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RESEARCH ARTICLE

MICROCREDIT AND GRAMEEN BANK: A VIEW FROM THE GRASSROOTS

***Md. Ashraful Islam Khan**

Department of Population Science and Human Resource Development, Rajshahi University, Bangladesh

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ABSTRACT

The growing attention has been given for rural development during past two decades in most of the developing countries over the world. This is because of majority peoples live in rural areas where problems of poverty, inequality, unemployment etc. are increasing rapidly. Like other developing countries, Government of Bangladesh has given priority to the development of rural peoples. Beside Government, non-governmental organizations are also playing an important role in rural developmental activities. However, Grameen bank, a leading microcredit organization, that provides micro loan to the poor women for self-employment, and the Nobel laureate Dr.Muhammod Yunus have become the subject to talk in home and abroad from last few years. This paper aims to figure out the microcredit and rural development issues through the opinion of rural people based on the Grameen bank and Dr. Muhammod Yunus dilemma.

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INTRODUCTION

After industrial revolution most of the world still has to challenge with the daily pain of poverty. Nearly half of the people live in poor countries with an average annual income per head of $400or less. In Bangladesh around 60% of rural populations are functional landless, 30% do not even own their homestead according to BBS survey 2008. This percentage is rising and most of the landless peoples are in the rural areas over Bangladesh. Majority of them are directly or indirectly depend on agriculture and selling labor. In addition, in the rural sites most of the available resources are owned by the upper socio-economic strata. The rural poor are victim of various kinds of oppression, deprivation and injustice. Land takes the leading role in generating rural income and its distribution. Government of Bangladesh has given priority to the development of villages and agriculture too. Beside Government, non-governmental organizational are also playing important role in developmental activities through microcredit or microfinance. In 1976 Professor Muhammad Yunus launched a microcredit experiment to assist a group of poor, highly indebted households in Chittagong, Bangladesh (see e.g., Yunus, 2010). This experiment that was later to emerge as the Grameen Bank marked the beginning of the modern-day microcredit movement, which in the last few decades has blossomed into a global phenomenon. A voluminous literature is that analyse different dimensions of microcredit. However, Professor Yunus and Gameen Bank episode became one of the most conversed events in Bangladeshi media over last few years. It was and is an important event in the world media too. Different NGOs and civil society persons have made enormous debts, comments and discussions through both the print and the electronic media. However, none of any analysed the opinion of grassroots level people who are clients and are directly affected by the Grameen Bank (GB). Based on an opinion survey of 450 Grameen Bank clients from three different areas of Bangladesh this study addresses the issue. Another issue is "how Grameen Bank plays role to reduce poverty". I would like to observe how effectively microcredit programs are running for poverty reduction. Data from the sample survey and World Bank will deal with this issue. The paper is organized as follows. Section 2 provides a brief review of the extant literature on microcredit and the Grameen Bank. Section 3 addresses data and methodological issues including survey design and analytical techniques. Section 4 presents the results Section 5 a discussion of results. Section 6 presents conclusions of this study.

Microcredit and Grameen Bank

Microcredit broadly speaks the provision of small loans to very small businesses, typically self-run enterprises or enterprises with few employees, that becomes common weapon in the fight to reduce poverty and promote economic growth. The idea of poverty reduction through microcredit is now widely cuddled by individuals of conflict and detersive ideologies (see, e.g., Sachs, 2005; Moyo, 2009; Aghion &Murdoch, 2006; Karlan &Morduch, 2010). In the Bangladesh context, Khandker (2005) found that microfinance contributes to

***Corresponding author: Md. Ashraful Islam Khan,**
Department of Population Science and Human Resource Development, Rajshahi University, Bangladesh.

poverty reduction based on his study using panel data. Shahriar (2012) found relatively poorer households benefited more from microfinance. This extraordinary success of microcredit in such a short time span has attracted global attention from policy makers, development economists, and social thinkers culminating in the award of the Nobel Peace Prize for Muhammad Yunus and the Grameen Bank (GB) in 2006. GB aims to provide small loan to the small women entrepreneurs in the economic development of their families and countries while women entrepreneurships play critical role in the rural development. However, lots of challenges associated with these women entrepreneurs. According to Richardson *et al*. (2004), '*women entrepreneurs suffer from significant material constraints due to unhelpful attitudes arising from society's negative attitudes towards women in business. Women entrepreneurs often feel that they are victims of discrimination.*' Similar comments have been made by several different scalars (see, e.g., Kuratko and Welsch, 1994; De Bruin *et al.,* 2007; and Ocholah *et al.,* 2013).

Nevertheless, Surowiecki (2008) pointed out that, '*There's no doubt that microfinance does a tremendous amount of good, yet there are also real limits to what it can accomplish. Microloans make poor borrowers better off. But, on their own, they often don't do much to make poor countries richer.*' A significant body of academic studies by economists and other social scientists records a similar note of uncertainty. Weiss and Montgomery (2004) reviewed empirical economic studies that explore into the question of the effectiveness of microcredit in poverty reduction. The central message that emerges from the paper is that the empirical evidence regarding the impact of microcredit on poverty is far from conclusive. Likewise, Duvenduck *et al*. (2011) sound a similar note of caution, '*There is no clear evidence yet that microfinance programmes have broadly positive impacts*.' Banerjee *et al*. (2009) investigate the impact of microcredit in urban 104 slums in Hyderabad, India and observe no robust evidence of positive impact of microcredit on poverty.

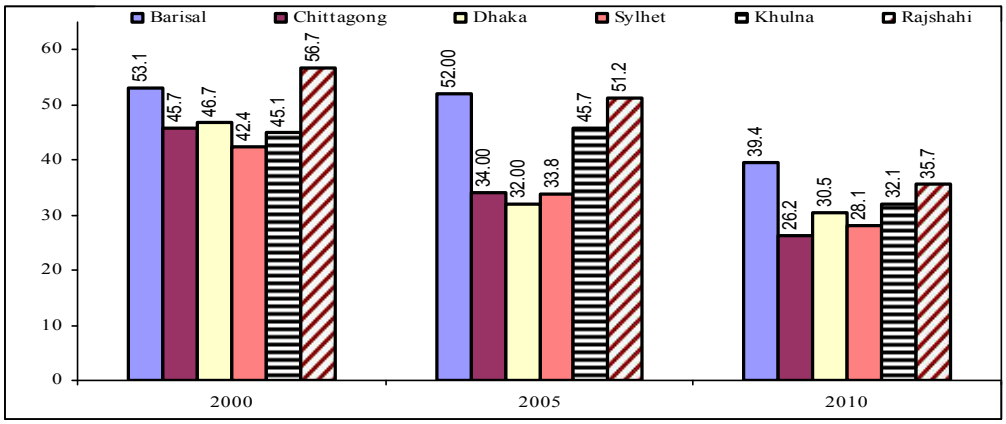


Figure 1. Division wise poverty trend in Bangladesh (Data source: HIES)

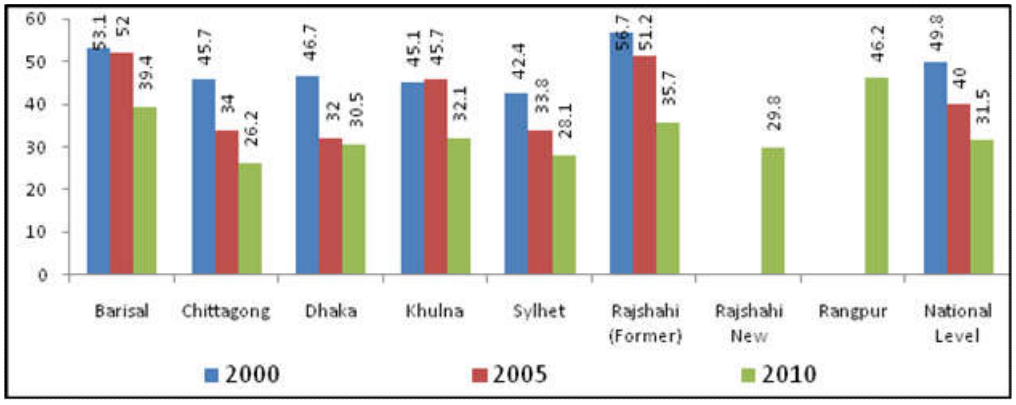
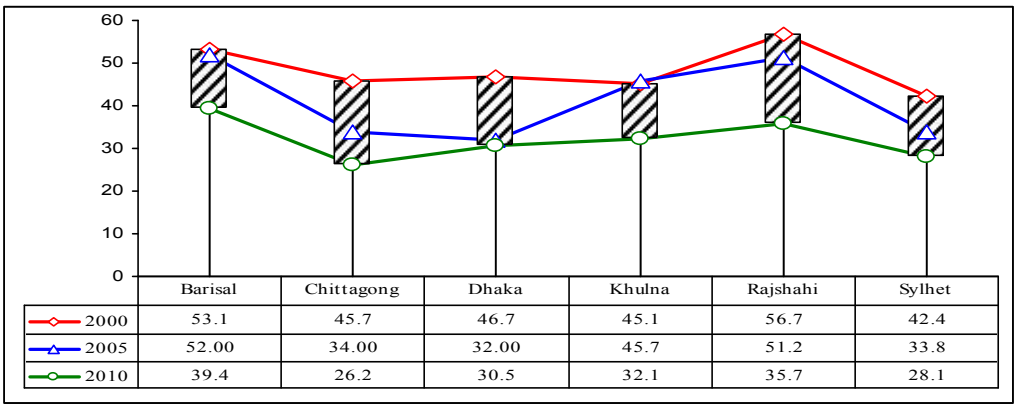


Figure 2. Division wise poverty decline pattern in Bangladesh (Data source: HIES)



	Barisal	Chittagong	Dhaka	Khulna	Rajshahi	Sylhet
2000	53.1	45.7	46.7	45.1	56.7	42.4
2005	52.00	34.00	32.00	45.7	51.2	33.8
2010	39.4	26.2	30.5	32.1	35.7	28.1

Figure 3. Division wise poverty decline trend in Bangladesh (Data source: HIES)

They find that access to microcredit has had no impact on the poverty of the treatment group (measured by average monthly expenditure per capita); however, it led to an increase in expenditure on durable investments and higher profits in existing businesses, despite higher competition from new businesses. Karlan and Zinman (2010) also did not find any robust evidence of positive impact of microcredit on poverty in their study in Manila. Therefore, the growing debt is, 'does microcredit reduce poverty?'However, We observed from HIES report 2011 of Bangladesh that 32.03% of the households are engaged in receiving loan from different financial or non-financial institutions, friends, money lenders, etc. during last twelve months prior to the HIES 2010. The maximum numbers of households reported receiving loans from Grameen Bank (21.11%) followed by ASA (18.37%) and other NGOs (14.29%). Therefore, studies on Grameen Bank and micro credit remain in the center for poverty elevation and economic development.

Data and Details

To conduct the study the researcher selected purposively three divisions out of eight divisions (though the first map shows six divisions. The Rajshahi and Chittagong divisions have been divided into four divisions and named Rashahi, Rangpur, Comilla and Chittagong). We have selected randomly three unions (one from each division) from all unions of each division and made a simple random sampling from each of these three unions for 150 respondents from every union and got 450 respondents in total. The main reason behind the purposive selection of study area is the poverty level. According to the household income and expenditure survey (HIES) of 2000, 2005 and 2010 conducted by the Bangladesh bureau of statistics (BBS) and financed by the World Bank, we observed highest poverty level for Rajshahi division followed by Barisal division in 2000. In 2005 HIES survey, highest poverty level observed for Barisal division followed by Rajshahi and Khulna division. After 2005 HIES survey, Rajshahi division has been divided into two division as Rajshahi and Rangpur division. We found maximum poverty level for Rangpur division from 2010 HIES survey followed by Barisal and Rajshsahi divisions. However, it is assumed that the climate changing effects such as flood, cyclone, etc might be the dominating factor to remain continuous higher poverty level for Barishal division (see, e.g., Figures 1&2). Moreover, we also observed maximum and minimum poverty decline for Rajshahi and Khulna division respectively from Figures 2 &3. This incidence of poverty decline motivated me for purposive selection of study area as Rajshahi, Khulna and Rangpur divisions.

METHODS

Since the aim of this paper is to investigate the respondent's opinion about Professor Muhammad Yunus and Grameen bank issue. The study explores the interrelationships between attributes through contingency analysis and to measure the relationship through a logistic regression analysis. The interrelationship between attributes is explored through the χ^2 test where the statistic is

$$\chi^2 = \sum_{ij} {O_{ij}^2}\Big/{E_{ij}} - N \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (1)$$

That follows chi-square distribution with $(r-1)(c-1)$ degree of freedom under usual notations.

The logistic regression model for qualitative (dichotomous) dependent variable can be written as

$$E(y) = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \cdots\cdots\cdots + \beta_k x_k \quad \ldots\ldots\ldots\ldots (2)$$

That can be written as

$$ln\left(\frac{p}{1-p}\right) = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \cdots\cdots\cdots + \beta_k x_k \quad \ldots\ldots\ldots\ldots (3)$$

Where $p = \frac{e^{(\beta_0+\beta_1 x_1+\beta_2 x_2+\cdots\cdots\cdots+\beta_k x_k)}}{1+e^{(\beta_0+\beta_1 x_1+\beta_2 x_2+\cdots\cdots\cdots+\beta_k x_k)}}$, This function of the linear predictor is known as the logistic function with y is the dependent dichotomous variable and x's are independent variables. The advantage of choosing logistic regression is that this model does not require any distributional assumption. Since our considered sampling technique was purposive, therefore, we are out of risk in considering logistic regression model.

RESULTS

The opinions of the grass-root people are collected and analyzed on the basis of the issues of Grameen Bank and Dr. Muhammad Yunus. As we know the entire GB credit borrowers are female, we found overall 94.2% of them are housewife and rest 5.8% are involved in different professions. Diversity in profession observed for the respondents husbands. 35.5% of their husbands are farmer and they are the largest group followed by businessmen (most of these businessmen group peoples have permanent or temporary tiny shops where their business investments came from the microcredit loan) and labour. However, 71.5% of the families are observed nuclear and rests 28.5% are extended. Regarding access to mass media, 31.5% of the respondents watch TV, 13.6% listen to radio. 66.5% respondents have electricity connectivity. The overall economic status and family income of the respondents was not very satisfactory with 28.8% family's monthly income is less than or equal to 5000 BDT and majority 56.1% family's monthly income is in between 5000 to 10000 BDT. It is observed that 45.7% of the respondents have primary level and 23.5% have secondary level education. 23.0% of the percent are illiterate. 7.8% respondents claimed that they have higher second and above level education. Regarding Prof Yunus issue, 64.8% respondents know that Prof. Dr. Muhammad Yunus is the founder of the Grameen Bank and 35.2% do not know. 65.5.0% respondents know that Prof. Dr. Muhammad Yunus was the chief of the Grameen Bank and 34.5% do not know. 36.9% respondents think that Dr. Yunus had been forced to resign, 4.6% respondents think that he had been resigned voluntarily while the remaining 58.5% of the respondents was not concerned at all about this issue. Only 8.2% of the respondents think that Grameen Bank will develop after his resignation, 14.8% think that Bank be damaged by this episode, 19.8 % think that Dr. Muhammad Yunus's absence will not affect the Grameen bank's activity while 57.2% are not concerned about the issue. Regarding poverty decline opinions, 37.2 respondents think that Grameen bank has an important role to remove poverty and 32.3% respondents disagree with the above group while 30.5% are not concerned about the issue.

Table 1. Percentage distribution of various socio-economic variables

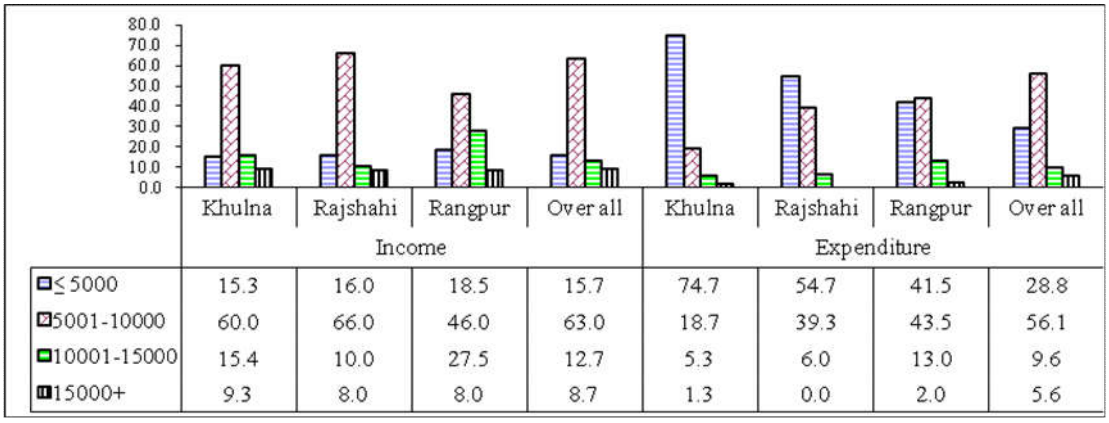
Socio-economic characteristics		Study area			
		Khulna	Rajshahi	Rangpur	Over all
Respondents' occupation					
Housewife		100.0	96.0	86.5	94.2
Labor		0.0	0.7	11.0	3.8
Business		0.0	0.7	1.5	0.8
Service		0.0	2.7	1.0	1.2
Total		100.0	100.0	100.0	100.0
Respondents' husband's occupation					
Agriculture		38.0	33.3	35.0	35.5
Labor		14.7	12.0	23.0	16.5
Business		22.0	38.0	25.0	28.3
Service		14.7	6.7	4.0	8.5
No information for widowed women		10.7	10.0	13.0	11.2
Total		100.0	100.0	100.0	100.0
Types of family					
Nuclear		66.0	58.0	90.0	71.5.0
Extended		34.0	42.0	9.5	28.5
Total		100.0	100.0	100.0	100.0
Access to mass media					
Television	No	67.3	72.7	65.7	68.5
	Yes	32.7	27.3	34.3	31.5
	Total	100.0	100.0	100.0	100.0
Radio	No	92.0	78.7	88.5	86.4
	Yes	8.0	21.3	11.5	13.6
	Total	100.0	100.0	100.0	100.0
Electricity Connectivity					
No		35.3	20.7	44.6	33.5
Yes		64.7	79.3	55.4	66.5
Total		100.0	100.0	100.0	100.0

Table 2. Percentage distribution of various awareness related characteristics

Characteristics	Study area			
	Khulna	Rajshahi	Rangpur	Over all
Do you know that Dr. Mohammad Yunus is the founder of GB?				
No	46.7	27.3	31.5	35.2
Yes	53.3	72.7	68.5	64.8
Total	100.0	100.0	100.0	100.0
Do you know Dr. Mohammad Yunus was the chief of Grameeen Bank?				
No	22.0	37.3	44.4	34.5
Yes	78.0	62.7	55.6	65.5
Total	100.0	100.0	100.0	100.0
Do you know about the interest rate GB?				
No	100	100	100.0	100.0
Yes	0	0	0	0.0
Total	100.0	100.0	100.0	100.0
Dr. Yunis had been forced to resign?				
No	2.0	7.3	4.8	4.6
Yes	20.0	55.4	35.2	36.9
No comment/not concern	78.0	37.3	60.0	58.5
Total	100.0	100.0	100.0	100.0
How absence of Dr. Mohammod Yunus will affect GB performance?				
No idea and not concern about it	79.3	37.3	55.0	57.2
Demotion of the bank from before	6.7	16.0	21.6	14.8
Develop the bank from before	4.7	10.7	9.4	8.2
No effects	9.3	36.0	14.0	19.8
Total	100.0	100.0	100.0	100.0
Was there any role of GB to remove poverty?				
No	45.3	21.3	30.3	32.3
Yes	36.7	40.0	35.0	37.2
No Comment	18.0	38.7	34.7	30.5
Total	100.0	100.0	100.0	100.0

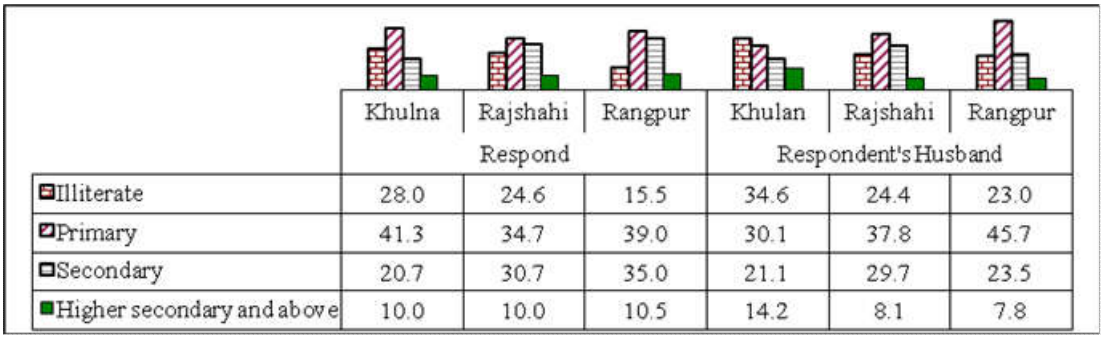
Information contained in Table 3 suggests that significant association exists between respondent's familiarity with the Yunus name and a respondent's education, husband's education, husband's, occupation, family-type, access to television, marital status and age. On the other hand, family income and expenditure, respondent's occupation, access to radio or newspapers are not associated with respondent's familiarity with the Yunus name.

All most similar indication focused from Table 3. That is significant associations observed among respondent education, husband education, husband occupation, family types, and source of recreation- television, marital status and age of the respondent with the Grameen Bank's role to reduce poverty. Family income and expenditure, access to radio are not associated with knowledge regarding poverty reduction by Grameen Bank's role.



	Income				Expenditure			
	Khulna	Rajshahi	Rangpur	Over all	Khulna	Rajshahi	Rangpur	Over all
≤ 5000	15.3	16.0	18.5	15.7	74.7	54.7	41.5	28.8
5001-10000	60.0	66.0	46.0	63.0	18.7	39.3	43.5	56.1
10001-15000	15.4	10.0	27.5	12.7	5.3	6.0	13.0	9.6
15000+	9.3	8.0	8.0	8.7	1.3	0.0	2.0	5.6

Figure 4. Percentage distribution of income for the respondents



	Respond			Respondent's Husband		
	Khulna	Rajshahi	Rangpur	Khulan	Rajshahi	Rangpur
Illiterate	28.0	24.6	15.5	34.6	24.4	23.0
Primary	41.3	34.7	39.0	30.1	37.8	45.7
Secondary	20.7	30.7	35.0	21.1	29.7	23.5
Higher secondary and above	10.0	10.0	10.5	14.2	8.1	7.8

Figure 5. Percentage distribution of educational status for the respondents and their husbands

Thus the immediate question that arises is "does microcredit help to reduce poverty?" More specifically, *"Does Grameen Bank help to reduce poverty and that causes rural development?"* We shall try to find answer of this question later on. Let us now observe the logistic regression analysis results.

Table 3. Association between hearing the name of Dr. Muhammad Yunus and some selected socio-economic, demographic and awareness related variables of respondents

Attributes	χ^2- value	*p*-value
Respondent education	95.167	0.0001
Husband education	32.646	0.0001
Respondent occupation	4.554	0.208
Husband occupation	23.464	0.0001
Monthly family income	5.833	0.120
Monthly family expenditure	2.691	0.442
Type of family	13.179	0.0001
Source of recreation, television	11.381	0.001
Source of recreation, radio	0.610	0.435
Respondent Marital status	14.101	0.001
Age of the respondent	30.518	0.0001

Table 4. Association between Grameen Bank's role to poverty reduction and some selected socio-economic, demographic and awareness related attributes of respondent

Attributes	χ^2- value	*p*-value
Respondents' education	13.350	0.004
Husband's education	10.140	0.041
Respondents' occupation	2.394	0.302
Husband's occupation	1.437	0.038
Monthly family income	4.754	0.191
Monthly family expenditure	1.285	0.733
Type of family	4.288	0.038
Source of recreation, television	5.124	0.025
Source of recreation, radio	0.108	0.742
Respondent Marital status	0.939	0.002
Age of the respondent	2.975	0.034

Table 6 shows the result of the results obtain from logistic regression analysis "hearing the name of Dr. Muhammad Yunus" as the dependent variable and respondents education, husband's educational qualification, respondent's occupation, husband's occupation monthly income, expenditure, types of family, family members, age of the respondent, modern facilities TV and radio are as independent variables**.** The logistic regression analysis is aimed to identify the important contribution of the independent variables those have an influence on dependent variable. We observe negative significant impact of respondent's education, education and occupation of respondent's husband and monthly family income on hearing the name of Prof. Yunus. Though this negative influence sound strange but the reason behind is the illiterate respondents dominate entire sample size that is mentioned in Section 3. Literate respondents provide only higher secondary level of education which is not sufficient, perhaps, to make difference to understand the microcredit issues. Similar scenario observed for respondent's husband's educational status. The sample is non-professional respondent dominated thus the outcomes from logistic regression provided inverse scenario. But the attribute family income shows real situation. The family with higher monthly income involved with several income generating activities. Grameen Bank is not their only income generation organization and hence they are less concern about Prof. Yunus event. From the odd ratios, it is observed the respondents who are literate have significantly 1.318 times higher knowledge than illiterate, respondents with literate husband have 1.307 knowledge regarding Prof. Yunus. Since most of the respondents are nonprofessional, therefore, their husbands are also nonprofessional. Their income depends on the microfinance activities. Hence the respondent with their husband with no profession provide higher knowledge. Similar scenario provided higher monthly income group.

Table 5. Categorized dependent and independent variables for logistic regression model are given below

Dependent variable	Category(code)
Hearing the name of Dr. Muhammad Yunus.	1=Yes; 0=No
Grameen Bank to reduce poverty.	1=Yes; 0=No
Independent variable	Category(code)
Respondent's education level	0=illiterate (did not go to any educational institution); 1=literate (all except illiterate)
Husbands' education level	0=illiterate; 1=literate
Respondent's occupation	0=Non-professional (housewife); 1=Professional (other)
Husband's occupation	0=Labour; 1= Others
Monthly family income (BDT)	0= Less than10,00000 ; 1=Greater than or equal to 10,000.00 (since average income observed 10585.50 before borrow loan)
Monthly family expenditure (BDT)	0= Less than 8000; 1=Greater than or equal to 8000 (since average income observed 7946.50 before borrow loan)
Types of family	0=Nuclear; 1=Extended
Marital status	0=Unmarried; 1=Married
Modern facilities, television	0=No;1=Yes
Modern facilities, radio	0=No;1=Yes
Current age of respondents	0= Less than 35; 1=Greater than or equal to 35

Table 6. Logistic regression analysis for the various independent variables on hearing the name of Dr. Muhammad Yunus

Characteristic	Reference category	Coefficient	*p*-value	Odds ratio
Respondent's education (Literate)	Illiterate	-1.147**	0.003	1.318
Husband's education (Literate)	Illiterate	-1.182*	0.024	1.307
Respondent's occupation (Professional)	Housewife	-1.308*	0.017	0.270
Husband's occupation (Professional)	Labour	-4.663***	0.0001	0.009
Monthly family income (≥10000 BDT)	<10000 BDT	-0.377*	0.016	0.686
Monthly family expenditure (≥8000 BDT)	<8000 BDT	0.901	0.600	2.461
Family type (Extended)	Nuclear	-18.360	0.999	0.945
Respondent's age (≥35 years)	<35 years	18.126	0.999	7.449
Access to television (Yes)	No	0.255	0.764	1.291
Access to radio (Yes)	No	1.325	0.739	3.763

*= p<.05, **= p<.01, *** = p<.001.

Table 7. Logistic regression analysis for the effects of attributes on the role of Grameen Bank in poverty reduction

Characteristic	Reference category	Coefficient	*p*-value	Odds ratio
Respondent's education (Literate)	Illiterate	-1.592 *	0.015	1.203
Husband's education (Literate)	Illiterate	-0.037 *	0.023	1.037
Respondent's occupation (Professional)	Non-professional	-1.308	0.170	0.270
Husband's occupation (Professional)	Non-professional	.067	0.941	1.070
Monthly family income (≥10000 BDT)	<10000 BDT	-0.915	0.015	0.400
Monthly family expenditure (≥8000 BDT)	<8000 BDT	1.369	0.226	3.932
Family type (Extended)	Nuclear	-0.466*	0.027	0.945
Respondent's age (≥35 years)	<35 years	1.178	0.243	3.249
Access to television (Yes)	No	0.222*	0.021	1.248
Access to radio (Yes)	No	0.512	0.382	1.668

* p<.05

Let us now observe influence of different socio-economic attributes to the positive opinion on Grameen Bank reduces poverty. Table 7 shows the logistic regression analysis results on "Grameen bank's role to reduce poverty" as the dependent variable and all other attributes as mentions earlier modeling**.**

We observe negative significant impact of respondent's education, respondent's family types on the role of Grameen Bank to reduce poverty and only significant positive influence observe for those peoples watching television. The explanations regarding negative influence will be similar like previous modeling. The odd ratios provide similar explanations as earlier. The positive influence could be come out due to the knowledge from lots of 'Talk Shows' frequently arranging all the television channels by calling several intellectuals. In the introduction part, I mentioned that the microcredit and Prof. Yunus incident became popular in domestic and international print and electronic media. From the entire analysis, we can conclude that the grass root peoples are not at all concern about microcredit, Prof. Yunus and the role of Grameen Bank to reduce poverty.

Especially no significant associations and influences observed among income and expenditure attributes one hearing the name of Prof. Yunus and the role of Grameen Bank to reduce poverty. Let us now focus on the question *"Does Grameen Bank help to reduce poverty and that causes rural development?"* To find out the appropriate answer, we need to observe few statistics and trends. If we observe the lending interests inside the SAARC countries and other developed countries, we shall find height interest rate in Sri Lanka in 2008. All the countries reduced their lending interest rates by this time and in 2012, we observed their interest rate not more than 15 % (Figure 6). By 2012 all the developed countries reduced their lending interest rates to below 5%, [See, e.g., Figure 7]. However, all the public and private Banks in Bangladesh keep their lending rates around 15% regarding agriculture and small business purpose. Few banks have a bit higher interest rate but not more than 18% [See, e.g., Figure 8]. In 2010 Grameen Bank claimed that their main loan has 20% interest rate[1].

[1] See, e.g., Report on Grameen Banks' Interest Rate by MicroFinance Transparency, http://www.grameen-info.org/

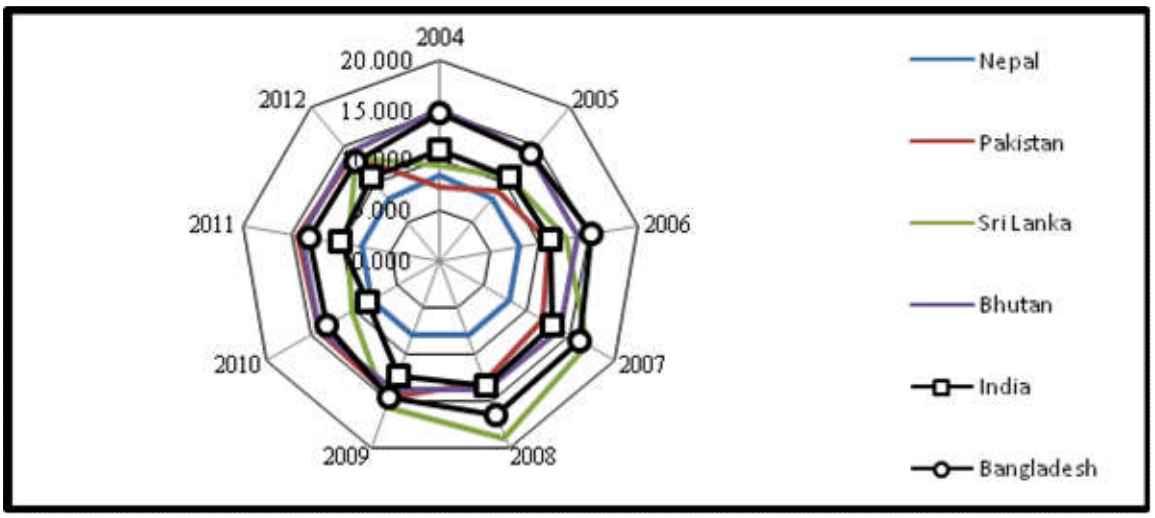


Figure 6. Lending interest rates in the SAARC countries (Source: The World Bank)

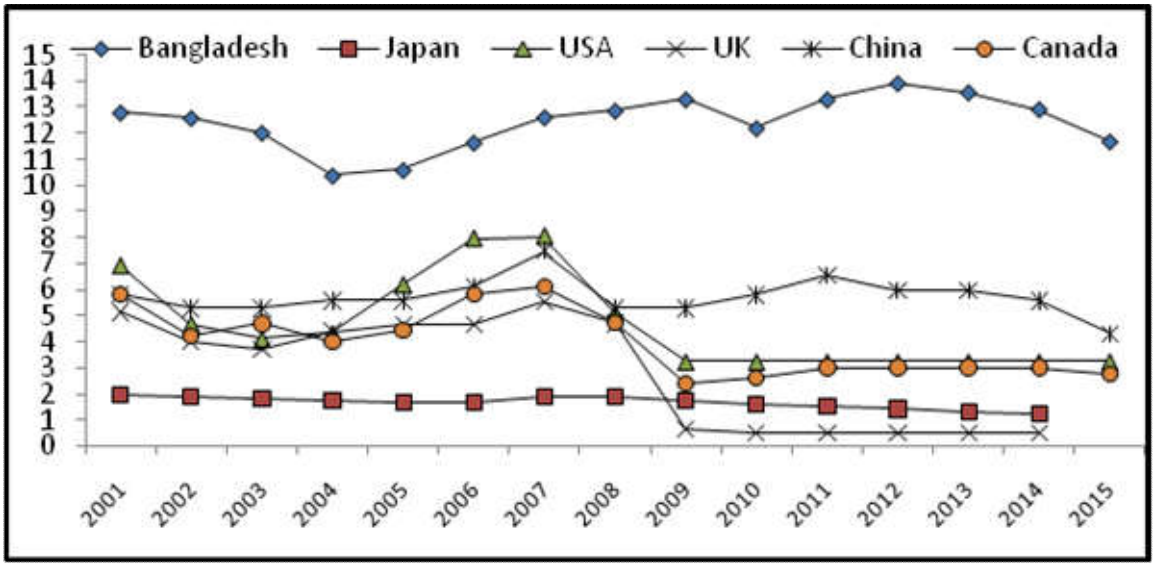
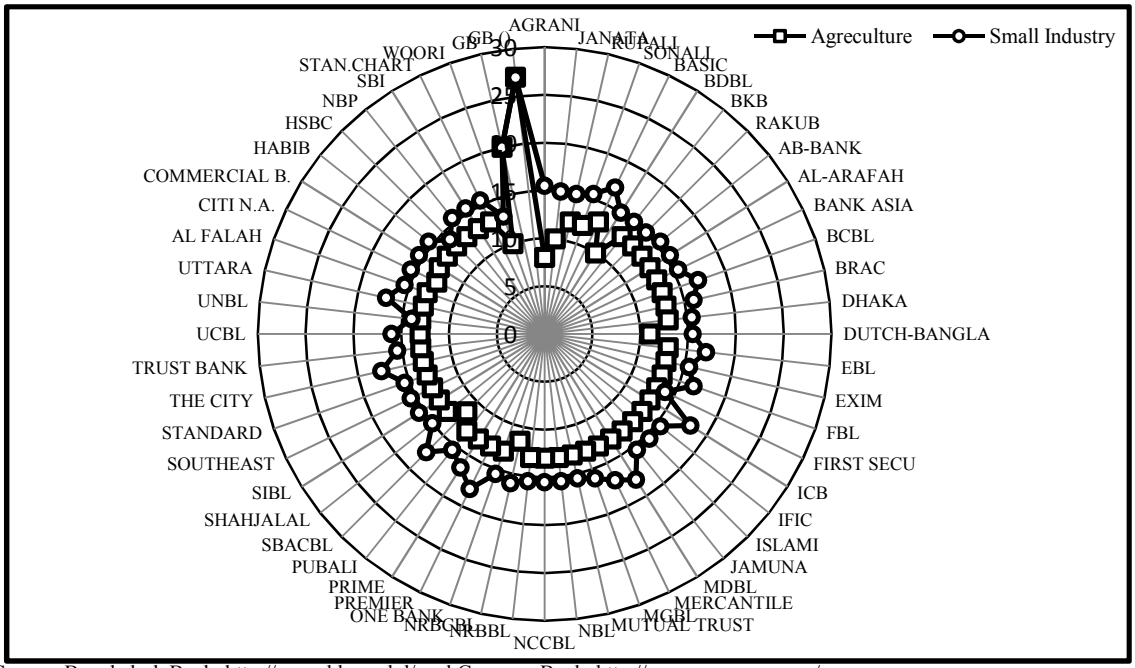


Figure 7. Lending interest rates in Bangladesh and selected countries (Source: The World Bank).



Source: Bangladesh Bank, http://www.bb.org.bd/ and Grameen Bank, http://www.grameen.com/

Figure 8. Lending interest rates among Banks in Bangladesh. GB refers Grameen Bank's interest rate and GB() refers Grameen Bank's interest rate calculated by Chaudhury (2012)

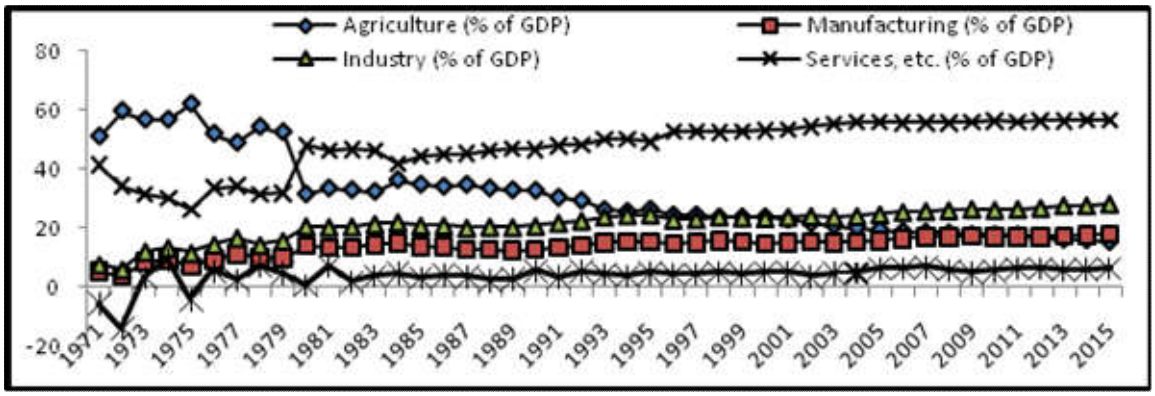


Figure 9. Sector wise contribution to GDP

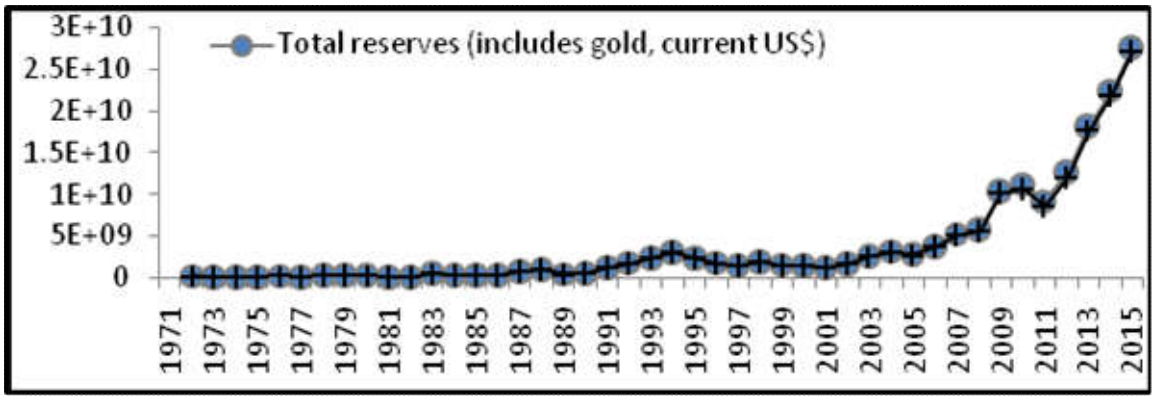


Figure 10. Total Reserves

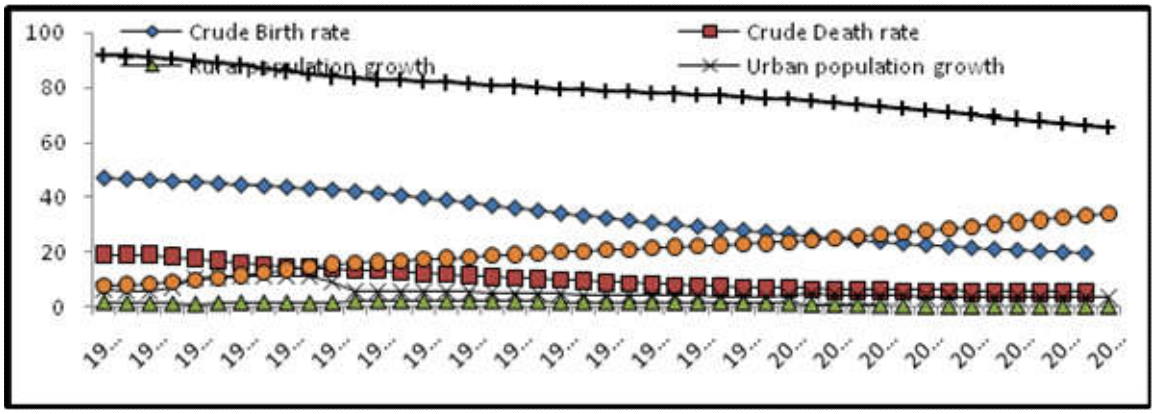
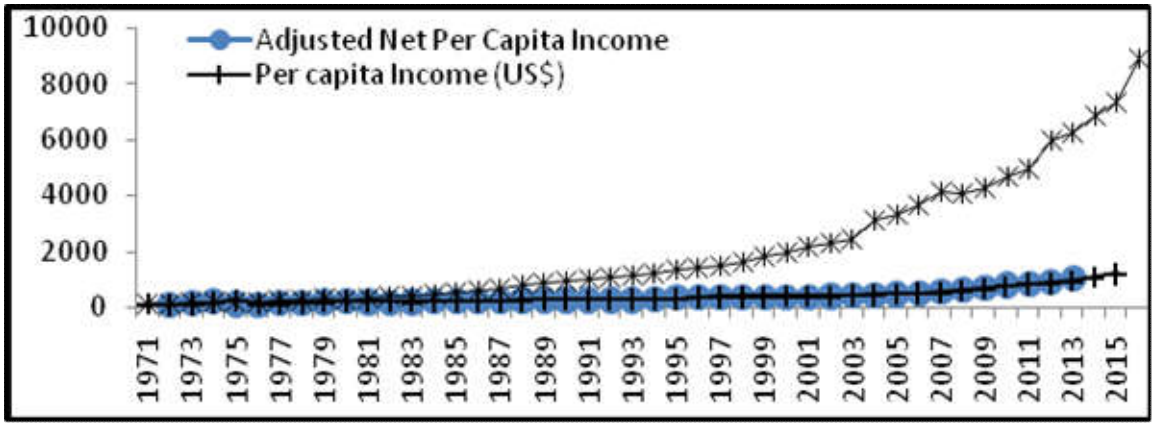


Figure 11. Demographic Indicators



Source: All data from World Bank, 2016 for Figure 9 to 12

Figure 12. Electricity Generation (Source: http://www.bpdb.gov. bd/bpdb) and Per Capita Income (Source WB Data)

In August 1, 2012 again GB correspondence claimed that their microcredit program run with 20% interest rate[2]. Choudhury (2012) calculate Grameen Bank's interest in a detail way and found it is 27%. Since GB follow a separate way to collect loan and interest rate immediately after the next week. Though GB argued that other microcredit organizations collect much higher interest rate compared to GB in their web site. Is it possible for the landless rural to develop their economic status through microcredit with such a higher interest rate? The answer should be no. Bangladesh kept continuing their development during the period of world economic and financial crisis that was started in 2007. If we observe the trends of GDP, per capita income, electrical power generation and different components of GDP, we observe tremendous development in all these indices. The urban population is increasing, agricultural contribution to GDP decreasing, manufacturing contribution increasing (it may be due to garments production) and especially foreign income increasing dramatically. These are the main factors of poverty reduction.

Concluding Remarks

The aim of this study was to find out the contribution of microcredit program, very specially, the contribution of Grameen Bank to the poverty reduction of rural Bangladesh that causes national development. It is observed from the entire study that the economy of Bangladesh is growing due to the several government policies including electrical power generation that promots industrial development. The foreign policy of Bangladesh is also affecting the growth of national development. Remittance flow is growing upward along with the national productivities regarding different fields. Compared to these events, microcredit and Grameen Bank failed to improve their performances. The primary data shows that Prof. Yunus and Grameen Banks became the media tiger in home and abroad not to the grass root peoples. Respondents and microcredit practitioners are not significantly concern about Prof. Yunus and Grameen bank to their economic development. Perhaps, higher interest rates of such microcredit programs reduce the contribution to the rural development.
This study can be concluded with few suggestions for poverty reduction as:

- microcredit programs should reduces lending interest rates;
- all the features of microcredit programs should be opened to the media;
- the media should focus the opinion of microcredit practitioner's opinions;
- need to conduct a country wide survey regarding all features of all microcredit programs;
- all the microcredit organization shout run through a standardized operation manual.

These suggestions are left for further development and research.

[2] See, e.g., Grameen Bank contradicts PM's interest rate remarks, http://www. newagebd.com/. 1 August 2012.

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