed that the borrowers are meeting with friends are frequently than the last year, although a lot of answers are completely negative which shows how low is the contact with the friend these women have. The tendency is that all the women leave the village once they are married at an early age. So contact becomes exceptionally regular in this respect. Nevertheless in one year period meeting is increased showing a positive change in this regard.

F 13. Asking help during illness. Yes or No.

5. Crosstabs F13

F13 * F13_T1 Crosstabulation

			F13_T1		Total
			1	2	
F13	1	Count	56	9	65
		% of Total	74,7%	12,0%	86,7%
	2	Count	8	2	10
		% of Total	10,7%	2,7%	13,3%
Total	Count	64	11	75	
	% of Total	85,3%	14,7%	100,0%	

Descriptive Statistics*

Dependent Variable: Ricchezza

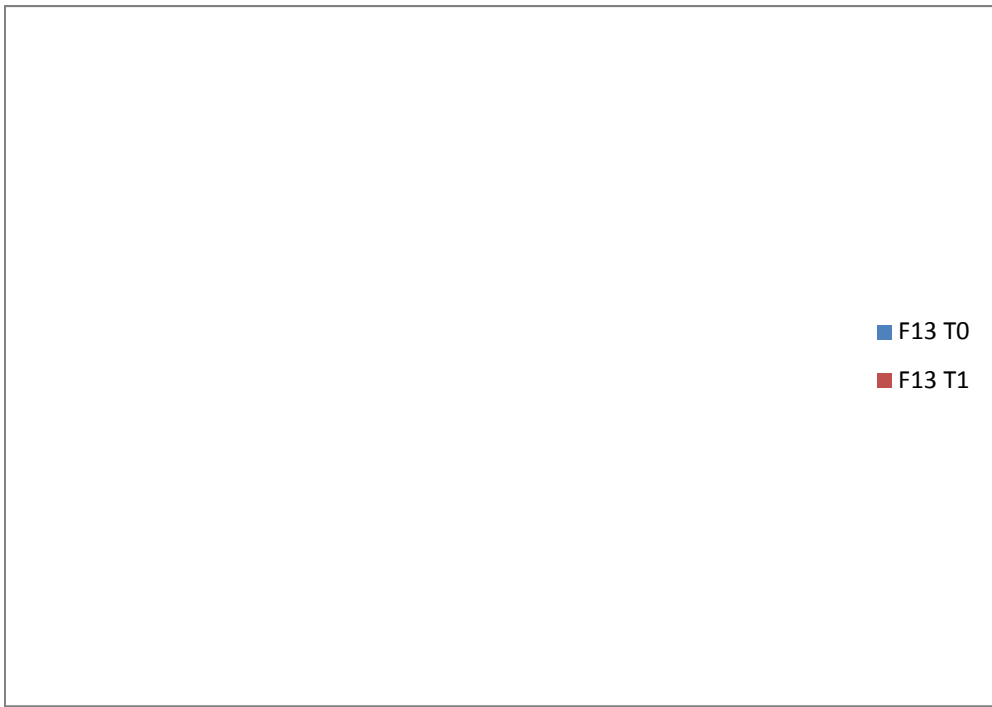
F13Code	Mean	Std. Deviation	N
11	261655,36	1138134,911	56
12	-105288,33	502405,110	9
21	-73531,25	324355,736	8
22	-54275,00	134951,329	2
Total	173444,07	1011721,278	75

Estimated Marginal Means

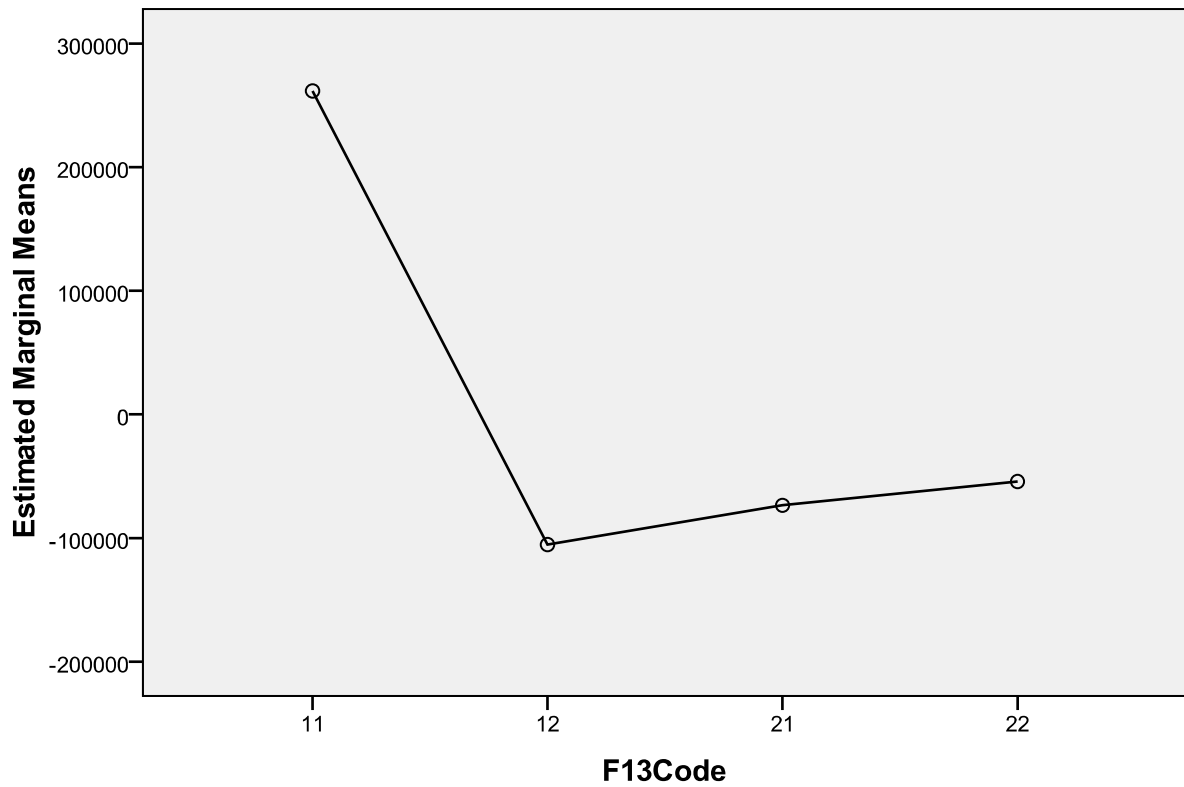
F13Code

Dependent Variable: Ricchezza

F13Code	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
11	261655,357	136441,421	-10401,108	533711,823
12	-105288,333	340344,699	-783916,390	573339,723
21	-73531,250	360990,067	-793325,001	646262,501
22	-54275,000	721980,135	-1493862,501	1385312,501



Estimated Marginal Means of Ricchezza



Most of the answers are yes. No significant change in terms of statistics and histogram. They ask for help which shows that they have trust and good relationshi amon the household members.

F 13a. Whom they ask for help during illness.

6. Crosstabs **Who?**

F13a * F13a_T1 Crosstabulation

			F13a_T1			Total
			1	3	6	
F13a	1	Count	40	11	9	60
		% of Total	53,3%	14,7%	12,0%	80,0%
	3	Count	1	4	0	5
		% of Total	1,3%	5,3%	,0%	6,7%
	6	Count	7	1	2	10
		% of Total	9,3%	1,3%	2,7%	13,3%
Total	Count	48	16	11	75	
	% of Total	64,0%	21,3%	14,7%	100,0%	



Most of them ask for help from their relatives. Statistically insignificant but we assume that it is because their household relationship is quite strong and healthy. Although the number is decreasing from time 0 to time 1 but its not alarming or significant.

F14. Asking help in crisis period.

1. Crosstabs F14

F14 * F14_T1 Crosstabulation

			F14_T1		Total
			1	2	
F14	1	Count	55	8	63
		% of Total	73,3%	10,7%	84,0%
	2	Count	9	3	12
		% of Total	12,0%	4,0%	16,0%
Total	Count	64	11	75	
	% of Total	85,3%	14,7%	100,0%	

Descriptive Statistics*

Dependent Variable:Ricchezza

F14Code	Mean	Std. Deviation	N
1	521450,00	.	1
11	117124,35	805498,956	54
12	-165045,00	491415,516	8

21	852377,78	2065269,145	9
22	-62966,67	96605,206	3
Total	173444,07	1011721,278	75

F14Code

Dependent Variable:Ricchezza

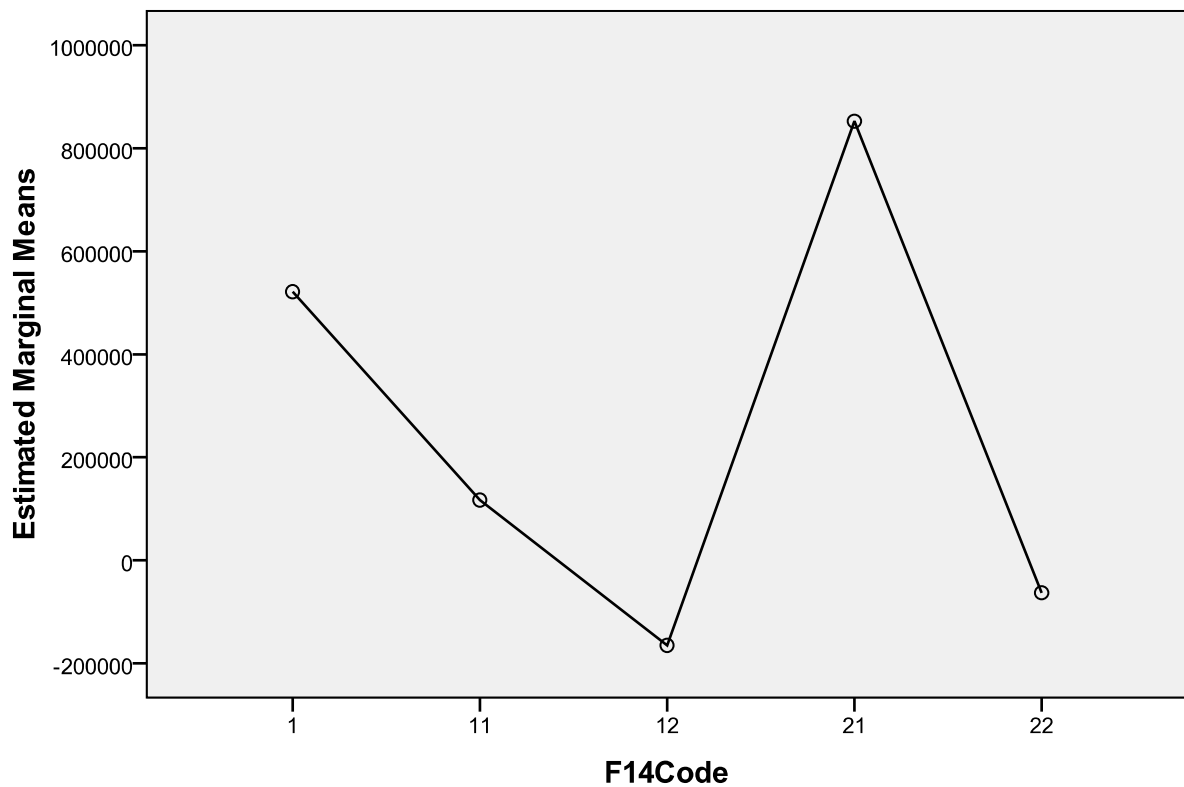
F14Code	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
1	521450,000	1001568,034	-1476114,456	2519014,456
11	117124,352	136296,146	-154709,740	388958,443
12	-165045,000	354107,774	-871290,686	541200,686
21	852377,778	333856,011	186522,959	1518232,597

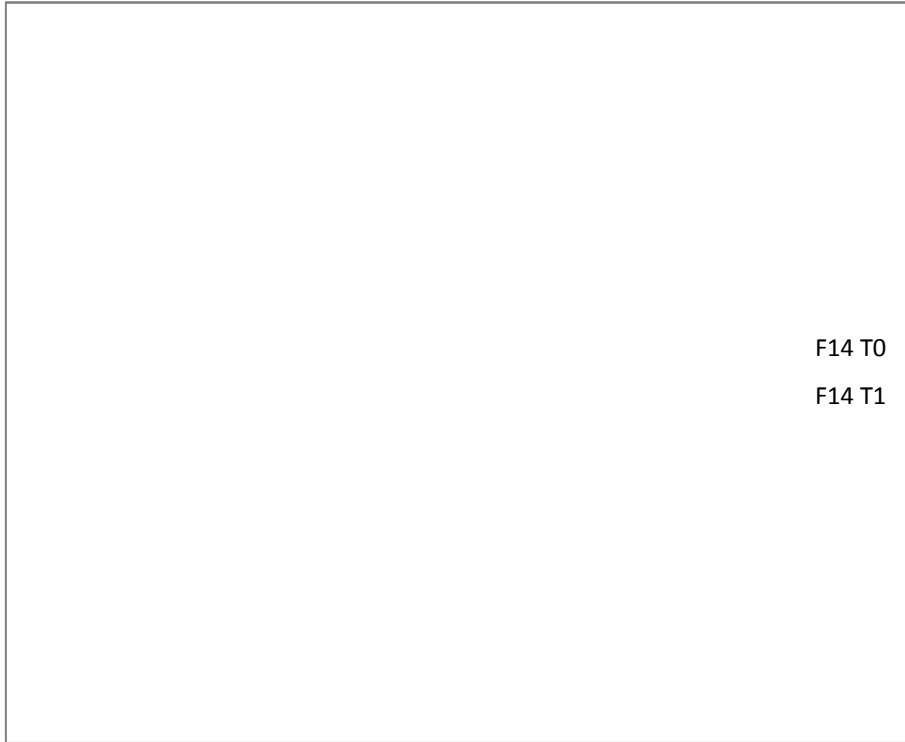
F14Code

Dependent Variable: Ricchezza

F14Code	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
1	521450,000	1001568,034	-1476114,456	2519014,456
11	117124,352	136296,146	-154709,740	388958,443
12	-165045,000	354107,774	-871290,686	541200,686
21	852377,778	333856,011	186522,959	1518232,597
22	-62966,667	578255,574	-1216261,043	1090327,710

Estimated Marginal Means of Ricchezza



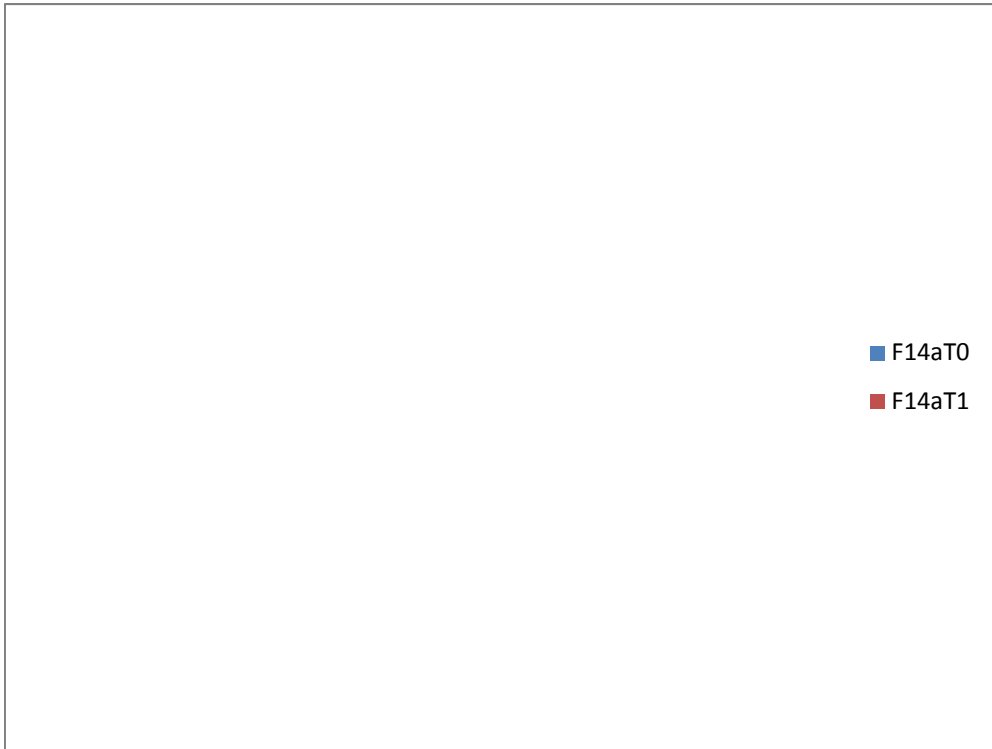


In crisis period they ask help, yes. Statistically insignificant from time 0 to time 1. Do microcredit has a role to play in it. Its difficult to judge.

F 14A. Crosstabs Who?

F14a * F14a_T1 Crosstabulation

			F14a_T1			Total
			1	3	7	
F14a	1	Count	40	7	8	55
		% of Total	53,3%	9,3%	10,7%	73,3%
	3	Count	4	4	0	8
		% of Total	5,3%	5,3%	,0%	10,7%
	7	Count	8	1	3	12
		% of Total	10,7%	1,3%	4,0%	16,0%
Total	Count	52	12	11	75	
	% of Total	69,3%	16,0%	14,7%	100,0%	



Asking help to mostly relatives, statistically insignificant from time 0 to time 1. Is it possible that microcredit has a role to play here. Its possible. Microcredit group involves mostly relatives (not blood related and neighbors. Relatives outside households means that that they could also be a same group member. Group creates a bond among members. So, microcredit might have a role to play here.

F 15. Asking money.

2. Crosstabs F15

F15 * F15_T1 Crosstabulation

			F15_T1		Total
			1	2	
F15	1	Count	55	7	62
		% of Total	73,3%	9,3%	82,7%
	2	Count	10	3	13
		% of Total	13,3%	4,0%	17,3%
Total	Count	65	10	75	
	% of Total	86,7%	13,3%	100,0%	

Descriptive Statistics*

Dependent Variable: Ricchezza

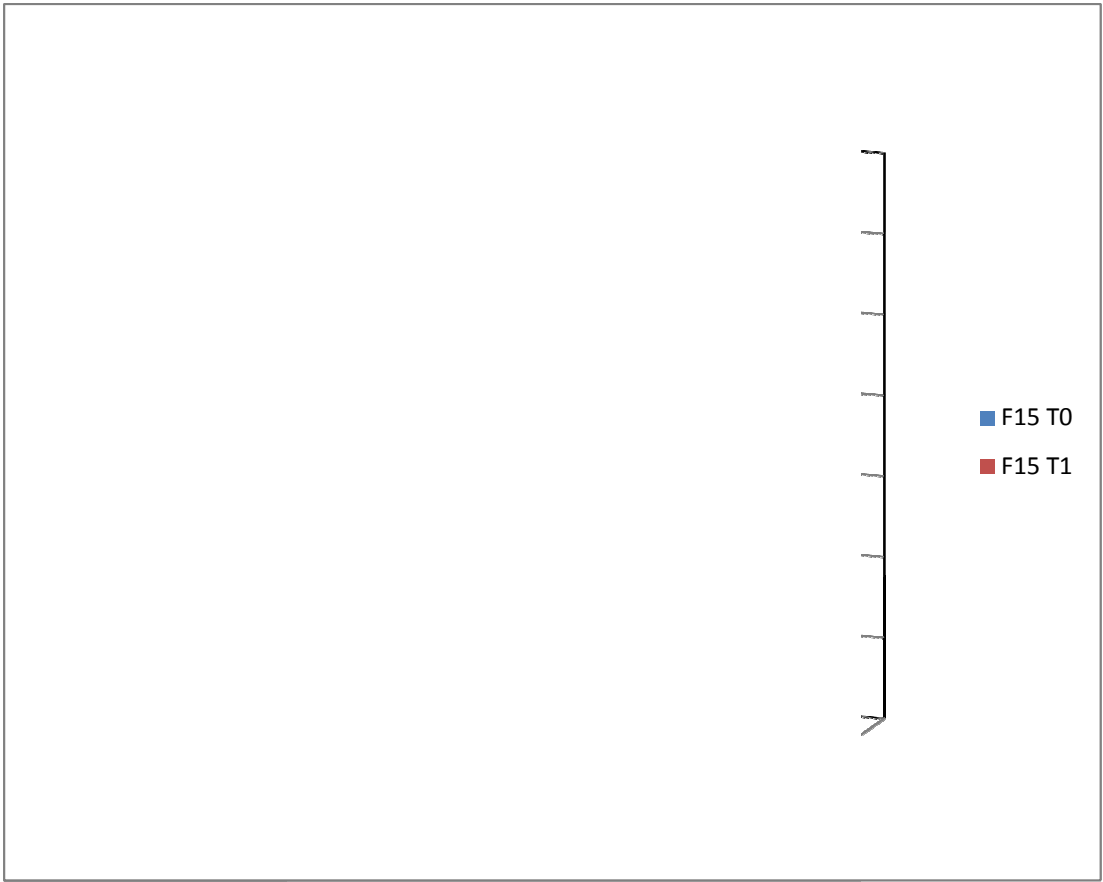
F15Code	Mean	Std. Deviation	N
11	160444,91	1104751,372	56
12	-6450,00	37381,727	7
21	464046,50	875199,420	10
22	-285962,50	462606,934	2
Total	173444,07	1011721,278	75

Estimated Marginal Means

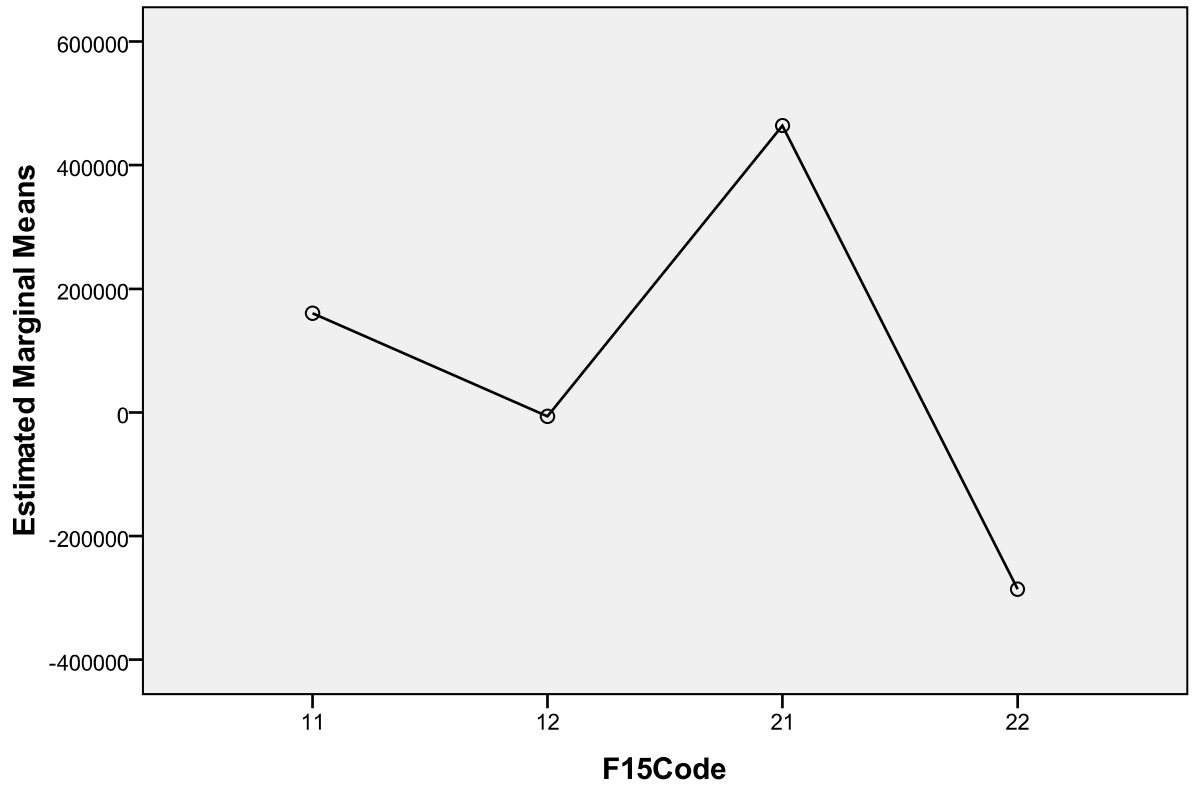
F15Code

Dependent Variable: Ricchezza

F15Code	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
11	160444,911	136647,774	-112023,011	432912,833
12	-6450,000	386498,270	-777105,661	764205,661
21	464046,500	323367,652	-180730,286	1108823,286
22	-285962,500	723072,053	-1727727,224	1155802,224

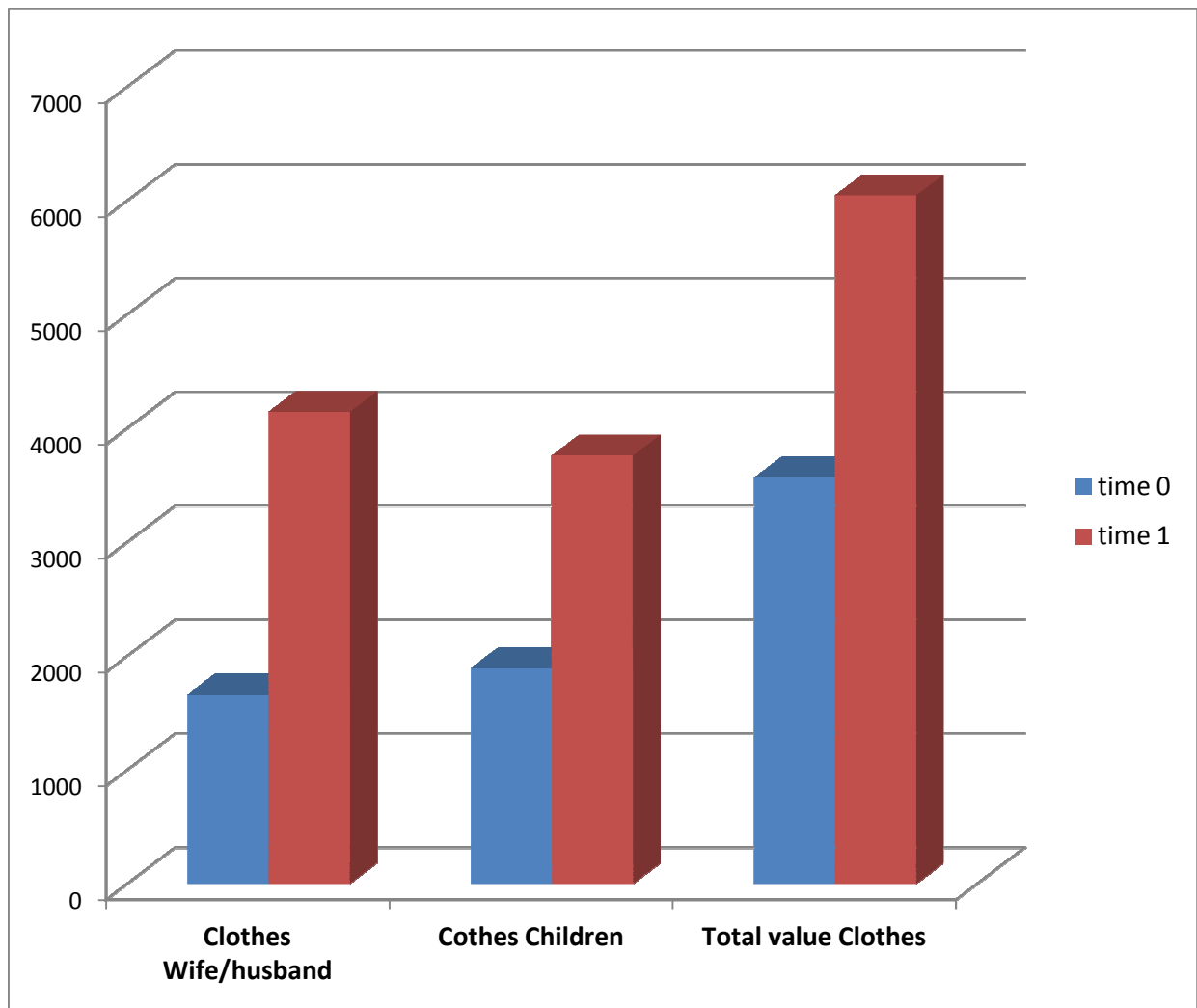


Estimated Marginal Means of Ricchezza



Though statistically insignificant from time 0 to time 1. But most of the women ask money when they are in need or difficulties.

Tangible aspects: clothes*
 (* well being Indicator from World Health Organization)



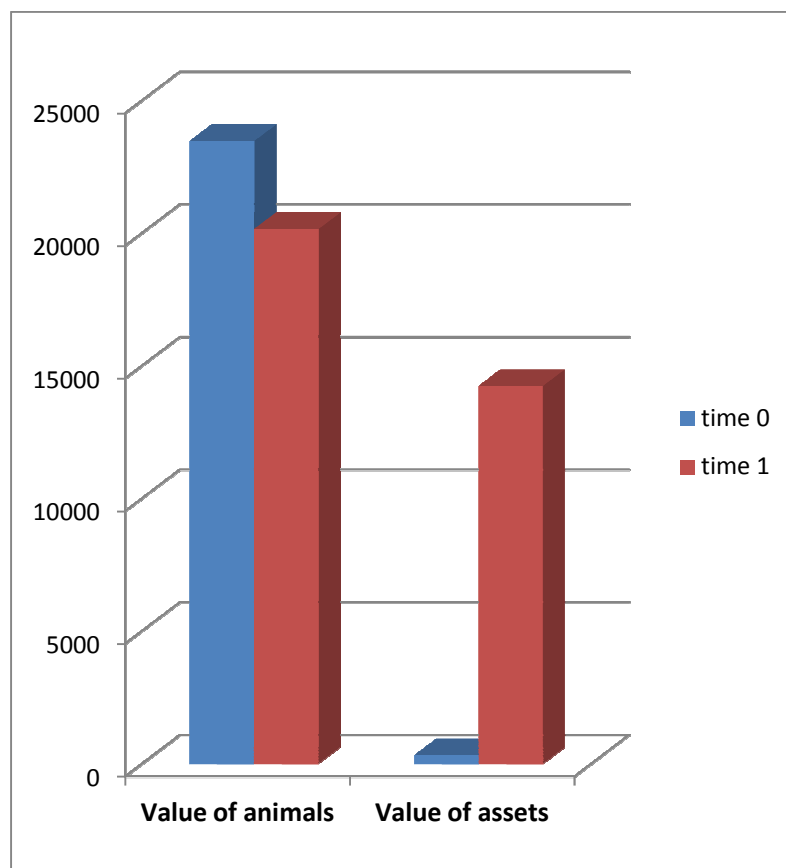
Tot Value Clothes $F = 16,37$ $p < 0,001$

Clothes W/H $F = 95,74$ $p < 0,001$

Clothes Child $F = 15,96$ $p < 0,001$

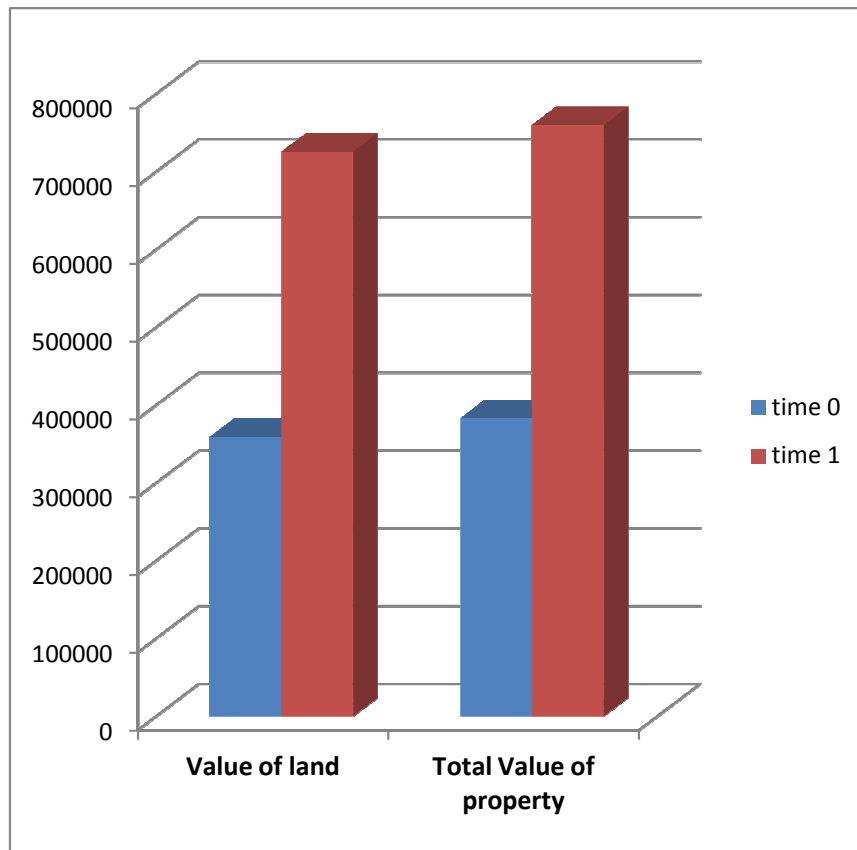
There are significant changes in clothes and footwear uses. Spending money in this has increased significantly from time 0 to time 1. Microcredit has a direct correlation with it. We can assume here that with microcredit, in one year time, the borrowers has been able to increase their living standard. We can assume that increasing asset through micredit has a direct affect on increase in spending in clothes. May be this is the reason of increase in spending more in clothes and footwear.

Tangible aspects : value of animals and property



3. Animal- There is an interesting observation here where we see a decrease in animal asset consumption from time 0 to time 1. Animal bying is also one of the most popular uses o microcredit. Borrowers buy animals for two simple reasons. 1. To buy cow milk to which could provide milk for selling and they usually do not sell them. 2. buy animals to feed them and sell for the next year. So in almost one year time period the borrowers bought animals but didi not able to sell them. That's why there is a decrease in animal consumption from time 0 to time1.

Land property



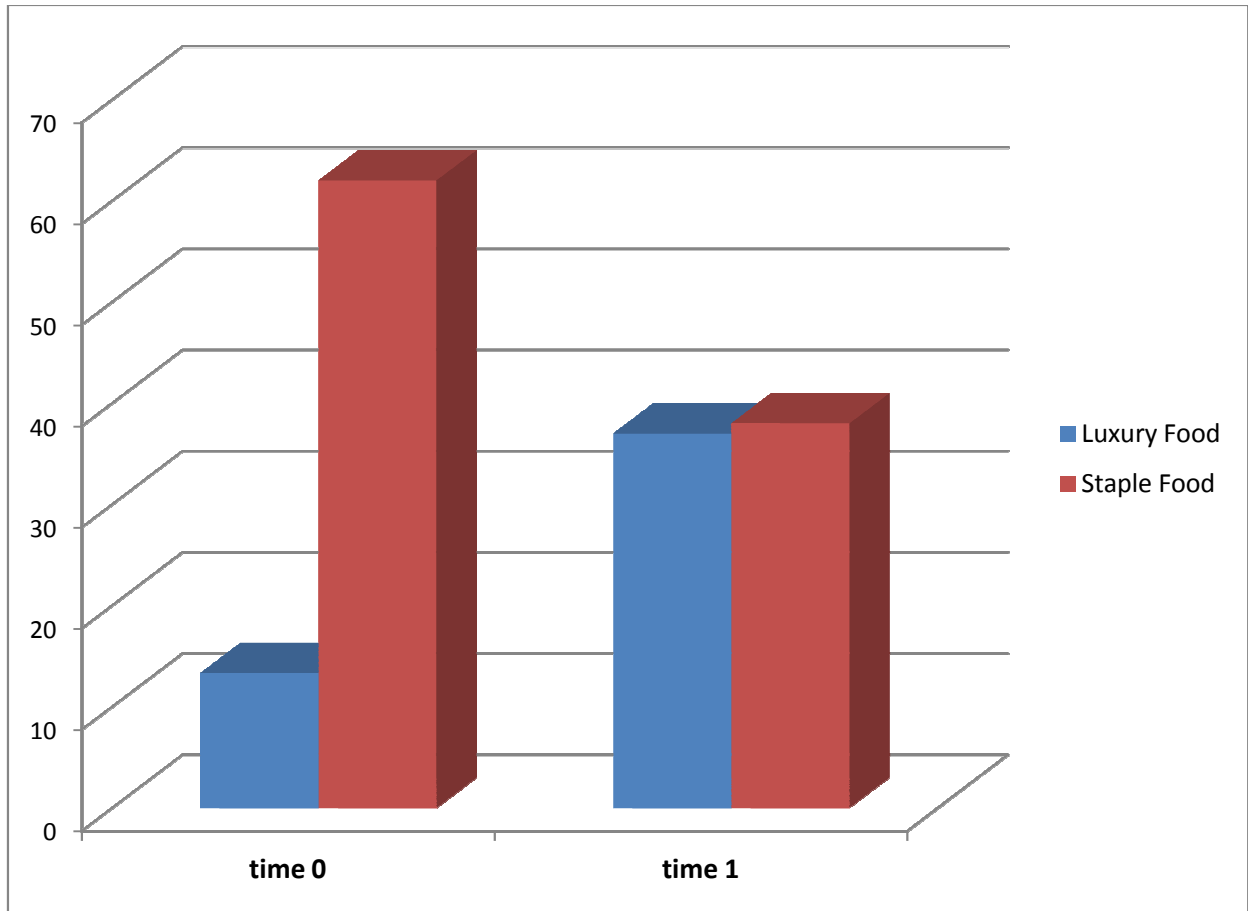
Value of land $F = 7,43$ $p < 0,01$

Value of assets $F = 12,42$ $p < 0,01$

Tot Value of property $F = 7,75$ $p < 0,01$

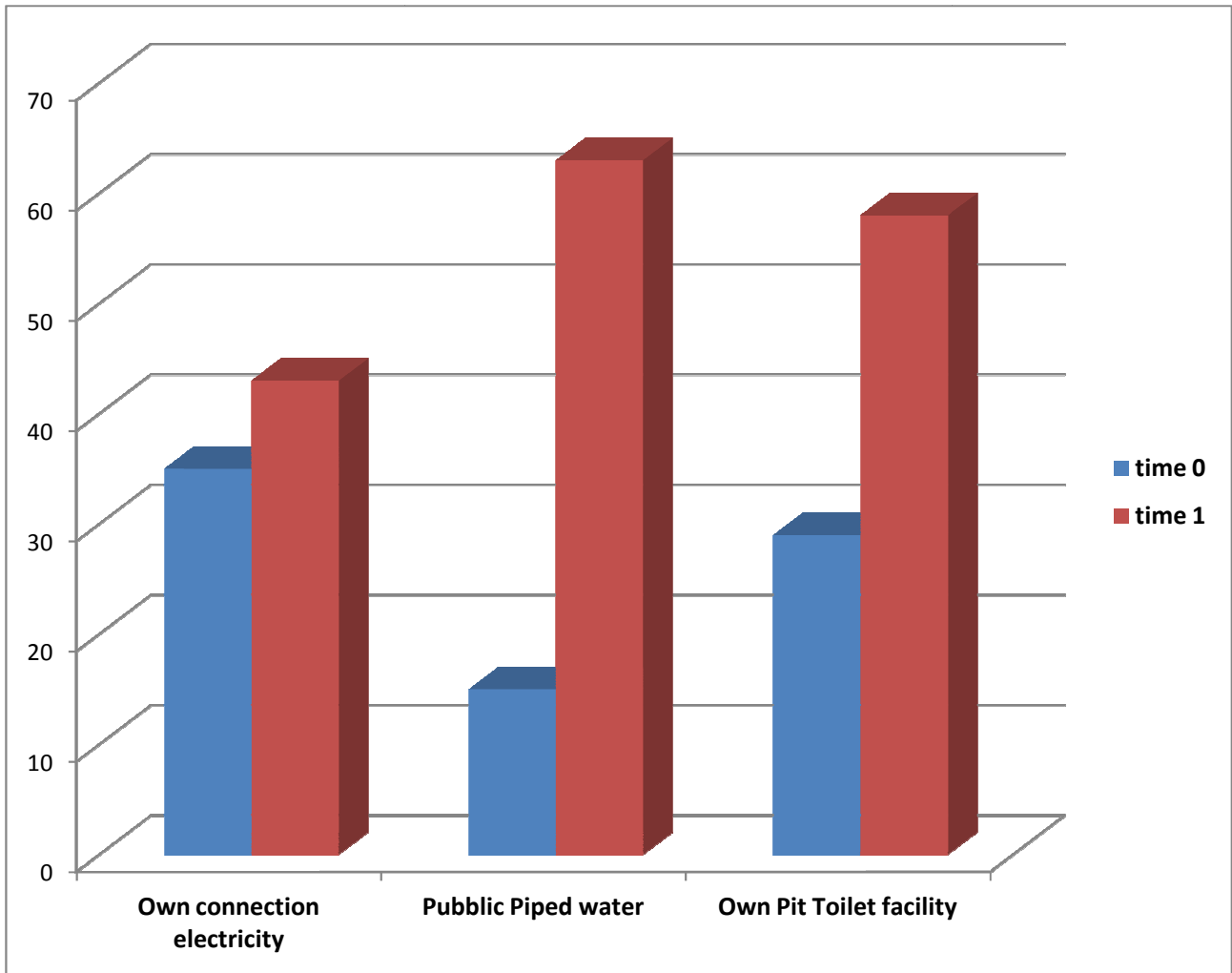
One of the most popular uses of microcredit is in the field of buying land. We can see that the land consumption has increased from time 0 to time 1 and there is a significant change in increase in land asset.

Food



There is a significant change in luxury food and staple food consumption. From time 0 to time 1 luxury food consumption has increased and staple food consumption has decreased in significant way. This has a direct affect because of microcredit activity in the village. Microcredit increases asset, thus living standard increases and luxury food consumption also increased. It does not show that all the borrowers started to eat luxury food instead of staple food, no. But it is a healthy sign of increase in living standard because of microcredit.

House and facilities



There is a significant change in the house consumption. use of quality drinking water and toilet uses. All are in positive note from time 0 to time 1. We can also assume that microcredit program has a direct affect on it. Housing has always been a very important social activity of the villagers and if ther ais a ittle thing needs to be done or repair or change villagers are not shy away from making it. Microcredit programs are also very supportive to this idea. So whether the change in housing materials or number of rooms in the house, or pure drinking water or toilet uses, microcredit is directly affecting on all these issues.

Conclusion:

The research was designed as a time period research. The idea was to develop a questionnaire which will be simple but operational, representative and universal. Choosing the World Bank household questionnaires and Social Capital questionnaires helped to achieve it in a right direction. After almost a year 85 samples were fully approached, researched and analysed. By doing so, the correlation of tangible and intangible intertwining was made possible.

There are some intriguing facts, interesting findings received. Microcredit is directly affecting the living standard of the borrowers. From time 0 to time 1 the clothing and footwear spending increased, Food consumption changed, Luxury food consumption increased, Land asset increased, wealth increased, housing changed to a solid one, pure drinking water consumption increased significantly and toilet materials also changed with a more positive note.

Social participation is a multidimensional phenomenon, It is extremely difficult to say that for only one reason it changes dramatically. The research was to observe a correlation between tangible and social participation, trust, network and mobility. What came out that women have a very interesting social centrality in the village. Even in a male dominated society they have a strong inter household social activity. Outside the house this participation is limited. But we have seen significant changes in some aspect. Although as it is multidimensional it is impossible to note that only microcredit is the sole savior here. But of course it can be assumed that it plays an important part in their lives.

One year is never enough to see the social change on individual's life. But it is possible to note the signs of changes, positive or negative.

Social centrality among the individual members are changing but it is yet to be sure that it is only because of microcredit programs. There are lots of other programs play their roles too. There are awareness creating programs from the Gov. lots of non government programs are available for

housing, sanitation, schooling, birth control, election etc. These all contribute to create a healthy atmosphere in a village to achieve a more vocal and positive social life. But Microcredit is off course playing its own part. If we put all other variables constant, then it is possible to get a positive outcome from microcredit, but it cannot be the case when researching on the societal participation and network.

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F. Society

Social Participation

F1. Do you participate in the decision making level in the society?

1. yes 2. no

F2. Do you also participate in problem solving situations in your surroundings?

1. yes 2. no

F3. Do you participate in various social and cultural events in your village?

1. yes 2. no

F4. Have you ever organized any event or involved in any such occasion by yourself?

1. yes 2. no

F5. Have you ever participated in creating awareness against social ills like dowry, child marriage etc.?

1. yes 2. no

Trust and Solidarity

F6. Generally speaking, would you say that most people can be trusted, or that you can't be too careful in your dealings with other people?

1. Most people can be trusted
2. Can't be too careful in dealing with people
3. (SPONTANEOUS) It depends on people/circumstances
4. (SPONTANEOUS) Don't know

F7. Now I want to ask you how much you trust different types of people. On a scale of 1 to 5, how much do you trust the people in that category?

	1. A lot 2. A fair amount 3. Not very much 4. Not at all 5. Don't know
A. relatives	
B. neighbours	
C. friends	
D. microcredit group	
E. local council	
F. Local government officials	
G. Central government officials	
H. Police	

Social Networks

F8. Spkrel

Speak to relatives on the phone

SHOW CARD G:

1. On most days
2. Once or twice a week
3. Once or twice a month
4. Less often than once a month
5. Never
6. (SPONTANEOUS) Don't know

F9. Spkfr

Speak to friends on the phone

1. On most days
2. Once or twice a week
3. Once or twice a month
4. Less often than once a month
5. Never
6. (SPONTANEOUS) Don't know

F10. Spkng

Speak to neighbours

1. On most days
2. Once or twice a week
3. Once or twice a month
4. Less often than once a month
5. Never
6. (SPONTANEOUS) Don't know

F11. FreqMtR

How often do you meet up with relatives who are not living with you?

1. On most days
2. Once or twice a week
3. Once or twice a month
4. Less often than once a month
5. Never
6. (SPONTANEOUS) Don't know

F12. FreqMtF

How often do you meet up with friends?

1. On most days
2. Once or twice a week
3. Once or twice a month
4. Less often than once a month

5. Never

6. (SPONTANEOUS) Don't know

Social support

SitIntro

I am going to describe two situations where people might need help. For each one, could you tell me if there is anyone you could ask for help?

F13. Illbed

If you or our family member are ill in bed and need help at home. Is there anyone you could ask for help?

1. yes 2. no

F13a. who you could ask for help?

1. Relative (outside household)
2. Friend
3. Neighbour
4. members of your MC group
5. Other
6. Would prefer not to ask for help
7. (SPONTANEOUS) Don't know

F14.PCrisis

If you or our family members are in difficulties, who is the first person that you ask help?

1. Relative (outside household)

2. Friend
3. Neighbour
4. members of your MC group
5. Local Council member
6. Other
7. Would prefer not to ask for help
8. (SPONTANEOUS) Don't know

F15. Money

You are in financial difficulty and need to borrow some money to see you through the next few days. Is there anyone you could ask for help?

1. yes 2. no

(Loans from banks or other financial institutions should be excluded.)

F15a. who you could ask for help?

1. Relative (outside household)
2. Friend
3. Neighbour
4. members of your MC group
5. Local Council member
6. Other
7. Would prefer not to ask for help
8. (SPONTANEOUS) Don't know

F16. *what do you mean by happiness?*

F17. *Microcredit experience:*

For new borrowers:

a. Which is your expectation starting this new adventure in your life? _____

b. What you expect to learn ? _____

c. What you afraid? _____

For old borrowers:

a. Strengths _____

b. Weaknesses _____

c. Opportunities _____

d. Threats _____

TANGIBLE SIDE QUESTIONNAIRE

Assessing Living Standards of Households

International Food Policy Research Institute

A study sponsored by the Consultative Group to Assist the Poorest (CGAP)

Section A Household Identification

A1. Date (mm/dd/yyyy): __/__/____

A2. Division code: ___ ___

A3. MFI unit code: ___ ___

A4. Group code: ___ ___

A5. Group name: _____

A6. Household code: ___ ___

A7. Household chosen as (1) client of MFI, or (2) nonclient of MFI? _____

A8. Is household from replacement list? (0) No (1) Yes

A9. If yes, the original household was (1) not found or (2) unwilling to answer, or (3) client status was wrongly classified:

A10. Name of respondent:

Name of the household head: _____

Address of the household: _____

A11. Interviewer code: ____ ____

A12. Date checked by supervisor (mm/dd/yyyy): ____/____/____

A13. Supervisor signature: _____

Section B. Family Structure

ID code	Name	Status of the head of the HHa	Relation to head of HHb	Sexc	Age	Max. level of schoolingd	Can writee	Main occupation, current yearf	Current member of MFle	Amount of loan borrowed	Clothes wear expens the last month local curren
1	(HH head)										

2											
3											
4											
5											
6											
7											
8											

a(1) single; (2) married, with the spouse permanently present in the household; (3) married with the spouse migrant; (4) widow or widower; (5) divorced or separated; (6) living mostly away from home but contributing regularly to household.

b(1) head of the household; (2) spouse; (3) son or daughter; (4) father or mother; (5) grandchild; (6) grandparents; (7) other relative; (8) other non relative.

c(1) male; (2) female.

d(1) less than primary 6; (2) some primary; (3) completed primary 6; (4) attended technical school; (5) attended secondary; (6) completed secondary; (7) attended college or university.

e(0) no; (1) yes.

f(1) self-employed in agriculture; (2) self-employed in nonfarm enterprise; (3) student; (4) casual worker; (5) salaried worker; (6) domestic worker; (7) unemployed, looking for a job; (8) unwilling to work or retired; (9) not able to work (handicapped).

g In order to get an accurate recall the clothes and footwear expenses for each adult are preferably asked in the presence of the spouse of the head of the household. If the clothes were sewn at home, provide costs of all materials (thread, fabric, buttons, needles).

SECTION B2. Children members of household (from 0 to 14 years)

ID code	Name	Age	Clothes/Footwear expenses for past 12 months, in local currencya

Clothes and footwear expenses are asked for once those for adults have been recorded, and in the presence of the spouse of the head of the household. In case of ready-to-wear clothing and footwear items, include full price. In other cases, include cost of fabric, cloth as well as tailoring and stitching charges

Section C. Food-Related Indicators

(Both the head of the household and his or her spouse should be present when answering for this section.)

C1. Did any special event occur in the last two days (for example, family event, guests invited)?

(0) No (1) Yes

C2. If no, how many meals were served to the household members *during the last 2 days*?

C3. If yes, how many meals were served to the household members *during the 2 days preceding the special event*?

C4. Were there any special events in the last *seven days* (for example, family event, guests invited)?

(0) No (1) Yes

(If “Yes,” the “last seven days” in C5 and C6 should refer to the week preceding the special event.)

C5. During the *last seven days*, for how many *days* were the following foods served in a main meal eaten by the household?

Luxury food	Number of days served
Luxury food 1	
Luxury food 2	
Luxury food 3	

C6. During the *last seven days*, for how many *days* did a main meal consist of an inferior food only?

C7. During the *last 30 days*, for how many days did your household not have enough to eat everyday?

(0) No (1) Yes

C 8. During the *last 12 months*, for how many months did your household have at least one day without enough to eat?

(0) No (1) Yes

C9. How often do you purchase the following?

Staple	Frequency served
Staple 1	
Staple 2	
Staple 3	

(1) Daily (2) Twice a week (3) Weekly (4) Fortnightly (5) Monthly (6) Less frequently than a month

C10. For how many weeks do you have a stock of *local staples* in your house?

C11. If your household earnings increased by (US\$10–\$20), how much of that would you spend on purchasing additional food? (Estimate amount as 5% of GDP per capita.)

(Note: Does not include alcohol and tobacco.)

Section D. Dwelling-Related Indicators

(Information should be collected about the dwelling in which the family currently resides.)

D1. What is the ownership status of dwelling? (1) Owned (2) Given by relative or other to use (3) Provided by government (4) Rented

D2. How many rooms does the dwelling have? (Include detached rooms in same compound if same household.)

D3. What type of roofing material is used in main house? (1) Tarpaulin, plastic sheets, or branches and twigs (2) Grass (3) Stone or slate (4) Iron sheets (5) Brick tiles (6) concrete

D4. What type of exterior walls does the dwelling have? (1) Tarpaulin, plastic sheets, or branches and twigs (2) Mud walls (3) Iron sheets (4) Timber (5) Brick or stone with mud (6) Brick or stone with cement plaster

D5. What type of flooring does the dwelling have? (1) Dirt (2) Wood (3) Cement (4) Cement with additional covering

D6. Is the dwelling built on squatter land?

(0) No (1) Yes

D7. What is the observed structural condition of main dwelling? (1) Seriously dilapidated (2) Need for major repairs (3) Sound structure

D8. What is the electricity supply? (1) No connection (2) Shared connection (3) Own connection

D9. What type of cooking fuel source primarily is used? (1) Dung (2) Collected wood (3) Purchased wood or sawdust (4) Charcoal (5) Kerosene (6) Gas (7) Electricity

D10. What is the source of drinking water? (1) Rainwater (2) Dam (3) Pond or lake (4) River or stream (5) Spring (6) Public well—open (7) Public well—sealed with pump (8) Well in residence yard (9) Piped public water (10) Bore hole in residence

D11. What type of toilet facility is available? (1) Bush, field, or no facility (2) Shared pit toilet (3) Own pit toilet (4) Shared, ventilated, improved pit latrine (5) Own improved latrine (6) Flush toilet

E. Other Asset-Based Indicators

E1. Area of land owned: Agricultural _____ Nonagricultural _____

Value of land owned: Agricultural _____ Nonagricultural _____

E2. Number and value of selected assets owned by household. (Ask household to identify any assets purchased with MFI loan and eliminate these from the table below.)

	Asset type and code	Number owned	Resale value at current market price
Livestock	1. Cattle and buffalo		
	2. Adult sheep, goats, and pigs		
	3. Adult poultry and rabbits		
	4. Horses and donkeys		
Transportation	5. Cars		
	6. Motorcycles		
	7. Bicycles		
	8. Other vehicles		
	9. Carts		
Appl	10. Televisions		

	11. Video cassette recorders		
	12. Refrigerators		
	13. Electric or gas cookers		
	14. Washing machines		
	15. Radios		
	16. Fans		

E3. What is your overall assessment of the general wealth levels of MFI clients?

(1) Poor (2) Average (3) Rich (4) Don't know MFI

Form No: 01

Grameen Bank
----- Branch

----- Jon

Name of the committee No:	
Center No:	Group No:

Joining date:
Debtor No:

Application for becoming a group member and personal information (old/ new / excess/ proxy member)

01.The name of the applicant:

For old member

1.1The previous center No:

1.5 Times of receiving loans:

1.2 Loan No:

1.6 Amount of received loan:

1.3 Date of leaving the group:

1.7 Value of achieved property gained by the loan:

1.4 The cause of leaving the group:

1.8 Amount of returning savings at the time of
leaving group:

02. Address:

Present	Parental
Husband name:	Parents name:
Village:	Village:
Post office:	Post office:
Post station:	Post station:
District:	District:

03. Marital status: unmarried / married/ divorced/ quitted/ widow/ others:

04. Description of the member/members:

Serial No	Name of the male/female member	Age	Relation with the applicant	Education						Occupation
				Ability of writing and reading newspaper	Know how to write addresses	Studied upto class five or more	Left study before completing class five	Still in study	Signaturre ability	

05. Measure of land: (in hundred):

Homestead	Agriculture	Garden	Pond	Uncultivated land Garden To give mortgage	Mortgage given land	Take Lease land	Mortgage taken land	Given leased land	To occupy the solid land

06. Description of homestead:

Fence/ wall							Shed				
Stalks of jute plants	Bamboo	Chhan	Leaf	Soil	Tin	Other	Tin	Chhan	Straw	Tin and straw	Others

07.Number of animals and others assets:

Animals		Other assets	
Cows -----	Goats -----	Bench -----	Chair -----
Lamb -----	Duck -----	Table -----	Bicycle -----
Hens -----	Others -----	Radio -----	Ornaments -----
		Others -----	Others -----

08. All of my assets which are mortgaged to others: -----
(Furniture, Ornament, Homestead, Cultivated land, and other).

Condition of mortgage: -----

09. Total annual income of the family ----- taka.

10. How many persons earn ----- man -----woman.

11. Is there any other member of my family, member of other group?

12. Is there any member of my family debt to other organization? Yes ---/ ----No.

13. Description of my occupation/my work: -----.

14. The month of my less income: -----.

15. I must properly obey all the rules and disciplines of the group, the center and the Bank. Especially I promise that I must be present regularly at the weekly meeting. I must pay the loan regularly. I must not do any work in disfavor of the Bank .I must be bound to obey advice, order as well as any applicable changed rules and disciplines of the Bank given sometimes by the administrative authority of the Bank.

16. I do promise in this regard that I must pay the Bank loan according to the loan agreement. My all assets and capital that are gained by the money of the loan will be hypothecated to the Bank until I can pay. If there is any irregularity in repaying the loan, the branch manager will make succession the loan by transferring money from all of my private savings, special savings, G.P.S., and other savings.

17. I have learnt about credit insurance. I gave permission to the branch manager to transfer savings of credit insurance from my savings account after being included in membership.

Father/ Husband's signature (Any other guardian in absence of them)

Applicant signature

If you like to join any old group:

a) The information of applicant given above is all right.

We are interested to take this applicant as a member of our group or center. She will obey the rules of group, center and Bank. It is certified in this regard.

Group Chairman's signature

Head of center's signature

b) Recommendations of the Branch:

The applicant can be taken as a group member under this recommendation.

The signature of assigned central manager

The signature of Branch Manager

Date:

Date:

c) The applicant has been granted as a member.

Signature:

Name:

Designation:

Date:

Name of the members:

Group No:

Name of Center:

Center No:

Date of filling up checklist:

Checklist Of Selecting New Member (Put Yes/ No in the blank space)

1.0 Member's Husband related:

1.1 Is he an employee of third class or any higher post (Government/ Nongovernmental)?

Yes	No
-----	----

1.2 Is his monthly income above taka3000?

Yes	No
-----	----

2.0 Members related:

2.1 Are you already a member of other committee?

Yes	No
-----	----

2.2 Is there any loan in any other organization against your name?

Yes	No
-----	----

2.3 Is there any member form your blood related person or relatives in the same group?

Yes	No
-----	----

2.4 Is there any member of your family in other group or center?

Yes	No
-----	----

2.5 Do you sacrifice?

Yes	No
-----	----

2.6 Have you or any other member of your family worked as a wage labor for last one year? Or have you worked at other's land or house in a different manner?

Yes	No
-----	----

2.7 Have you or any other member of your family worked in " Work for Food Program"?

Yes	No
-----	----

2.8 Were you or any other member of your family listed for old allowance?

Yes	No
-----	----

2.9 Do you take the money from jakat, fitre and the sacrificed beast's skin?

Yes	No
-----	----

2.10 Do you have any V.G. D. card by your name at present? If you don't have at present, had you this card before?

Yes	No
-----	----

3.0 Home stead:

- 3.1 Do you have more than one tin shed house? Yes No
- 3.2 Do you have more than two tin shed houses? Yes No
- 3.3 Is the approximate cost of the house above taka 40,000? Yes No
- 3.4 Is the area of house above ten satangsha? Yes No
- 3.5 Can you earn monthly taka 3000 in average from homestead? Yes No

4.0 She will not be allowed to be in the group if the member has any of the following items?

- 4.1 Does she have any color television? Yes No
- 4.2 Does she have any refrigerator? Yes No
- 4.3 Does she have any washing machine? Yes No
- 4.4 Does she have any air condition? Yes No
- 4.5 Does she have any cleaning machine? Yes No
- 4.6 Does she have any micro oven? Yes No
- 4.7 Does she have any sofa set? Yes No
- 4.8 Does she have any box cot? Yes No
- 4.9 Does she have any ware drop? Yes No
- 4.10 Does she have any motorcycle? Yes No

4.11 Does she have any stroller?

Yes	No
-----	----

4.12 Does she have any power tiller machine or any asset in this purpose?

Yes	No
-----	----

5.0 Others:

5.1 Is the member 's residence near from the center?

Yes	No
-----	----

5.2 Is there any similarity with age?

Yes	No
-----	----

5.3 Was there any discussion with the members of the group and the center about taking new member?

Yes	No
-----	----

5.4 Are five members known to one another?

Yes	No
-----	----

5.5 Is there any social obstacle to go to the office or to join the center meetings?

Yes	No
-----	----

5.6 Was there any discussion held with the head of the family for becoming a member?

Yes	No
-----	----

5.7 Has been the information about the candidate taken from any other members except neighbor?

Yes	No
-----	----

5.8 Have you seen with your own eyes the condition of the homestead of the member?

5.9 Description of the house:

Raw house	Brick built house	Semi brick built house

5.10 Has the membership (form no: 1) form been filled up at the candidate's house?

Yes	No
-----	----

I have selected the member by justifying the above information.

Justifier sign nature:

Post:

Date:

I have justified the above information and the selection of member is all right.

Branch manager's signature.

Name: