Micro-credit's Dynamics and Limitations

by Dr Momtaz Uddin Ahmed

Nearly half (470.8%) of the country's total 44.8 million rural poor are hardcore poor, suffering from lack of basic needs. This poses serious development challenge to the country as huge amount of investible resources are needed to create income earning opportunities for the millions of rural poor and lift them above the poverty line.

INSTEAD of being thrown into oblivion by the ruthless advance of modern corporate giants, the microentrepreneurs have made a resounding comeback as viable partners in development in the developing as well as developed countries. In more than 50 countries around the world over 500 million poor but economically active people have demonstrated convincingly that they are capable of running microenterprises on a profitable basis. More importantly, they have also proved indisputably that they are better borrowers than there so-called "bankable" richer counterparts. They put their loans to productive uses to increase their assets to be able to repay them, enhance their productivity and income, improve living standards and play positive roles in reshaping the society.

Based on rational economic calculations, the real truth seems to lie in the fact that given an access to productive resources along with some skill development training and guidance, the poor can eke out a living for themselves through engaging in diverse types of self-employment generating activities.

The reinforcement of this truth by Dr Mohammad Yunus through his much-publicised Grameen Bank (GB) experience in Bangladesh and its replication in many other countries has rekindled interests of the world leaders, donor community, private groups and social activists in the primacy of micro-credit as an effective weapon to fight poverty. From a background of willful neglect as an instrument of development not long ago, the micro-credit has reached the centre stage of discussion and analysis by thousands of researchers, policy makers and development agents as the most potent weapon for alleviating poverty, empowering the poor and the destitute, raising their living standards and turning them into agents of growth and development.

The World Micro-Credit Summit (WMCS) held in Washington during February 2-4, 1997, and attended by some 2,000 delegates from around 100 countries, with Bangladesh Prime Minister co-chairing it together with luminaries like the US First Lady, Queen Sophia of Spain and the former Japanese Prime Minister Tsutomo Hata, have for the first time, endorsed micro lending as the right answer to the problem of rural poverty. The micro-credit campaign has succeeded in focusing world attention to the fact that the scale of poverty in the developing world is so deep and widespread that nothing short of a "missionary approach" can alleviate it. While this has also created worldwide awareness about the importance of institutional lending to the poor for creating self-employment opportunities, the financial resources required to fund the micro-lending programmes on a large-scale (estimated by the Summit to be 21.6 billion dollars to reach 100 million of the world's poor by the year 2005) need to be raised through joint efforts at both national and international levels. The commitments made by the participating national leaders and the multilateral donor agencies to make contributions to the fund-raising campaign for micro-credit lending launched through the WMCS points to important beginning in this direction.

As for Bangladesh, the Summit has brought at least two laurels. It has certainly been a personal triumph for Dr Mohammad Yunus who through two decades of hard work has reached out to two million destitute women of Bangladesh with bank credits and enabled them to stand on their own feet. This has earned the GB universal recognition of being the replicable model worldwide for distribution of credit among the poor and alleviation of poverty through self-help efforts. The choice of Bangladesh Prime Minister by the organisers as co-chairperson at the inaugural as well as the concluding ceremony of the August gathering has earned pride and honour for the country. Laudable achievements as these must be, they are also grim reminders to the fact that the country is burdened with the problem of poverty of a massive scale. Nearly half (470.8%) of the country's total 44.8 million rural poor are hardcore poor, suffering from lack of basic needs. This poses serious development challenge to the country as huge amount of investible resources are needed to create income earning opportunities for the millions of rural poor and lift them above the poverty line.

The Grameen Bank and hundreds of other NGOs in Bangladesh have shown that the provision of micro-credit, savings mobilisation, and asset formation for the poor can initiate important socio-economic changes through development of micro-enterprise activities. The NGOs in Bangladesh are playing important role in the development of microenterprises through implementing poverty-focused credit programmes and supply of other complementary inputs. Assessing the impact of such programmes on poverty alleviation and social development, a large number of studies (i.e Rahman, R I Impact of Credit for Rural Poor, 1996; Khandker and Chowdhury: Targeted Credit Programmes and Rural Poverty in Bangladesh, 1995) confirm significant positive contributions to the growth of rural household incomes and alleviation of poverty through development of rural non-farm activities (RNA) which they undertake as both full-time and part-time occupations using micro-credit and other supporting inputs. However, relevant studies (i.e H Z Rahman and Binayak Sen: Rural Poverty Update, 1992) also indicate that incomes derived from RNAs constitute only part (varying between 20-30%) of the total income and employment of the rural households.

Similarly, the extent and spread of poverty being varied across different groups (i.e 'extreme poor' and "moderate poor") among the poor themselves, neither did all eligible beneficiaries benefit equally from the micro lending programmes nor could all categories of the poor could be reach by such programmes. While greater coverage of the poor of all categories and generation of higher incomes and employment opportunities for them to lift them above poverty line may be possible through increased availability of micro-credits and interlinking the micro enterprise development process with changes in other socio-economic sectors, the scope for further expansion of micro lending will critically depend on how far the credit funds are invested in the growth-augmenting RNAs and how much to they contribute to increases in rural incomes.

A number of possible limitations may act as important barriers to the large-scale expansion of the poverty-focused micro-credit programme in Bangladesh. To start with, the newly-discovered enthusiasm in microenterprise development must not overlook the critical importance of small industry development in Bangladesh. Necessary caution has to be practised in allocating the available funds to competing alternative uses influenced by the positive constraint of comparative economic viability of growth-augmenting modern small-scale industries and the poverty-reducing traditional microenterprises. Both higher economic growth and employment opportunities ('wage' as well as 'non wage' employment) for the poor are important for poverty alleviation.

Second, we must not take only a static view of the income increases accused to the poor through their involvement in the self-employment generating activities. Instead, concerns must be shown as to whether the beneficiaries undertake dynamic activities within the microenterprise sub-sector in order to be able to grow on a sustainable basis and maintain a high income flow after paying for the interest costs and other dues. Another important dimension of poverty requiring close attention from the policy-makers is the rapid increase in urban poverty. The future micro-credit programmes must take serious note of this spatial dimension of poverty and make necessary allocation of investment funds for creating employment and income-earning opportunities for the urban poor. Development of a vibrant urban informal sector is a prospective candidate in the desirable scenario. An overriding constraint limiting the expansion of microenterprises and other self-employment creating pursuits in both rural and urban areas is the demand constraint facing these activities.

The design and implementation of the expanded micro-credit programmes need to be integrated within the overall microenterprise and small and cottage industry development programmes in both rural and urban areas for achieving several types of inter-sectoral linkages and balances in order to ensure greater coverage of the poor, higher income flow, and sustainable growth.

In order to reach the poor more effectively with sufficient credit and other supporting assistance package (i.e better technology, education and training, healthcare, fair markets and adequate infrastructure etc) the existing institutional capacities for micro-credit delivery, savings mobilisation and business promotion has to be strengthened and new capacities built through increased networking and exchange of experiences at both national and international levels, designing appropriate policies and making provision for better skill and management training for the social entrepreneurs and the micro credit managers.

The legal, administrative, and regulatory rules and regulations must also be changed and re-oriented towards ensuring greater flow of productive resources to the poor as well as the non-poor potential micro-entrepreneurs. The World Bank, UNDP and other multilateral donor agencies can help Bangladesh and other developing countries in transition to market economies by offering important technical assistance and advice in these areas.

The author is Professor and former Chairman of the Department of Economics, University of Dhaka

Dhaka Day by Day

The "Exclusive" Obsession

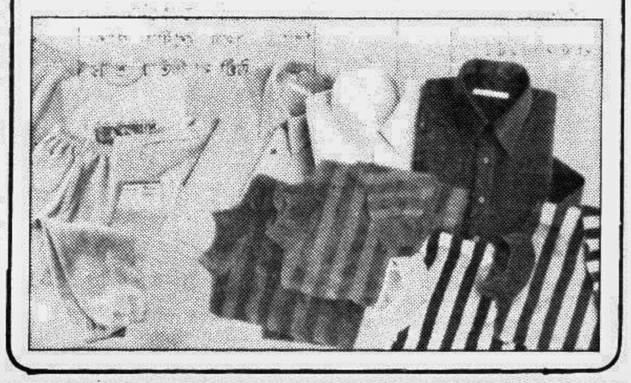
by Ayesha Fariha

Just step out on to any main road and look around. You are sure to come across phrases like "exclusive shalwar kameez sets", "exclusive boutique," "exclusive beauty parlour", "exclusive sarees", "exclusively for ladies," "exclusive for men"... and the list is exhaustive. Signs on lamp-posts, billboards, banners and other media all contain the "exclusive" word. Newspaper, magazines, and other publications are not spared either. The most common WORD in the advertising world of Dhaka is definitely "exclusive".

Some believe that the WORD itself draws attention to the message; that is, one is more likely to read the post "exclusive" message rather than pay attention to a phrase where the WORD has been omitted. (I say omitted because I believe the presence of the WORD is a standard practice). One ardent fan of the WORD says "it adds a flair to the whole advertisement". Well, if you think about something as trite as "beauty parlour" as opposed to "exclusive beauty parlour", I suppose he does have a valid argument.

Others say that it is not merely a WORD, it is a genuine claim as regards the standard of whatever it is, that is being advertised. Now here I have a problem. What exactly is an "exclusive saree"? Is it one of those run-of-the-mill one-of-a-kind sarees, or is it only sold to a particular person, or what? Also, what does a sign that says "excusively for women" mean? Women account for half of the population, so if any person who is a woman has access to the place/clothes/service, it is actually inclusive, and not the opposite, as the claim would indicate.

I tend to agree with the critics of the WORD who say that it is simply a misuse. One such critic stated, "Everyone uses it simply because everyone else uses it. No one really stops to think what it really means." Which brings us to the crux of the matter — the meaning of "exclusive". Well, it means "prohibitive" or "restricted". And if that is really the message, then why have such a display of it in the most public of places? If that is not the message, why not be practical and use a more appropriate word?



Importance of a National Health Policy

by Dr Raqibul Anwar, FRCS

I quote Dr K M M Rahman in The Daily Star "The doctors have received the highest education available in the country, and that is also with a highest subsidy from the state. Many of them have received higher education in developed countries of the world, where medical ethics are strictly followed. Besides, many doctors and other medical staff have been serving different developing but prosperous countries with name and fame. How on earth, then, these people could engage themselves in such unscrupulous activities in our own country?" (*A Lonely Death at DMCH*, 23-2-97) The answer lies as I have come to realize, in my friend Prof James R Killingworth's comment that the major constraints facing even the health professional who is aware of the highest standards of care, committed to raising those of Bangladesh through example, personal sacrifices and struggle with traditional interests, are not specific medical practice patterns, but, rather institutional and policy development problems that impede the advancement of system-wide standards of care.

Bangladesh, as we know, occupies 144000 sq. km. of land inhabited by nearly 120 million and is the most densely populated country in the world (World Bank 1995; World Development Report 1995: Workers in an integrating world. Oxford University press.) with an adult literacy rate of 36.4 per cent and an estimated GDP of US$220 in 1993. All the health indicators available including those of mortality and morbidity indicate that the development of health in Bangladesh is a sluggish process. Infant mortality is at an unacceptable level of 81.8 per thousand live births, life expectancy at birth is 58.1 years for males and 57.6 for females. Ross and co-workers report that a woman surviving the age of 49 in a marital union is likely to go through almost five pregnancies, 90 per cent of these births take place at home conducted mostly by untrained and unskilled ignorant relations or neighbours. Six out of 100 women face pregnancy related deaths, a figure a hundred times greater than that in a developed country.

The Government of Bangladesh aims to offer health for all by the year 2000. To achieve this objective we need to determine the health needs (both normative and felt needs) of our nation and the demand for health with relevance to income status, cost and accessibility. We also need to determine the sources and the quantity of health care financing and alternative and additional sources of finance which could be made available through revenue generation, insurance, pre-payment and other mechanisms. We have to address how our health system can best be organised.

The public health sector is facing daunting problems. The existing government facilities suffer from a vast array of difficulties ranging from inadequate sanitation and hygienic water supply to the lack of equipment, supplies, and adequately trained staff. **Poor service, lack of drugs and essential supplies and distance from home fail to attract over three-quarter of the rural people from attending government health centres.** The government of Bangladesh has a dual system of health service delivery resulting in underutilization of its facilities and personnel. The public health sector has to be redesigned and restructured to enhance productivity and efficiency.

Over the years private and NGO providers have made gradually increased contributions to the health sector in Bangladesh. Information is required about the size, distribution and service characteristics of the private and NGO providers and then policies have to be formulated whether to support private/NGO sector or not and if so how and to what extent should they be supported. Ways are to be designed to evaluate and monitor the activities of the private and the NGO sectors which should complement the public health system in this country.

A National Health Policy must be developed to ensure equity, while protecting the vulnerable individuals of the society who are most likely to suffer ill-health and are also least able to afford health care. Health manpower development is another key area which should receive prominence in health policy. Improvement in the curriculum in medical training institutes and provision of structured training thereafter will also be needed to bring benefit to health professionals and the patients equally. The medical curriculum must include, amongst other, communication skills so that patients are treated with courtesy, dignity and respect and not with contempt.

The present Government in Bangladesh appears to be heading in the right direction. High powered committees have been constituted to formulate a National Health Policy. They should carefully and systematically address healthcare consumption, the overall health care delivery system, patient rights, resource deficits, resource mobilization and utilization, health facility, efficiency, cost-effectiveness, education, accountability and training of health professionals, the public-private regulatory framework and the evaluation and monitoring of healthcare quality. And finally while changing policy for these areas, the National Health Policy should also take into consideration the economic, historic and cultural background of Bangladesh so that the objective of health for all can be brought within realistic reach.

The Daily Star Entertainment Guide

Monday 3rd March
(All programmes are in local time. There may be changes in the programmes.)

BTV

3:00 Opening announcement Al-Quran Programme summary **3:10** News in Bangla **3:15** Patriotic song **3:20** Recitation from the Bible **3:25** Cartoon Film: The Lone Ranger **3:50** Telecast of selected programmes **4:45** Educational programme **5:00** News in Bangla **5:25** Dolan Chanpa **5:50** Sports programme **6:30** Anu Param... **6:50** Open University **7:00** The News **7:25** Band show **8:00** News in Bangla **8:45** Package Drama **10:00** News in English **10:30** Janamat **10:50** Comedy series: Seemfeld **11:30** News in Bangla **11:35** Tuesday's programme **11:40** Close down

BBC

6:00am BBC World News **6:10** World Focus: The Money Programme **7:00** BBC Newsroom inc. World Business Report/Asia Today /24 Hours **10:00** BBC World Headlines **10:05** World Focus: The Money Programme **11:00** BBC Newsday **2:00** BBC World News **2:15** World Focus: The Money Programme **3:00** BBC World News inc Business **3:30** Time Out: Top Gear **4:00** BBC Newsdesk **6:00** BBC News Headlines **6:05** World Focus: Correspondent **7:00** BBC World News **7:15** World Business Report **7:30** BBC Newshour Asia Pacific **8:30** Time Out: Film '97 **9:00** BBC World News **9:15** World Focus: The Money Programme **10:00** BBC World News **10:30** Time Out: The Clothes Show **11:00** BBC World News **11:30** Time Out: Tomorrow's World **12:00** The World Today **2:00** BBC World Headlines **2:05** World Focus: The Money Programme **2:45** Building Sights **3:00** BBC World News **3:30** Time Out: Holiday **4:00** BBC World Report inc. World Business Report/24 Hours

CHANNEL V

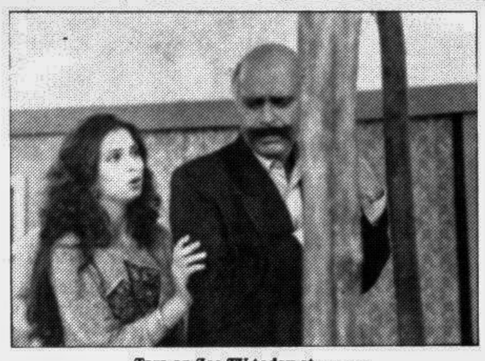
6:00am Frame by Frame **7:00** Rewind VJ Sophiya **8:00** Frame by Frame **9:00** Jump Start VJ Alessandra **10:00** Frame by Frame **11:00** The Vibe VJ Luke **12:00** Rewind VJ Sophiya **1:00** By Demand VJ Trey **2:00** Frame by Frame **2:30** First Day First Show **3:00** Videocon Mangta Hai **4:00** Frame by Frame **4:30** Big Bang VJ Alessandra **6:00** Rewind VJ Sophiya **7:00** By Demand VJ Trey **8:00** TheVibe **9:00** BPL Oye! **10:00** First Day First Show **10:30** Launch Pad VJ Samira **11:00** The Ride **12:00** Over The Edge **12:30** Rewind VJ Sophiya **1:00** Haysah **2:00** Frame by Frame **3:00** Big Bang VJ Alessandra **4:30** Asian Top 20 VJ Trey

STAR PLUS

6:00 Nanny and the Professor **6:30** Ninaad **7:30** Star News **8:00** Star Business **8:30** Star News **9:00** Sky News **9:30** Aerobics Oz Style **10:00** Ann Willm's Look And Cook **10:30** Videofashion **11:00** Kate & Allie **11:30** The Oprah Winfrey Show **12:30noon** The Lakme — Hero Honda Haute Couture Show **1:30** Santa Barbara **2:30** The Bold & The Beautiful **3:00** Reporter **3:30** Hindi Serial: Buniyaad **4:00** Show Reel **4:30** Land of the Giants **5:30** Black Beauty **6:00** Kate & Allie **6:30** Ann Willan's Look And Cook **7:00** Living on the Edge **7:30** Star News (Hindi) **8:00** Small Wonder **8:30** Hindi Serial: Tu Tu Main Main **9:00** Hindi Serial: Imtihan **9:30** Star News **10:00** Yes Minister **10:30** To Play The King **11:30** The Bold & The Beautiful **12:00mn** Santa Barbara **1:00** Star News **01:30** The X Files **2:30** Star Trek **3:00** Fantasy Island **4:00** The Oprah Winfrey Show **5:00** Barnaby Jones

STAR SPORTS

6:30am ATP Kroger/St Jude International Indoor Open 2nd Semi-Final **8:30** Standard Chartered Marathon, Hong Kong-Shenzhen (China) 1997 **10:00** Volvo World Cup Showjumping '96/97 **11:00** Sports India **11:30** ATP Kroger/St Jude International Indoor Open 2nd Semi-Final **1:00** Asia Sport Show **1:30** The Asian Football Show **2:30** prld Cup Hall of Fame **3:00** Australia vs S Africa **9:30** Oscar Winner Best Cinematography: The Hustler PG (Arabic Subtitles) **11:30** Romance: Two For the Road PG (Hindi Subtitles) **1:30** Action: Best Seller 15 (Hindi Subtitutes) **3:30** Family: The Chipmunk Adventure PG (Hindi Subtitles) **5:30** Adventure: March Or Die 15 (Hindi Subtitles) **7:30** Film Fiction: The Throw Away Wives 15 **9:30** This Week That Year **10:00** Comedy: Car 54, Where Are You? 15 (Hindi Subtitles) **12:00** World Cinema: Second Sight 15 (English Subtitles) **2:00** Thriller: Hidden Fears 15 **4:00** After Dark: Dance of The Damned 18 **5:30** Comedy: Critters IIII 15 (Hindi Subtitles)



Tara on Zee TV today at .....

The Clothes Show on BBC at 10-30 tonight

Daak Ghar on Zee TV today at 10-30 AM

1st Test Match, Day 3 **4:00** Sports India32 **4:30** Volvo World Cup Showjumping '96/97 **5:30** Trans World Sport **6:30** Australia vs S Africa 1st Test Match, Day 3 **7:30** ATP Kroger/St Jude International Indoor Open Final **9:00** The Asian Football Show-9 **10:30** Australia vs S Africa 1st Test Match, Day 3 **11:30** Indian Football, Philips League JCT vs East Bengal, From Ludhiana **1:30** Volvo World Cup Showjumping '96/97 **2:30** Hilton Chinese National Basketball League '96-97 Shanghai v Beijing **3:30** Watersports World **4:30** ATP Kroger/St Jude International Indoor Open Final

STAR MOVIES

7:30 Comedy: Critters IV 15

PTV

8:00am Tilawat Aur Tarjuma-/Hamd/Naat **8:20** Cartoon **8:30** Khabrain **8:45** Abb Pata Challa **9:05** Khat Farmaish **9:20** Sargam Sargam **9:45** Ilaaj-Bil-Asar: Sky Marketing **2:00** Hum Paanch **2:30** Tara **3:00** Raahat **3:30** Jhatpat Khana/Mere Ghar Ana Zindagi **4:00** Pakizaah **4:30** Khana Khazana **5:00** A to Z Computer **5:30** Bournvita Quiz Contest **6:00** TBA **6:30** Disney Hour **7:30** Raahat **8:00** Gaane Anjaane **8:15** Ek Nazar **8:30** TVS Sa Re Ga Ma/Jhalak **9:30** Campus **10:00** Parivartan **10:30** News **11:00** Daraar **11:30** Close Up Antakshari **12:30** Andaz **1:00** Chahat Aur Nafrat **1:30** Raahat **2:00** Zee Arabia: Nine Malabar Hil **2:30** Zee Arabia: Infotainment-TMM Ghiza Pakistan **10:05** Shab Daigh **10:35** English Film : Goof Troop **10:55** Milli Naghma **11:00** Khabrain **11:10** The Saint (Roger Moor) **12:00** Shama (Drama Serial) **12:55pm** Quraan-e-Hakeem **1:02** Bismillah **1:15** Angaar (Drama Serial) **2:00** Shehrad (Drama Serial) **2:50** The Face Of Cultural **3:15** Roushni **3:30** Paimaney **4:00** Ghardari **4:35** Biology for 10th/ Geography/ Chemistry **5:55** Inter College Quiz **6:25** Aiou Courses **7:00** Taranum (Drama Serial) **7:45** English News **8:00** Potluck **3:20** Ali Baba **8:45** Tum Se Kahan Tha (Serial) **9:00** Break For Headline News **10:00** Khabrnama & Commercial News **11:15** Classics Drama Serial: Janglee **12:20** Special: TBA **1:00** Khas Khas Khabrain/ Close down

DD 7

10:30 Janmadin **10:35** Educ Prog **11:00** Nazrulgeet **11:15** Folk Songs **12.30** Monorama Cabin **1:00** Janmabhumi **1:30** Trishna **2:00** Jedin Gachey Chole **2:30** Gaan Nie/Aly Chandee Ki Anandey **3:00** Bahari (Serial) **3:30** Feluda-30 **5:05** Nepali Programme **5:30** News **5:35** Desh Bidesher Khela **6:00** Palli Katha **6:30** Tarunder Janney (Drama Serial) **6:55** Bhangan (Serial) **7:30** Bangla Sambad **7:55** Dinindan **8:00** Bigapti **8:30** Feluda-30 **9:00** Janmabhumi **9:30** Monorama Cabin **10:00** Bengali Movie Club Film Show **1:00** Closed

SONY ET

8:30am Yaadon Ki Baarat **9:00** The Three Stooges **9:30** Dennis The Menace **10:00** I Dream Of Jeannie **10:30** Take Five **11:00** Gaane Jaane Mane/ Faasle (Serial) **11:30** Ten Civil Lines (Serial) **12:00** Jadugar **12:30** Cover Story-Hostel (Serial) **1:00** Jane Kaha Mera Jigar Gaya Ji **1:30** The Young And The Restless (Eng. Serial) **2:30** Cine Matinee-Hindi Feature Film **5:30** The Three Stooges **6:00** Dennis The Menace **6:30** Yaadon Ki Baarat **7:00** Premier **7:30** I Dream of Jeannie **8:00** Surf-Wheel Of Fortune **8:30** Humse Barker Gong **9:00** Jevan Mirtu (Serial) **9:30** Cover Story -Hostel /Yeh Sadi Nahi Ho Sakti (Serial) **10:00** Chamatkar (Drama Serial) **10:30** Kash/Ghaav **11:00** The Young And The Restless **12:00** BSA Star Ki Pasand **12:30** O'Maria (Serial) **1:00** Pehli Mulakat **1:30** Surf-Wheel Of Fortune **2:00** Premier **2:30** Closed

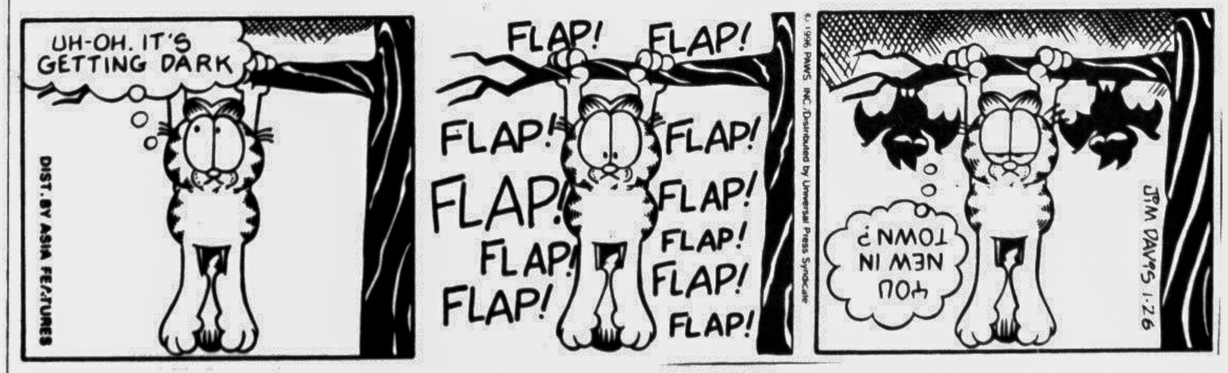
EL TV

7:00 Special **8:00** Hindi Feature Film **11:00** Tere V Chup **11:30** Amar Prem **12:00** Bengali Serial **12:30** Bengali Serial **1:00** Nam Gum Jayega **01:30** Ristey **02:00** Narsuio **03:00** Shatranj **03:30** Abhinetri **04:00** Bgd. Balwant **04:30** The Music Real Count Down **05:00** Chalo Cinema **05:30** Special **6:00** Ru-Ba-Ru **06:30** Its My Choice **07:00** Bangla Serial **07:30** Bangla Serial **08:00** Nukkar **08:30** Sory Mery Lory **09:00** Dance Mania **09:30** Karz (Serial) **10:00** Kal Bhi Aaj Bhi **10:30** Hindi Feature Film **1:30** Bangla Serial **2:30** Gujrati Prog **3:30** Jazbaat

ZEE TV

6:00 News **6:30** Jagran **7:00** A to Z Computer -- The Management Course **8:00** Zee Education Prog **8:30** Disney Hour **9:30** Gaane Anjaane **10:00** Hum Paanch **10:30** Daak Ghar Apna Ghar **12:00** Helpline **12:30** Dhara Zaike Ka Safar **1:00** A to Z Computer **1:30**

Garfield ® **by Jim Davis**



IAN FLEMING'S **James Bond** DRAWN BY JOHN McLUSKY