

Criticism of the microcredit if ngos in bangladesh

[Countries](#), [Bangladesh](#)



The criticism of microcircuit programs of Nags in Bangladesh A research paper exercised by M. HosessuicideMS Roll no. 09122453 session: 2012-13 Department of Economics Satiny Kabuki Kaki Unusual Islam University. Email address:Com Rant Johan Roll no. 09122444 Email address: Acknowledgement It is a great honor for us to work on the assigned topic and we feel glad to accomplish our task. Along with our sincerity and interest, there are few people, who really helped us to make this endeavor to be a successful one.

At first, we would like to pass our appreciation, gratitude and thanks to our honorableteacherMD. Backchat Duding. His valuable suggestions and ideas in every step of our work helped us a lot to prepare this paper. Special thanks are due to the people of Trials Apical for helping us in collecting the required data for the work. Finally, we acknowledge the profound blessings and kindness of the almighty. Abstract The present study explores the criticism of the microcircuit programs of Nags in the Trials Apical under Enmeshing district. Here, we use primary data which we collect through field survey.

And we found out that there has some problem of microcircuit program of Nags. This paper also examines empirically the impact of credited on the study area and found out that the interest rate of Nags is very high. This study also discusses and suggests ways to overcome the problem. So we structured this paper as follows. The first two sections of the paper provide the introduction, objective and explain the research methodology. Section three outlines the literature review. Section four explains the overall

condition of the microcircuit program of Nags in the study area and also in case of Bangladesh.

And section finally provides recommendation and concluding remarks. Key words: Nags, Microcircuit, interest rate, efficiency of credit, socioeconomic notation. Background of the study: Bangladesh, a country located in the south-east Asian region, inhabits above 160 million people in 55. 598 sq. Mile. And Bangladesh is one of the least developed countries, remains a poor, overpopulated, and inefficiently governed national. And poverty is the main problem of this country. Now a large number of Nags (Non Governmental Organization) are working to alleviate the poverty of the masses.

They have played a very significant role in opening up access to credit for the poor people in distant areas. During the last three decades the idea of microcircuit helps poor people to build businesses, increase their income and also fight against poverty. Microcircuit has been introduced to rural communities in Bangladesh as a means of economic and social development. But in some cases microcircuit programs of Nags was not so satisfactory. We study about the negative impact of Nags of Trials Apical under Enmeshing district.

The total population of this area is 372498 where a total area is 338. 98 sq. Km and 43. 30 percent (2005, World Bank) people live under poverty line.

The study reveals the socio economic condition, microcircuit problem and also the positive and negative attitude of Nags in the study area. Objective of the study: The core purpose of the study is to identify the criticism of Nags

operation. The specific objectives area To understanding the nature of the problem. 0 To identify the microcircuit problem of the study area. 0 To examine the effects of MONGO sector in the study area.

Methodology of the study: The study is an exploratory by nature and is based on both primary and secondary data. We have collected primary data through questionnaire method. To determine the major problems of microcircuit program of Nags and socio economic condition of Trials Apical primary data was collected through field survey. And secondary data are collected from research reports, relevant published documents including books, different Journals, newspapers, magazines, website, etc that are relevant to the study. Limitation of the study: There are a number of limitations in this study.

That area The respondents are limited (100 respondents or samples) in terms of size and composition. So the result may not be interpreting the overall situation of the study area. 0 The data collection was restricted only within the Trials Apical in Enmeshing district of Bangladesh which may fail to represent the actual scenario of the whole country. Sometimes respondents are biased so we cannot get appropriate data. 0 Some of the respondents are reluctant to give interview because of their experience with previous research works in the area which, according to them, bore no benefit for them.

Literature review: Literature review refers the examination of other works that have done by other researchers on the criticism of microcircuit program of Nags in Bangladesh. Eave found that, in our country very few studies have

<https://assignbuster.com/criticism-of-the-microcredit-if-ngos-in-bangladesh/>

been done by archduchesses Froze Begum, Salt Holmic Zamia and MD.

Shania Khan(2004) studied about," Role of Nags in Rural Poverty Eradication: A BangladeshObservation". In this paper he explores the role of Nags in poverty eradication especially in rural area of Bangladesh. He examines that how the Nags of this country are playing a positive and also negative role to the poor people.

GAP, Donor Brief (No. 18, may 2004), examines about, " The Impact of Interest Rate Ceilings on Magnificence". Here they explore that, interest rate is higher in MONGO than normal Commercial Bank rates and explain that interest rate ceilings almost always hurt the poor people. Sheikh Kabuki Duding Header, studied on " Impact of the Nags on socioeconomic conditions in Bangladesh: A study on Rajahs District". He identify that poor people's are benefited who are engaged with MONGO. He also observed some limitations of the MONGO programs.

The daily star (Dacha, Deck, 12, 2008) highlighted that, magnificence is not a panacea for poverty reduction. And here explained the serious problem faced by microcircuit borrowers. David Helm and Paul Mostly (1996) also studied about the impacts of microcircuit programs of Nags. They found that, poor households does not benefited from magnificence. More troubling is the findings that a vast majority of those with starting incomes below the poverty line actually ended up with sees incremental income after getting micro loans. Overview of the study: Bangladesh is one of the poorest countries in the world.

Here women are deprived by men. Many women are the victims of violence, their occupational choices are narrower and their earnings lower than men and the major portion of the women in rural Bangladesh living in abject poverty. But only a few of them get opportunity to access various types of rural enterprises that can help them to improve their economic condition. This situation has fostered the emergence of Non-Governmental Organizations (Nags). They help poor women by giving microcredit. Now we have to discuss about microcredit programs of Nags in Bangladesh perspective. Present scenario of microcredit program of Nags in Bangladesh: In Bangladesh there are several institutions which is involved in microfinance activities. Nags started credit program in mid-eighties and their activities increased noticeably higher after 1990 (CDC, 2000). There are several NGOs which giving credit to the poor people, such as- Grameen Bank, BARACK, AS, SPADE, Burro Bangladesh, ASS, Rural Reconstruction, Poppy, etc. This microfinance sector is mature now and its assets constitute around 3 percent of GDP in 2011. Total outstanding loan of this sector (only licensed MFIs) has increased by 20 percent from BAT 145. Billion in June 2010 to BAT 173. 8 billion in June, 2011 disburse among 20. 7 million poor people, helping them to be self-reliant and accelerating overall economic development process of the country. The overall trend of microfinance statistics in Bangladesh can be shown by a table- Table: Basic statistics of MFI-Microfinance in Bangladesh (As of 30 June 2011)

Year	No of Licensed MFIs	Incoming	Total clients (million)	Borrowers (million)	Amount of loan savings (TK million)
June'2010	516	516	25.28	19.21	145022.6
June'2011	576	576	25.28	19.21	145022.6

Amount of of loan savings (TK million) 145022.6 51362.93 26.08 20.65 173797.60 63304.4 source: MR.-MIS Database-2011 The table shows that,

at the end of June'2011, the sector had outstanding loans of BAT 173. 8 billion disbursed to 20. 7 million borrowers and had accumulated BAT 63. 3 billion as savings from around 26. 10 million clients over 93 percent of them are women. Here we see that, the credit amount is more than savings amount. 0 Role of microcircuit programs of Nags in Bangladesh: Bangladesh is a member of the worlds least developed countries, having increased population density, unemployment, illiteracy, socio-communal unrest and many more.

Now-a-days Nags have been playing supportive roles with the government. The role played by the Nags in Bangladesh is very good. They help poor people by giving credit facilities to alleviate poverty among the rural poor population. Generally, the Nags help women to empowering them. If women are empowered then their living standard also improved. We know that most of the rural peoples fight against the poverty and to get employment. And the Nags help these people by creating awareness among them, inspiring them and give credit facilities to self-employed. By these ways the Nags help for sustainable development of Bangladesh.

Discussion and findings: Our study is to find out the criticism of microcircuit program of Nags in the study area. The study reveals activities about microcircuit programs of Nags in Trials Apical. The total population of this area is 372498 where a total area is 338. 98 sq. Km. But we take only 100 samples to investigate the activities of microcircuit program of Nags of the study area. The overall investigation can be expressed by following way-
Table: Gender, age and educational status of the respondents Total

Respondents Age group Male Female > 26 8 92 Percentage 8% 92% 13
Educational status 2650