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# Effect of Micro-credit on Happiness and Manifest Anxiety of the Rural Poor in Bangladesh

Khatun, Mst. Rahima

University of Rajshahi

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**EFFECT OF MICRO-CREDIT ON HAPPINESS AND  
MANIFEST ANXIETY OF THE RURAL POOR IN  
BANGLADESH**

*A Thesis submitted to the University of Rajshahi, Bangladesh,  
in fulfillment of the requirements for the degree of  
Doctor of Philosophy in Psychology.*

**Submitted By**

**Mst. Rahima Khatun**

Roll No. 06516

Session: 2006-2007



University of Rajshahi  
June, 2014

## **DECLARATION**

Except where full references have been cited, present thesis contains the independent original research work of the author.

This research work has not been submitted before for M. Phil or Ph. D degree, nor is it being submitted further at the same time for the award of any degree or diploma.

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**The Author**

## **CERTIFICATE**

This is to certify that the thesis work entitled **EFFECTS OF MICRO-CREDIT ON HAPPINESS AND MANIFEST ANXIETY OF THE RURAL POOR IN BANGLADESH** has been accomplished by Mst. Rahima Khatun, PhD Fellow, Department of Psychology. She has submitted the thesis to the Department of Psychology, University of Rajshahi to attain a PhD degree in Psychology.

I examined the thesis work thoroughly and found it suitable to be submitted to the Department of Psychology, University of Rajshahi, Bangladesh for awarding PhD degree to the candidate. In this regard, now I am willing to recommend the thesis for examination.

**Dr. Md. Mozibul Huq Azad Khan**

Supervisor

&

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Finally, the author is willing to express her gratefulness and appreciation the life partner Mr. Shajedul Islam for his sustained tolerance and cooperation during the entire period of the study.

**The Author**

## ABSTRACT

The present study was designed to measure and compare the levels of Happiness and Manifest Anxiety of the Rural Poor Micro-credit recipient and Non-recipient respondents in Bangladesh. The Title of the research work is ‘**Effect of Micro-credit on Happiness and Manifest Anxiety of the Rural Poor in Bangladesh**’.

To arrive at the end of the investigation of the study, a thousand respondents were used as subjects. All respondents were female and they were selected from different regions of the country. Among them, five hundred were Micro-credit recipient (experimental group), and rests were Non-recipient (control group).

A Personal Information Blank of various items was applied on the respondents to collect personal data. The items of the questionnaire covers Age, Occupation, Monthly Family Income, Education, and Micro-credit based information etc. Along with the PIB, two Bangla adaptation Psychological Scales - a) Memorial University of Newfoundland Scale of Happiness (MUNSH) consists of 24 items (Kozma & Stones, 1980), and b) Taylor’s Manifest Anxiety Scale (TMAS) (Taylor, 1953) were administered to collect data.

Two steps were followed in the sampling and collecting data. Firstly, to select the study area, random sampling was introduced. Secondly, respondents (experimental group) were selected purposively. Respondents of the control group were homogeneous to the experimental group, and the homogeneity was ensured by controlling the variables as age, sex, education, occupation, family size and monthly family income.

The following two hypotheses were considered in the present investigation.

**Hypothesis I:** Levels of Happiness of the micro-credit recipients would be higher than that of the non-recipients.

**Hypothesis II:** Levels of Manifest Anxiety of the micro-credit recipients would be lower than that of the non-recipients.

The findings of the study are: Initially, in case of Happiness, based on the total data, the result indicates that there was significant effect of micro-credit on Happiness state of the micro-credit recipients. The result indicates that micro-credit to some extent, enhances the level of Happiness of the credit recipients than that of the non-recipients.

It is also observed from the study of different micro-credit lending organizations; the results are little bit different from each other. In case of Grameen Bank, there exists a significant difference on the levels of Happiness between the two groups and level of Happiness of the micro-credit recipients is higher. Similar results are observed in case of ASA and others (a combination of different local micro-credit lending organizations). Contrarily, no significant results are observed on Happiness between the comparing groups in case of BRAC and Proshika.

Therefore, considering the results as a whole, hypothesis-I can be accepted.

Secondly, in case of Manifest Anxiety based on the entire data, the result shows that there was significant effect of micro-credit on Manifest Anxiety state of the micro-credit recipients. The result signifies that micro-credit to some extent, reduces the level of Manifest Anxiety of the credit recipients than that of the non-recipients. Similar results are observed in case of others (a combination of different local micro-credit lending organizations).

In relation to Manifest Anxiety, it is equally observed from the study of different micro-credit lending organizations, the results are slightly different from the results mentioned above. The results are not found significant in case of Grameen Bank, BRAC, ASA and Proshika. Furthermore, in case of BRAC and ASA opposing results were observed between the comparing groups. There, Manifest Anxiety levels of the micro-credit recipients were found slightly higher than that of the non-recipients.

However, it may be mentioned from the observation, the second hypothesis, to some extent, may be accepted.

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# **CHAPTER-I**

## **INTRODUCTION**

Bangladesh is a densely populated developing nation with 147,570 sqkm land. According to the census 2011 of Bangladesh Bureau of Statistics, about 1015 people live in per sqkm and total population is about 129 million, where 104 million live in the rural regions. Most of the rural people are landless and about 50% of them live under poverty (BBS-2011). Some of them are marginal farmers and a few numbers are solvent. Daily income of this large population is less than a Dollar. For this reason their living standard is too poor and equally social status is lower. Whereas a normal individual requires about 3000-3500 calorie, these portion of people can achieve maximum 1500 calorie (BBS-2011).

Developing nations are those that have started their economic activities by means of agricultural and industrial sectors and also have achieved some success in these fields. Since the independence of Bangladesh has showed significant achievement or success in these sectors. For example, per capita income, contribution of industrial sector on domestic production, enhanced rate of education, agricultural management and production etc. But the barriers are also significant for expected economic enhancement. Those are: over population, lack of proper technical and/or technological knowledge, insufficient natural resources, political unrest and conflict, natural disaster, imbalanced economic distribution, high level corruption in banking sectors etc. due to these barriers, Bangladesh is still unable to stand on a strong economic ground. Furthermore, lack of appropriate, balanced and realistic government initiated projects/programs, unproductive economic activities, are blocking the desired economic progress of Bangladesh. In addition, the way in which urban areas are developing either by the government or private sector initiated programs, the rural areas are not getting the same attention or economic activities. The imbalanced government planning and programs which is depriving the rural economic infrastructures and activities and improving the urban infrastructures are further creating economic imbalance in the country. As a result, rural economic structure is remaining backwarded and not developing accordingly. Consequently, a two way imbalanced economic structure is getting established.

Though, since the eighties decade, many of the government initiated programs and due management has been contributing little success in the socio-economic development of the rural poor. A huge number of regional, national and international NGO's (Non Government Organization), and non-profit service organizations providing small amount of loans to the rural poor, especially to rural and slum women and thus contributing their economic and social development. As a result of the small loan and some non profit services provided both by the government and by the NGO's such as health service, non-formal education, consciousness rising, technical training in different fields for farming and production has already contributed a tremendous success in the rural economy and social status. The impact of these programs has already markedly reduced the maternal mortality rate, rural women empowerment, gender discrimination, consciousness about health, education and environment, plantation and production increased calorie consumption and social status along with the run able rural economic activities. A massive change has already occurred in the rural economy and social status of the rural poor people due to the mentioned activities and programs initiated by both the government of Bangladesh and by different NGO's and Organizations. This desired process is an ongoing activity which might change the status of Bangladesh in the world community within a decade. At present daily per capita income of the country is one US dollar (BBS- 2011).

### **1.1 Structure of Rural Economy in Bangladesh:**

The combined economic activity of rural people is the rural economy. Usually, the agricultural products, poultry, foundry, household animals, fishing, handicrafts, plantation, farming, preservation and distribution related socio-economic activities are the foundations of rural economy.

About eighty percent of total Bangladeshi population lives in the rural region. This is why; rural economy is the core of our economy. The basic sectors of rural economy are the follows:

*a. Socio-economic Infrastructure:* The transportation and communication of rural Bangladesh is still undeveloped. Lengths of constructed rural roads are still much fewer than that of the actual requirement. Still the shallow boat transportation or the river based transportation is occupying much of the sector. Nevertheless, rural road transportation is

gradually improving and a large amount of rural production is being transported through these roads. Furthermore, electricity supply in the rural region is still too insufficient than it is required and in fact, there is no natural gas supply in the rural region at present. Emergency health service centers and infrastructures are mostly situated in the Upazilla headquarters, not in the remote rural areas.

**b. Living Wage:** A sixty five percent of Bangladeshi population is directly and indirectly dependent on agricultural activities (Rahman, H. Z. 2005). They are also dependent to lead their daily lives on fishing, poultry, dairy and cattle farming, handicrafts, small entrepreneurships, physical/day laborer etc.

**c. Distribution of Land:** In the year 1999 about 82.2 percent of rural people were landless and/or marginal farmers. And 17.8 percent of them were small and big farmers. According to BBS-2010, 26% of total cultivating land of Bangladesh was owned by 5% families. Such discriminating distribution of land ensures and enhances the inconsistency difference of income between the rich and the poor in the rural regions of the country.

**d. Distribution of Income:** According to BBS- in the fiscal year 2010 19.73% of rural economy was within the control of 5% solvent families. Contrarily, 5% families of lower income generation had their control on only 1% of the rural economy. This statistical information reveals the imbalance of rural economy and discrimination of income in Bangladesh.

**e. Areas of Farms:** According to BBS report of 1995-1996, the areas of small farms cover within two acres, medium farms cover from above 2 to 4.99 acres and large/big farms cover above 5 acres. The impact or influences of medium and large farms in the rural areas are much higher than that of the small farms. The government and private economic development institutions that are working in the rural areas with the intention to build up the agricultural sectors and rural economy are largely working and serving the medium and large farmers, not the marginal and the poor / landless farmers. Eighty percent of the total populations are still related and dependent on agricultural activities. Most of them are landless and marginal farmers and deprived from the agriculture based services and facilities provided either by the government or by any NGO or by the private sectors. In addition the increased number of population growth equally increasing the number of landless and marginal farmers in one side and reducing the sizes of the all type of farms.

*f. Landlessness:* The importance of the basic requirement of land in the perspective of agricultural development and activities are needed to explain the reasons of landlessness and tendency toward poverty. There are limited information about the reasons of landlessness and tendency toward poverty (Hossain, 1986; Abdullah and Murshi, 1986). The gathered information reveals that landless families are rapidly increasing in Bangladesh. Recent information shows that number of landless families in Bangladesh was six million (Mujeri, 2005). The number of landless families increased from 3.7 million to 4.34 million since 1960s to 1981. The rate of increase was 3.7% per year which was much higher than that of the rate of population growth 2.5% per year at the same time. In the recent years the number of landless people (.05 acre) (5 decimal) is assumed to be increasing with the rate of 3.1% per year.

Rahman (1984), found from examining different surveys on landless population that, there is an interrelation between landlessness and the polarization of rural empowerment. Most of the rural people face compulsion to avail jobs of lower income only to lead the family and life. It is assumed that over or increased rate of population growth is the other basic reason of landlessness. In this regard, the question arises that how the process of landlessness is correlated with the growth of agricultural production? New innovations, applications of recent technology in agriculture, available fertilizer with lower price, continuous advice from concerned authority etc. has intensified the agricultural production much more than before. And in many respect, the discrepancy in income in this sector is markedly increasing and equally creating an imbalance of income in the rural regions. In this respect, what are the impacts of the process of transfer of land from poor population needs further clarification. Furthermore, how landlessness determines unemployment and wage, migration from rural to urban region, poverty etc. needs more surveys and investigations.

*g The Magnitude of Rural Economy:* About eighty percent of the total populations of Bangladesh live in the rural regions. About 63% of total labour forces are involved in rural agricultural and other activities. About one-third of the gross domestic production (GDP) is produced in rural sectors. The infrastructure of rural economy is still too backwarded and



undeveloped and the income discrepancies are very extreme. To overcome this back dated economic foundation and income discrepancy it is needed to develop the economic condition and socio-economic infrastructures. In this connection, along with the government organizations, the NGO's have opportunity to perform to establish a strong foundation of the rural socio-economic condition.

## **1.2. Income Discrepancies in the Rural Economy:**

There exists a massive income discrepancy in Bangladesh. A few numbers of rich families are the owner of maximum national income. The income of the majority and vast population is too minute if there is comparison. The Bangladesh Economic Survey of 2004 shows economic report of 1995-1996 that 23.62% of national income is occupied by 5% solvent families of the country. On the other side, 5% population had only 0.88% of the national income. In the year 2000, it is further observed that the difference of economic control and national income has been intensified much more than before. This time, the said high earning 5% families occupying 30.66% of national income, whereas the lower earning 5% population occupying only 0.6.7% of the national income.

In the year 2000 the lower earning 10% population occupying only 1.84% of the national income and the high earning 10% families occupying 40.72% of the national income (The Bangladesh Economic Survey, 2004). The income discrepancy in Bangladesh is thus gradually enhancing in an alarming mode. The discrepancy of income in the urban regions is of course higher than that of the rural regions.

## **1.3 The Rural Poor in Bangladesh:**

**1.3.1 Poverty:** Bangladesh is a densely populated and a very poor country. In accordance to the fifth five year fiscal planning of the government, poverty has been defined as deprivation of ownership of minimum wealth and utilization to lead life with minimum standard.

Bangladesh is a densely populated and a very poor country. In accordance with the fifth five year fiscal planning of the government, Poverty has been defined as the

economical, social and mental status of people those are deprived of the ownership of minimum quantity of wealth and the right to use it. Poverty also refers to a multi-dimensional, economical, social and mental distress or problem. The inability to fulfill the basic demands like food, clothing, housing, treatment, education etc. is known as poverty. Without a certain amount of earning these demands are not possible to attain. This is why; the inability to earn a minimum amount of money can be defined as poverty.

**Division of Poverty:** Poverty is divided in some categories and these are discussed below:

**a. Absolute Poverty:** Refers the inability to fulfill the basic humanitarian demands. Food, clothing, housing, treatment, education etc are the primary demands that are necessary for life possible. The inability to cover these demands is known as poverty. Absolute poverty thus refers the individual living under this vulnerable condition.

The absolute poverty is further sub divided into two ways:

**i) Below Poverty Line:** According to BBS (2007), the magnitude of poverty line is determined on the basis of daily consumption rate of calorie. In this regard, those who receive below 2122 calorie per day due to economic inability are indicated as in below poverty line.

**ii) Extreme Poverty:** People living on less than 1800 calorie per day are regarded as living on extreme poverty line. These people fail to consume less than eighty percent of food necessary for a normal healthy individual.

**b. Relative Poverty:** The relative poverty refers to the discrepancies of wealth between the rich and the poor, and equally the difference of income and consumption of food between them. In the advanced western nation, though there exists no absolute poverty, but there is relative poverty. Because in those capitalist states, the distribution of income and wealth is not synchronized.

**1.3.2 Poverty Situation and its Recent Tendency in Bangladesh:** In according to BBS (2007), poverty line is determined on daily consumption rate of calorie. In this observation, those who obtain below 2122 calorie per day due to monetary inability are indicated poor. In addition, insolvent people consuming 1800 calorie per day are regarded as extreme poor. These people consume less than eighty percent of food necessary for life leading. According to BBS (2004) 40.1% rural people were compelled to live below poverty line. And among them 18.2% people were compelled to live under extreme poverty (BBS-2005).

**Table-1: Percentage of poverty and extreme poverty on the basis of calorie intake from the year 1985- 2004:**

Type of Poverty: Year:		1985	1988	1992	1999	2004
<b>Poverty</b>	National	55.7	47.8	47.5	44.7	40.1
	Rural	54.7	47.8	47.6	44.9	40.2
	Urban	62.6	47.6	46.7	43.3	43.6
<b>Extreme Poverty (Consumption/day): Calorie:1805 or below)</b>	National	26.9	28.4	28.0	24.9	18.7
	Rural	26.3	28.6	28.3	24.5	18.2
	Urban	30.7	26.4	26.3	27.3	20.8

Source: Bangladesh Economic Survey-2005.

The existence of poverty in Bangladesh is still deeply rooted and sustained. Nevertheless, the previous scenario of poverty has already got a marvelous change and people are getting or availing betterment in life standards in relation to socio-economic baseline or perspectives. The report of BBS on poverty situation has been compared in table-1. In national level, the poverty rate in 1999 was 44.7% which was reduced to 40.1% in 2004. In the urban areas, 43.30% lived under poverty in 1999, at the same time in the rural regions the rate was 44.9%. But in the year 2004 the rate of poverty reduced to 43.6 in the urban and 40.2 in the rural regions.

In accordance with income generation (Table-2), the tendency of poverty is much higher in the agricultural activities based poor people (71.39%). On the other side, those who are salaried or wage based, suffer from less poverty in the rural. Besides, table-2 shows that the tendency of poverty in the rural is higher than that of the urban regions.

**Table-2: Recent poverty situation on major income sources:**

Total Poverty (%)	Level	Salary and Wage	Agri-culture (Self)	Agri-culture (Wage)	Non-Agri-culture (Self)	Non-Agri-culture (Wage)	Pension	House rent & other rental income	Others
42.1	National	19.87	38.71	71.39	40.41	51.26	20.19	21.27	30.35
37.9	Urban	18.76	48.69	79.13	40.57	58.55	27.54	10.23	27.27
43.3	Rural	20.84	38.10	71.05	40.35	48.17	17.32	28.03	30.77

The above discussion shows that poverty in Bangladesh is not only related to income generation and consumption of calories, but also related to various socio-economic activities. The indicators of poverty as income and calorie are helpful to assess the root causes and tendency of poverty. *These factors are also important to analyze the ongoing socio-economic process, level and change of poverty.* Finally, these are the determining factors of poverty and principles of poverty alleviation.

**1.3.3 Causes of poverty:** Several causes have been identified that ensures poverty. For example, inappropriate distribution of land, inadequate use of land, inconsistent application of agro-based and other technology, lack of control on irrigation, inappropriate discriminating utilization of irrigation, insufficient fields or sectors of employment, lack of opportunity to work/wage and earning, insufficient production, lower wage rate, lower growth rate, imbalanced distribution of production and growth, discriminating opportunity of socio-economic facilities provided mainly by the government and/or often by the

NGO's, insufficient infrastructure, and limited expansion and distribution of non-farming activities.

Furthermore, the rural poor do face a huge numbers of complex situations that interrupt their welfare and progress and equally reduce the earning capability to a certain level. This is why, it is important to analyze the indicators of poverty on the basis of socio-economic perspectives and familial income generating activities. In this association, the fundamental factors that are assumed to be the reasons of poverty are perhaps the followings: Landlessness, discriminating distribution of economic growth, inability to utilize the existing labour force, unemployment, reasonable wage rate, inappropriate growth of labour force etc.

**1.3.4 Characteristics of the Rural Poor in Bangladesh:** It has been proved possible to indicate the characteristics of rural poor and non-poor classes (shown in table-3). Usually, the numbers of family members of the rural poor is higher/larger than that of the other classes (Especially, numbers of children under ten years are more visible). The income generation capabilities of the rural poor families are limited and responsibilities are greater. Furthermore, By occupation, most of the rural poor are involved in agricultural labourers. (Mujeri, 2005).

The expenditures of food purchase in a rural family are much higher than that of the rich or the others. In this regard, a survey report shows that the rural poor families do spend 86.7% of their family income in purchasing food items and for *non-food items* .13.3%. In contrast, comparatively rural solvent people do spend 73.3% in purchasing food and 26.7% *non-food items*. (Mujeri, 2005). Besides, the rural poor get poorer in response to natural disaster, insecurity, seasonal unemployment, termination from work, sudden death of only earning member. They are usually not capable or unable to bear or face these obstacles or barriers in their family life, which in turn make them vulnerable, pauper, distressed, landless and homeless.

**Table-3: Characteristics of rural poor and non-poor families.**

Indicators:	Extreme Poverty		Poverty		Non-Poverty	
	1987/88	1994	1987/88	1994	1987/88	1994
Family size	6.5	5.3	6.0	5.4	5.9	5.3
Age of family head	42.0	41.0	41.0	41.0	43.0	42.0
Number of family members (%)						
Under ten years	34.6	38.3	31.6	33.9	24.2	27.5
Above ten years (Male)	33.3	29.2	35.0	31.2	42.7	37.1
Adult (16+)	24.1	23.8	26.5	25.6	33.4	30.3
Numbers of Female and Children %	78.7	90.0	69.2	64.1	56.9	54.6
Education (%)						
Students under 15 years	-	51.4	-	50.5	-	53.8
Male	52.8	28.3	63.0	22.5	70.0	29.0
Female	43.2	23.1	56.5	28.1	61.8	24.1
Adult Illiterate	85.5	71.9	63.6	68.7	47.0	61.5
Adult Literate	9.7	2.9	14.4	4.3	24.7	9.6
Land of own acre/ head	1.0	0.8	1.1	0.4	2.2	2.3
Land under Cultivation acre/ head	1.6	0.5	1.9	0.3	2.7	1.8
Land on lease %	23.1	-	25.0	-	21.5	-
Land of irrigation %	30.9	-	37.1	-	45.1	-
Land under irrigation %	24.2	-	26.0	-	35.1	-

Source: Hossain & Others., 1992; (BBS-1995).

**1.3.5 Poverty Alleviation Strategies:** Proper economic growth or development depends on the proper distribution of national income per head. Keeping the vast majority portion of people under poverty and increasing the growth of national income can not be called an economic development. In the perspective of Bangladesh, it is essential to adopt national poverty alleviation programs. In this regard, poverty alleviation development strategies are important to keep under the annual national development Policy. The poverty alleviation development Policy is divided into two ways. i) Direct Policy. ii) Indirect Policy.

**a. Direct Policy:** To create self-employment facilities for the poor people, to provide training for their skill development, to provide proper allowance for the old and physically disable people, to adopt micro-credit programs etc. are the direct policy of poverty alleviation strategy. To save people from hunger those are living under extreme poverty and to ensure their income generation through employment is the responsibility of the government. In this consideration, the government takes life saving necessary programs such as Test Relief, Vulnerable Group Development (VGD), Gratuitous Relief (GR), Vulnerable Group Feeding (VGF) programs.

**b. Indirect Policy:** By adopting proper national development programs, the policy that ensures the income generating activities of the poor people that are appropriate to develop their fate, their economic development is called the Indirect Policy. In response to the higher national economic growth, creates further opportunity of employment and increased income rate of the poor, which consequently reduces the poverty. A survey report (Islam 2005) shows that 0.9% of the poor living under extreme poverty reduces while 1% economic growth occurs in the GDP. Recent report (Islam 2005) also shows that some of the South-East Asian nations, who achieved 8% national growth in their economy, could markedly reduce poverty from the country.

In the Indirect Policy of poverty alleviation program, the intention of rapid economic growth is to ensure the economic development of the poor people.

It is observed that while there is development in the infrastructures of Education, Health, and Residence, it equally increases the skills of the poor people and ensures their participation in different developmental activities.

To alleviate poverty the indirect policy has gained the attention of the government and has been taken into account in the annual national development program with the intention of rapid economic growth.

#### **1.4 Poverty Alleviation Programs in Bangladesh:**

There are many governmental and non-governmental programs are implemented in the rural areas for poverty alleviation.

**1.4.1 Ministry and Directorates of Bangladesh Government:** The government of Bangladesh provides *Micro-credit* to its poor population to alleviate poverty. In this association, different Ministry, Board, NGO, Banking sectors and / or directorates distribute the loan to the target people on behalf of the government. The Rural Development Board, Directorate of Cooperative, Ministry of women and children affairs, Ministry of Industry, Ministry of Youth and Sports, Ministry of Agriculture, etc. implement the micro-credit programs as part of government action to alleviate poverty.

Along with the government, some of the NGO's are equally working in the country to alleviate poverty and providing micro-credit to the target people. In this regard, the author is willing to disclose and discuss the micro-credit activities of some of the large NGO's that have been working for a long period to alleviate poverty in Bangladesh.

**1.4.2 Different NGO's:** There are so many national and local NGO's working with the rural poor. Information about some organizations is mentioned below:

**a. Grameen Bank (GB):** This organization is the pioneer of the history of micro-credit in Bangladesh. The origin of Grameen Bank can be traced back to 1976 when Professor Muhammad Yunus, Head of the Rural Economics Program at the University of Chittagong, launched an action research project to examine the possibility of designing a credit delivery system to provide banking services targeted at the rural poor. The Grameen Bank Project (Grameen means "rural" or "village" in Bangla language) came into operation with the following.



### ***Objectives of Grameen Bank:***

- ~Extend banking facilities to poor men and women;
- ~Eliminate the exploitation of the poor by money lenders;
- ~Create opportunities for self-employment for the vast multitude of unemployed people in rural Bangladesh;
- ~Bring the disadvantaged, mostly the women from the poorest households, within the fold of an organizational format which they can understand and manage by themselves; and
- ~Reverse the age-old vicious circle of "low income, low saving & low investment", into virtuous circle of "low income, injection of credit, investment, more income, more savings, more investment, more income".

The action research demonstrated its strength in Jobra (a village adjacent to Chittagong University) and some of the neighboring villages during 1976-1979. With the sponsorship of the central bank of the country and support of the nationalized commercial banks, the project was extended to Tangail district (a district north of Dhaka, the capital city of Bangladesh) in 1979. With the success in Tangail, the project was extended to several other districts in the country. 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 90% of its shares, while the remaining 10% is owned by the government.

***Magnitude of Grameen Bank:*** Grameen Bank Project was born in the village of Jobra, Bangladesh, in 1976. In 1983 it was transformed into a formal bank under a special law passed for its creation. It is owned by the poor borrowers of the bank who are mostly women. It works exclusively for them. Borrowers of Grameen Bank at present own 95 percent of the total equity of the bank. Remaining 5 per cent is owned by the government.

***Garantee or Mortgage:*** Grameen Bank does not require any collateral against its micro-credit. Since the bank does not wish to take any borrower to the court of law in case of non-repayment, it does not require the borrowers to sign any legal instrument. Although each borrower must belong to a five-member group, the group is not required to give any guarantee for a loan to its member. Repayment responsibility solely rests on the individual borrower, while the group and the centre oversee that everyone behaves in a responsible

way and none gets into repayment problem. There is no form of joint liability, i.e. group members are not responsible to pay on behalf of a defaulting member.

**97 percent Women:** Total number of borrowers is 8.35 million, 96 per cent of them are women.

**Branches:** Grameen Bank has 2,565 branches. It works in 81,379 villages. Total staff is 22,124.

**Disbursed Loan:** Over Tk. 684 billion total amount of loan disbursed by Grameen Bank, since inception, is Tk. 684.13 billion (US \$ 11.35 billion). Out of this, Tk. 610.81 billion (US \$ 10.11 billion) has been repaid. Current amount of outstanding loans stands at TK. 73.32 billion (US \$ 968.31 million). During the past 12 months (from November'10 to October'11) Grameen Bank disbursed Tk. 107.30 billion (US \$ 1480.53 million). Monthly average loan disbursement over the past 12 month was Tk. 8.94 billion (US \$ 123.38 million).

Projected disbursement for year 2011 is Tk. 110.00 billion (US\$ 1557.63 million), i.e. monthly disbursement of Tk. 9.17 billion (US \$ 129.80 million). End of the year outstanding loan is projected to be at Tk. 78.00 billion (US \$ 1105 million).

**Recovery Rate:** Loan recovery rate is 96.67 per cent.

**Sources of Loans Financed:** Grameen Bank finances 100 per cent of its outstanding loan from its deposits. Over 56 per cent of its deposits come from bank's own borrowers.

**Borrower-Deposits Keep Growing:** Besides building financial strength of the poor women by encouraging them to build up significant amount of personal savings, borrower deposit is also a very important element in Grameen Bank. Forty-two per cent of the branches have borrower deposits equal to 75 per cent or more of outstanding loans of the Branches.

One-fifth of the branches have more borrower-deposits than the amount of loans outstanding. In some branches borrower-deposits are as high as 50 per cent above the outstanding loans.

In eight zones, out of forty, borrower deposits are equal or more than the outstanding loans in zones.

**Source of funds:** In 1995, Government of Bangladesh (GB) decided not to receive any more donor funds. Since then, it has not requested any fresh funds from donors. Last installment of donor fund, which was in the pipeline, was received in 1998. Government of Bangladesh does not see any need to take any donor money or even take loans from local or external sources in future. GB's growing amount of deposits will be more than enough to run and expand its credit program and repay its existing loans.

**Earns Profit:** Ever since Grameen Bank came into being, it has made profit every year except in 1983, 1991, and 1992. It has published its audited balance-sheet every year, audited by two internationally reputed audit firms of the country. [www.grameen.com](http://www.grameen.com).

**Revenue and Expenditure:** Total revenue generated by Grameen Bank in 2010 was Tk 17.74 billion (US \$ 252.05 million). Total expenditure was Tk 16.98 billion (US \$ 241.29 million). Interest payment on deposits of Tk 9.23 billion (US \$ 131.09 million) was the largest component of expenditure (54 per cent). Expenditure on salary, allowances, and pension benefits amounted to TK. 4.64 billion (US \$ 65.92 million), which was the second largest component of the total expenditure (27 per cent). Grameen Bank made a profit of Tk 757.24 million (US \$ 10.76 million) in 2010.

**Dividend:** Grameen Bank has declared 30% cash dividend for the year 2010. This is the highest cash dividend declared by any bank in Bangladesh in 2010. Highest record of dividend declared by Grameen Bank was in 2006. It was 100%. The bank has also created a Dividend Equalization Fund to ensure distribution of dividends without much fluctuation in successive year's. Receiving of dividends each year greatly inspires our shareholders, 97% of whom are our borrowers.

**Low Interest Rates:** Government of Bangladesh has fixed interest rate for government-run micro-credit programs at 11 per cent at flat rate. It amounts to about 22 per cent at declining basis. Grameen Bank's interest rate is lower than government rate.

Recently Micro-finance Regulatory Authority (MRA) has fixed the maximum interest rate for micro credit at 27% on declining balance method and instructed the NGO-MFIs to implement this capped interest rate within June 2011. MRA found in a recent survey the effective interest rate of NGO-MFIs on General Loan ranges from 25% to 33% and the modal value is 29%. On the contrary Grameen Bank's highest interest rate is 20%. Microfinance Transparency an internationally reputed pricing certification agency also verified the pricing of Grameen Bank loan products and found that GB actually charges the same interest as it publicly claims.

There are four interest rates for loans from Grameen Bank: 20% for income generating loans, 8% for housing loans, 5% for student loans, and 0% (interest-free) loans for Struggling Members (beggars). All interests are simple interest, calculated on declining balance method. This means, if a borrower takes an income-generating loan of say, Tk. 1,000, and pays back the entire amount within a year in weekly installments, she'll pay a total amount of Tk 1,100, i.e. Tk. 1,000 as principal, plus Tk 100 as interest for the year, equivalent to 10% flat rate.

**Deposit Rates:** Grameen Bank offers very attractive rates for deposits. Minimum interest offered is 8.5 per cent. Maximum rate is 12 per cent.

**Beggars as Members:** Begging is the last resort for survival for a poor person, unless he/she turns into crime or other forms of illegal activities. Among the beggars there are disabled, blind, and retarded people, as well as old people with ill health. Grameen Bank has taken up a special program in 2002, called Struggling Members Program exclusively for the beggars. Over 111,296 beggars have joined the program. Total amount disbursed stands today at Tk. 162.60 million. Of this amount of Tk. 130.89 million (80% of the amount disbursed) has already been paid off 19,678 beggars have left begging and are making a living as door-to-door sales persons. Among them 10,185 beggars have joined Grameen Bank groups as main-stream borrowers.

Beggar members have voluntarily opened their personal savings accounts. Cumulative deposit in these savings accounts amounts to BDT 22.41 million; present balance stands at BDT 8.08 million.

***Housing For the Poor:*** Grameen Bank introduced housing loan in 1984. It became a very attractive program for the borrowers. This program was awarded Aga Khan International Award for Architecture in 1989. Maximum amount given for housing loan is Tk. 25,000 (US \$ 354) to be repaid over a period of 5 years in weekly installments. Interest rate is 8 per cent. 690,737 houses have been constructed with the housing loans averaging Tk 13,059 (US \$ 181.50). A total amount of Tk. 9.02 billion (US \$ 211.21 million) has been disbursed for housing loans. During the period of November '10 to October'11 4,482 houses have been built with housing loans amounting to Tk. 52.43 million (US \$ 0.69 million).

***Micro-enterprise Loans:*** Many borrowers are moving ahead in businesses faster than others for many favorable reasons, such as, proximity to the market, presence of experienced male members in the family, etc. Grameen Bank provides larger loans, called micro-enterprise loans, for these fast moving members. There is no restriction on the loan size. So far 3,590,923 members took micro-enterprise loans. A total of Tk. 105.96 billion (US\$ 1540.58 million) has been disbursed under this category of loans. Average loan size is Tk 29,507 (US \$ 389.69), maximum loan taken so far is Tk. 1.6 million (US \$ 23,209). This was used in purchasing a truck which is operated by the husband of the borrower. Power-tiller, irrigation pump, transport vehicle, and river-craft for transportation and fishing are popular items for micro-enterprise loans.

***Scholarships:*** Scholarships are given, every year, to the high performing children of Grameen borrowers, with priority on girl children, to encourage them to stay ahead to their classes. Upto October'11, scholarships amounting to Tk. 205.03 million (US\$ 3.00 million) have been awarded to 1,330,31 students. During 2011, US\$ 592,849 will be awarded to about 24,611 students, at various levels of school and college education.

***Education Loans:*** Students who succeed in reaching the tertiary level of education are given higher education loans, covering tuition, maintenance, and other school expenses. By October'11, 49,588 students received higher education loans, of them 46,885

students are studying at various universities; 577 are studying in medical schools, 894 are studying to become engineers, 1232 are studying in other professional institutions.

**Table-4: Micro-credit condition of Grameen Bank (Taka in Crore)**

Description:	Fiscal year						
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	July-2011 to February-2012
Disbursement	4590.55	5019.44	5531.85	7184.59	8754.41	10295.98	7524.90
Adjustment	3769.82	4802.52	4955.09	6105.34	7675.77	9276.76	6927.98
Beneficiaries	6390148	7208455	7527700	7904797	8276494	8374910	8383849

***b. Bangladesh Rural Advancement Committee (BRAC):***

At present it is assumed that BRAC is the largest NGO around the globe. BRAC was founded and inaugurated in the year 1972 with the intention to distribute relief among the war victim people of the then newly independent Bangladesh. Now a day, this NGO has introduced a huge numbers of programs covering the entire Bangladesh and somewhere around the globe. The principal programs that BRAC has been operating in the country are as follows: Micro-credit Distribution, Non-formal Primary Education (NFPE) for both Children and Adults, Human Resource Development, Primary Health Program, Consciousness raising and Legal Advisory program for Women etc. BRAC have introduced the micro-credit program in the year 1974 named Credit and Development Forum (CDF). Gradually, this program of BRAC became the prime program. Like Grameen Bank, BRAC also like to suppose that Micro-credit is perhaps the exact weapon to break down the poverty of curse from the country.

The precondition for the loan recipients to receive micro-credit from BRAC is to form a Group, to participate in Weekly meeting, and to start a Deposit Saving Scheme. Basically, women are the target people of BRAC and loan are distributed to them on a 15% simple interest rate. Also there are male members who can receive loan from BRAC; but their numbers are much lower than that of the female. Loan recipients are to pay back the

total amount of loan by weekly installment. At the beginning of receiving of loan, the numbers of installment are fixated. Till December 2011, the total amount of loan disbursement was taka 59, 073, 40 crore, and at the same time the amount received from them was taka 53, 809, 84 crore. The number of total loan recipients was 67, 70,338 and among them the number of female loan recipients was 63, 02,946.

### ***Evolution of BRAC:***

In 1972 this organization was known as Bangladesh Rehabilitation Assistance Committee. BRAC began relief and rehabilitation operations in Sulla, Sylhet, following the end of Bangladesh's War of Liberation. In 1973 activities of the organization transformed from relief and rehabilitation to long term community development. In this year this organization was renamed as Bangladesh Rural Advancement Committee (BRAC). In 1974 relief work started among famine and flood victims of Roumari, Kurigram. BRAC began microfinance activities. In 1975 research and evaluation division to support its core activities was established and also started the Jamalpur women's project. In 1976 BRAC initiated the Manikganj integrated project and established BRAC's agriculture and fisheries programs. In 1977 BRAC started targeted development approach through the formation of village organizations. BRAC's community empowerment programmes were also started in this year. In 1978 staff training was given priority and the first BRAC Learning Centre was established in Savar. BRAC started its sericulture programme to generate employment for poor women in Manikganj and a handicraft marketing outlet, Aarong, was set up. In 1979 BRAC initiated the rural outreach program and also started the rural credit and training programmes. In 1980 BRAC's oral therapy and extension programme was initiated to combat diarrhea. In 1983 it started poultry vaccination program.

In the year of 1985 BRAC started non-formal primary education programme. Initiated the livestock programme, started the rural enterprise project, started the income generation for vulnerable group development program. In 1986 the rural development programme was formed by merging the rural credit and training programme and the outreach programme. In the same year BRAC started the child survival programme. The

human rights and legal aid services programme were also introduced. In 1988 BRAC's monitoring department was set up. In 1990 Started phase II of the rural development programme and Started sustainable rural credit program. Set up a management development programs. In 1991 BRAC started women's health development programme. Set up a women's advisory committee. In 1992: Established a Centre for Development Management. In 1993 started phase III of the rural development programme and opened adolescent reading centers. In 1994 BRAC replicated its non-formal primary education programme in countries in Africa. In 1995 BRAC opened adult literacy centers. A Gender Quality Action Learning and a Gender Resource Centre were set up. BRAC also established health centers (Shushasthyas) in this year. In 1996 BRAC started phase IV of the rural development programme and initiated the micro-enterprise lending and assistance programs. In 1997 development programme in urban areas was started and launched BRAC's Gender Policy. In 1998 BRAC legal aid clinics were established. BRAC Dairy and Food Project were commissioned. And also Started BRAC's Chittagong Hill Tracts Development Programs. In 1999, BRAC Launched the Information Technology Institute. Created the Adolescent Peer Organized Network courses. In 2000 Established BRAC's Limb and Brace Fitting Centre. In 2001 Established BRAC University. Launched BRAC Bank Ltd. Started the post-primary basic education programme. Initiated the adolescent development programs. In 2002 BRAC's challenging the frontiers of poverty reduction: targeting the ultra poor was initiated. BRAC started development work in Afghanistan. BRAC advocacy and human rights unit was set up. In 2003 BRAC Tea Estates were established. The continuing education programme and post-primary basic education programme were integrated into a single programme called the post-primary basic and continuing education program. Started the employment and livelihood for adolescents program. BRAC's TB programme coverage was expanded nationally.

In 2004 established an office of the Ombudsperson. Initiated a microfinance programme for commercial sex workers. BRAC University established the James P. Grant School of Public Health and the Institute of Educational Development. In 2005 BRAC University established The Centre for Governance Studies. BRAC started programs in Sri Lanka following the Asian Tsunami. Started the maternal, Neonatal and child health



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programme in Nilphamari, Bangladesh. In 2006 BRAC started development programs in Tanzania and Uganda and established BRAC UK and BRAC USA as affiliate organizations. Completed phase I of targeting the ultra poor programs. Replicated BRAC's targeting the ultra poor programme in Haiti and India. Started the water, sanitation and hygiene (WASH) programme. Started a pilot project to distribute reading glasses. Began the leadership for advancing development program. In 2007 BRAC registered in Pakistan as an NGO and began its programs. BRAC started providing technical assistance to an NGO in Indonesia for post-Tsunami rehabilitation and microfinance. In 2008 BRAC education programme initiated a pilot programme for capacity building of government and registered non-government primary schools in 20 sub-districts. BRAC registered in Sierra Leone and Liberia. BRAC Africa Loan Fund was created to provide local currency debt financing to BRAC's microfinance programs in Tanzania, Uganda and Southern Sudan. In 2009 BRAC continued supporting the long-term rehabilitation of the cyclone Aila victims. A foundation called Stitching BRAC International formed at The Hague, in the Netherlands. BRAC launched a groundbreaking credit scheme for sharecroppers. BRAC developed Alive and Thrive programme to increase exclusive breastfeeding. In 2010 the chairperson of BRAC was knighted at Buckingham Palace in London, UK. BRAC set up a community radio station in Bangladesh. BRAC explored further opportunities to contribute to the rehabilitation and development work in Haiti. Completed a rebranding process in this year. Established an in-house legal counsel. In 2011 Sir Fazle Hasan Abed (chairperson of BRAC) received the WISE Prize for outstanding achievement in the education sector. Launched boat schools to provide primary education to children living in remote and/or waterlogged areas. Designed a model of Disaster Resilient Habitat (DRH) in the southern part of Bangladesh. In 2012 BRAC expanded in Philippines with an education programme.

**Table-5: Micro credit condition of BRAC (Taka in Crore)**

Description	Fiscal Year						
	2005	2006	2007	2008	2009	2010	2011
Disbursement of Loan	3257.21	4261.54	6212.87	8428.90	7568.38	7375.88	8626.78
Loan Adjustment	2926.84	3626.39	5036.93	7560.00	7358.99	7099.78	7727.26
Numbers of Loan Recipients	4837399	5310317	7370847	8090369	8359993	8054415	6770338

***c. Association for Social Advancement (ASA):***

ASA was established in 1978 with the objective to upgrade the socio-economic status of the rural poor. The membership eligibility was the age range 18-50 years. From one family, only one person could be the member. The basic objectives of this NGO are as follows:

- i) To stimulate the consciousness of the sub-conscious landless rural poor and then to create and develop leadership among them.
- ii) To ensure the participation of the rural poor in different economic and benefiting activities and thus to arrange their income generation.
- iii) To distribute short term loan among the rural poor.
- iv) To establish the rights of the women population in every social aspects.
- v) To help rural poor people to get appropriate price of their products.

***Activities of ASA:***

Since its inception ASA has been working through social activities to raise consciousness of the rural poor, providing training to the backwarded to equip them to meet the challenges. Training and Consciousness raising were the primary programs of ASA. In the mid eighties, ASA introduced some other programs for the poor. Among those, Health service, Nutrition, Education, Sanitation, and limited phase micro-credit program.

Later on in 1992, on the basis of its prior experience, ASA started the Micro-credit program as the prime program of the organization. The prime objective of this program was to alleviate poverty of the rural poor and to develop the standards of life style.

The realization of ASA from field experience was that, until or unless there is no involvement of the foreign donors in the micro credit program, it is difficult to form large capital and to achieve the objective the alleviation of poverty. From 2001, ASA started and expanded its micro-credit program through small NGO's. Mean while, ASA has started its mentioned micro-credit program in more than in fourteen countries around the globe.

At present, ASA is working jointly with several reputed national and foreign Organizations in different name. Such as Catalyst Microfinance Investors (CMI), ASA International (ASAI), ASA Foundation International (AFI). ASA, thus has expanded international micro credit programs successfully. The followings are its present micro credit programs: i) Loan Disbursement: ii) Health Services: iii) Savings: iv) Insurance: v) Education:

The total amount of savings of ASA group members from the year 1992 to 2011 was taka 6496 Crore (10 million = 1 Crore). Meanwhile the group members drew money from their savings and also drew back their total savings that amounts taka 5156 Crore.

In December 2011, the savings balance was taka 1340 Crore. In December 2011, the total amount loan disbursement from ASA was taka 4738 Crore. The cumulative figure of loan disbursement till the year 2011 was taka 49858 Croree. And the amount of recovery of the disbursed loan was taka 45120 Crore. To ensure a security in the socio-economic life pattern of the group members, ASA has introduces and implemented both Loan Insurance and Life Insurance programs. ASA also introduced NGO partnership program since 1995 with local and small NGO's so that the local and small NGO's can take active part in alleviating poverty from the country . Till December 2011, ASA provided economic and technical support to 46 partner NGO's.

**d. PROSHIKA:**

Another reputed NGO of Bangladesh, aiming at creating group self development processes in rural poor through self organizing, becoming critically conscious of their position and making integrated and collective efforts to recover and advance their socioeconomic condition. PROSHIKA provides: group organization, training (human resource and practical skills), credit and technical assistance in income generating activities. To date 29,726 groups in 4,102 villagers in 32 Districts have been formed. Lessons learned in social forestry activities are: direction to poverty alleviation; involvement of women in choice of species; collective participation on usufruct rights; locating nurseries in the rural area with production dependent on local demand; dynamic collaboration of GO and NGO teams. Activities (1992-93) include: homestead plantation (178,356 saplings), strip planting (1,097 km roads), nursery establishment (247), agro forestry and woodlot forestry (4,282 groups, 12,886,900 seedlings, and 12,074 acre.), forest protection (2,367 ac.). In homestead plantations, more emphasis is placed on multi-purpose species than timber species (agro forestry, woodlot forestry 20% eucalypt; strip planting 2.5%; homestead 0.2%). Till December 2011, PROSHIKA provided Loan facilities to taka 4651 crore in 14,19,300 projects (table-6). Proshika has already disbursed Loan to 1,22,61,900 beneficiaries and thus created a massive self-employment opportunities. Most of its beneficiaries are rural women.

**Table-6: Micro credit condition of PROSHIKA (Taka in Crore)**

Description:	Fiscal year						
	2005	2006	2007	2008	2009	2010	2011
year	288.13	316.50	312.00	267.00	222.00	195.00	206.93
Disbursement	240.00	301.00	298.00	252.00	210.00	185.00	198.00
Adjustment							
Beneficiaries	1,22,61,900						

The name 'Proshika' is a Bengali acronym made of initials of three words: Proshikhan (training), Shiksha (development of education) and Kaj (action). Since its inception as a Bangladesh non-government development organization in 1976, Proshika's aim has been to create a self-reliant development process among the rural poor by extending support for getting themselves organized, becoming critically conscious of their situation and making united and collective efforts to improve their socioeconomic condition. The promotional organization of the rural poor is recognized as the core activity of Proshika. The activity extends from the formation of primary groups (with an average membership of 20) to the creation of groups' broader organizational structures at the village, union and Thana levels. The beneficiaries of Proshika are men and women of the two large sections of the rural population, i.e., the landless labourers and marginal peasants and some rural professional groups, e.g. fisher folk, weavers, potters, etc.

Training plays a crucial role in the Proshika process and through this activity development education is imparted to the people to raise the level of their awareness, confidence, capacity and skills. Two categories of training are organized: human development and practical skills. The subject areas of human development training courses include: social analysis, development concepts and approaches, analysis of development constraints, techniques of building organization, communication, development management, leadership and participatory planning. Practical skills training courses provide the skills that are required for making efficient use of the resources and for effective implementation of economic projects.

Proshika extends credit and technical assistance to the groups to take up income and employment-generating projects in various fields such as agriculture, irrigation, pond fishery and open water fishing, sericulture, bee-keeping, cattle and poultry rearing, homestead gardening, social forestry, handicrafts and cottage industry, etc.

Other programs that Proshika has initiated include: popular theatre; participatory research; development support communication through video medium; health and nutrition education; literacy and women's programs. In 1990, Proshika was involved for the first time in urban areas with the Urban Poor Development programs. To date Proshika has

organized 29,726 groups of which 15,370 are women's groups. It currently employs 1,677 staff and 1,133 of them are based at the grassroots level. It operates in 67 project locations called Area Development Centers (ADCs); work is now spread over 4,102 villages of 451 unions under 91 Thanas in 32 Districts.

### ***Origins and Evolution of Social Forestry in Proshika:***

Proshika from its inception has engaged in development of group consciousness to restore natural resources and their protection. The initiative was taken up primarily to arouse consciousness among group members, to preserve natural wealth and also for homestead cultivation. It arranged free distribution of saplings to group members or sometimes at a negligible price. In its original programs, the need for the benefit of valuable trees was intimated to the people in the presence of elites during the specific period of a year. With that view we made plans and worked accordingly. The result was not as was expected. We had not thought of species choice and of the participation of the people. Experience from continuing Proshika's effort at the grass-roots level and from the 1986 action research, brought out the following lessons for social forestry activities as enumerated following:

- 1) Forestry activities should be directed towards poverty alleviation;
- 2) Selection of species of different trees depends on different economic classes;
- 3) The role of women is widespread regarding homestead cultivation and in the choice of species;
- 4) Collective participation of the organized group is urgent to address social constraint usufruct right;
- 5) It is necessary to establish a rural nursery in remote villages;
- 6) The production of seedlings/saplings in rural nursery should depend on the local demand; and
- 7) Collaborative effort among GO's and NGO's should be dynamic.

In the light of the above, Proshika encouraged group members to produce homestead vegetables and other tree seedlings. Importance was given to group participation regarding the choice of tree and vegetable seedlings. The group members gave advice on the selection of their unused land with irrigation facilities in the project areas. The members worked responsibly even during their leisure time. This type of work organization not only ensured members of a chance to participate but also gave them no scope of avoiding any responsibility assigned to them. The saplings produced were sold in neighboring villages and the local market.

Based on the objectives of tree plantation on the homestead, the Proshika Sirajgonj Development Centre has involved village coordination and has introduced agro forestry technology in strip plantations since 1985. Simultaneously, Proshika Kaliakoir, Mirzapur and Sreepur ADC's group members started protection of degraded shawl forest. This process gave the group members of the villages the opportunity to participate in this viable program. Besides these activities, Proshika's group members participated in different new social forestry component, including agro forestry/woodlot forestry and block plantation. Based on the grassroots experience to address increasing environmental crises, Proshika's social forestry activities are being extended faster in different social forestry components.

### ***Proshika Approach:***

The problems of afforestation are deeply related in rural poverty and rural power structure. The landless and small farmers are extremely exposed to poverty deliberately. The rural society is based on socio-economic, political and religious power structures. Economic power plays a key role for the control of other powers as well as the means of production. It is one of the major problems and constraints for the socio-economic upliftment of the rural poor as well for afforestation activities. The majority of the people (70%) have very limited access to and control over the means of production. Their role is mainly to provide labour during agriculture season as per demand. They are not important as consumers as their purchasing power is extremely limited.

The controlling power of the rural elite is one of the major reasons for this. Another important reason which is related to the above is the strategy for survival pursued by the poor. Apparently, they do not organize themselves on the basis of common interest with other poor people. Rather, they pursue a strategy where they ally themselves with various factions, led and controlled by the elite in the village. Their solidarity is not with their fellow poor but with one or another of the local elite. Both the phenomenon and sub-phenomenon enhance the landlessness and poverty. The rural power structure, poverty and deforestation are critically interactive and interrelated problems, which are again accelerated by land scarcity, insecure land tenurial right, natural disasters and inadequate remedial responses.

The nature of Proshika's social forestry activities is directed towards poverty alleviation of the rural poor through a comprehensive approach in implementation strategies. Socio-economic awareness building activities are ensuring peasants' participation in the programs. The beneficiaries have taken initiative to face the social constraints related to tenurial right. This institutional setup is one of the major preconditions to create positive environment for successful afforestation activities.

Proshika is in an advanced stage to implement social forestry activities by the active participation of organized group members. It is difficult for an outsider to understand and face local social constraints, because a success of the programs not only depends upon technical know-how, but also needs to give more thrust on the social problems solution approach.

#### ***NATURE OF IMPLEMENTATION PROGRAMME:***

Based on the need, objective and experience, Proshika has provided technical and credit support to groups to implement the following components of social forestry activities:

- Homestead plantation;
- Strip plantations (including road, embankment and dykes);
- Nursery;
- Agro forestry and woodlot forestry; and
- Forest protection.



***Homestead Plantation:***

Homestead plantations are one of the major fields for Proshika's workers to learn from the villagers and to educate themselves for expanding the programs activities in other plantation areas. The implementation nature of the homestead plantation is individual, but Proshika is encouraging collective efforts of the group members in selection and production of saplings. This stage is addressed as a preparatory one for group members, as well as for the staff, to face social constraints for switching over their activities to the other plantation areas. Proshika's group members have planted nearly 178,356 saplings in their homesteads in the financial year of 1992-93.

***Strip plantations:***

This is one of the large program areas of Proshika's social forestry activities. It includes feeder roads, high ways, embankments, railway strips, pond dykes and other categories of marginal land belonging to the Government and to individuals. The Government has policies to ensure benefit sharing in these lands. A number of feeder roads in rural areas are constructed over farmers' lands without giving compensation to farmers and still farmers are paying the taxes. The land owners and the local elite, from the very beginning of the implementation stage, follow the activities with suspicion and they do not want to give up their right from the strip. Over and above this, inter Ministerial coordination gaps also raise some constraints to make efforts for embankment plantation more difficult.

Currently, we have planted 1,097 km road and 47.15 acres of marginal land; nearly 550,600 seedlings were planted over the year providing employment opportunity for 1,088 group members. Selection of roads and species of trees is decided by the implementing groups and the technical worker. Proshika is also ensuring technical assistance in relation to plantations. We have also undertaken joint collaborative activities this year with the Thana Aforestation and Nursery Development Projects of the Forest Department. Nearly 206 km of roadside and embankment plantation was carried out under the activities. Proshika is providing credit assistance to the group members for protecting and nursing the seedlings. The Forest Department is also providing seedlings and the costs related to plantations.

***Nursery:***

An urgent thrust has been given to promote rural nurseries to produce seedlings required in afforestation activities by providing credit, formal and non-formal training support and field technical assistance; 247 nursery projects were set up. Nearly 140 nursery projects are being established by the assistance of a revolving loan fund and the rest of the projects by group savings. Nearly 4,912,874 seedlings were produced by 247 male and female groups in the financial year of 1992-93. Timber and multipurpose species are the main seedlings produced in rural nurseries. Species selection and seedlings production capacity of a rural nursery depend upon the villagers' choice and demand.

Rural nurseries promote income and employment generation as well as minimizing production cost and risk of high mortality rate due to dehydration caused by transportation. The group members earned about 3,045,981 *taka* from the nursery projects.

***Agro forestry and Woodlot Forestry:***

The agro forestry and woodlot forestry activities are the finest examples of joint collaboration of GO and NGOs. A MOU was signed in May 1992 by Proshika and the Forest Department with a view to addressing socio-economic problems related to deforestation as well as to the burning need of afforestation in the *sal* (*Shorea robusta*) forest areas. Proshika's group members have opportunity to participate and organize some economic classes of people in the project areas. Proshika is providing credit assistance for cultivating the land from its on-going Revolving Loan Fund. The Forest Department is also providing seedlings and financial assistance in the first year of the project. The participating group members will receive 100% of the agriculture crops and 50% of the trees from the agro forestry project and 60% from the woodlot forestry project; 4,282 group members of Proshika are involved in agro forestry and woodlot forestry project. Nearly 12,886,900 seedlings were planted in 12,074 acres of encroached *sal* forest land.

***Forest Protection:***

Our experience in this programme has evoked concern at the Government level. It is learnt that more bilateral aid agencies are also showing interest in this type of programme and approaching the Government to formulate a suitable tenurial policy. However, the tenurial policy will not suffice the objective of encouraging the participation of the rural poor unless the policy also guarantees a priority of benefit sharing arrangement. A very general tenurial policy may also encourage vested interests to infiltrate and sabotage the whole objective of the programme. Under the circumstances, Proshika's group members undertook 2,367 acres of degraded *sal* forest land in protection programmes from 1985. The groups do not require any material input from Proshika except policy support, guidance and advice in managing the programme. Proshika is trying to coordinate with the Forest Department and to take adequate measures to establish groups benefit sharing right.

***COLLABORATIVE ACTIVITIES:***

Collaboration is the means of bridging between GOs and NGOs in order to ensure appropriate use of the existing opportunities to reach the goal. Proshika's continual efforts and the role of the Coalition of Environmental NGOs (organized by ADAB) has successfully integrated the GO and NGO efforts. Currently Proshika's organized group members are implementing activities undertaken by the Forest Department with benefit sharing arrangements. Proshika ensures collective participation, requisite credit and technical assistance. Besides, the Forest Department provides benefit sharing and material assistance to groups. This is one of the finest examples of how GOs and NGOs can work together for a better future. Currently the nature of the problems of collaboration is basically related to attitudinal understanding, identity, and acceptance of the grassroots workers; it needs more thrust on satisfactory rights, participation, technical knowledge and bringing back converted forest land to the Forest Department.

In repeatedly uttered dialogue on *Eucalyptus* sustainability, respect of technical and social acceptance, Proshika gives more thrust on people's participation from the planning

and implementation to the management of the activities. We found that a negligible percentage of *Eucalyptus* has been [homestead] planted over the last ten years. Homestead forestry is one of the major plantation areas in Bangladesh, but here people give more emphasis on planting multi-purpose fruit trees rather than timber species. The rest of the marginal land is not used by the people because of their reluctance to plant this to trees. The following statistics provide the scenario of *Eucalyptus* planting, over total seedlings plantation of the Proshika social forestry program.

**Table-7: Activities and achievements of the Proshika program:**

<b>Social Forestry component</b>	<b>Total seedlings planted</b>	<b>Percentage of Eucalyptus</b>	<b>No. of Eucalyptus seedlings planted</b>
Agro forestry/woodlot forestry	2,886,900	20%	2,577,380
Strip plantation	1,309,336	2.5%	32,733
Homestead plantation	50,000,000	0.2%	100,000

***e. Palli Karma Sahayak Foundation (PKSF):***

Palli Karma-Sahayak Foundation (PKSF), since its establishment in May 1990 by the Government, has been working as an apex Micro-credit and capacity building organization for eradicating poverty initially in the rural areas and subsequently in urban areas. The basic operational strategies of PKSF (Rural Employment Support Foundation) are the following:

- \* It does not directly lend money to the landless and the asset less people rather reaches its target groups through its Partner Organizations (POs);
- \* It provides greater thrust to institutional development, both its own capacity as an apex organization as well as the capacities of POs;
- \* It favours no particular model; instead, innovations and different approaches based on experience are encouraged;
- \* It acts as an advocate for appropriate policies and regulations useful for the micro credit sector.

This Organization works through various NGO's and provides Micro-credit to marginal farmers and landless people. This Organization offers loan especially in the sectors as: rice crushing, nursery, small farming, cattle rearing, poultry farming, rickshaw and van-rickshaw purchasing. The Organization procures fund from different sources as International Organizations, fund provided by Bangladesh Government and Donations, and then distributes loan on marginal interest rate to the rural poor through their Partner Organizations with the objectives to alleviate poverty from Bangladesh. Since its establishment in the year 2011, PKSf disbursed taka 11,360 crore to the rural poor. Among them ninety five percent population were female members. The mentioned amount was disbursed through 182 local NGO's covering 62 districts of the country. (PKSF Annual Report- 2011). This Organization provided the loan to its partner Organization on 3% - 5% interest rate (Mojumdar- 2008). The PKSf disbursed taka 1931.28 as loan to 268 NGO's in the year 2010-2011 and distributed loan to 82.28 lac loan recipient members (of them 95% were female). During this tenure, the collection rate of loan on installment was 98.65%.

Bangladesh is a densely populated country; about 50% population is still living under the poverty line due to various socio-economic factors. Living standard of the poor people must be improved to achieve meaningful economic development. 2% of total and 5% of the poorest of world population lives in Bangladesh. 80% of our people live in rural areas. Main reason of rural poverty is the shortage of resources. So, there is a cycle of "less income" and "less investment" restating saving less income in the rural areas. So, we are bound in the "vicious cycle of poverty". At present, fund allocation in terms of micro-credit has become a very effective and tested method of getting rid of the poverty cycle. That is why Swanirvar Bangladesh has been providing micro-credit without collateral to landless rural poor for small-scale income generating projects in cooperation with the commercial banks of Bangladesh since 1978. Swanirvar Bangladesh is distributing micro-credit among the landless and poor people in cooperation with Palli Karma Shahayak Foundation since 1990.

***Vision:***

The aim of this program of PKSF is to achieve sustainable development in the living standard of rural poor, to maintain environmental balance by creating awareness among the poor people, especially women, to ensure socio-economic development and to work for poverty reduction and empowerment.

***Objectives:***

1. To improve the socio-economic condition of the poor people.
2. To empower the poor people. Key indicators of empowerment are:
  1. Strength of rural people in getting human rights and justice.
  2. Increased production and additional income of poor families participating women in the micro- credit program.
  3. Increased resource and purchasing power the poor.
  4. Improved relationship with different departments of the local government.
  5. Participation
  6. In national development by creating deposits and investments.
  7. Assisting in gradual reduction and finally cessation of Villages Mohajoni credit system borrowing at high rate, advance selling of crops and land mortgage.
  8. Reduction of unemployment among poor people through credit program.
  9. Creation of awareness about health, education and environment.

Though instituted by the Government, legally PKSF is a "company limited by guarantee" meaning "company not for profit" and is registered under the Companies Act of 1913/1994 with the Registrar of Joint Stock Companies. The legal structure of PKSF allows flexibility, authority and power to take programs and implement them throughout the country and managing its affairs as an independent organize PKSF currently provides loanable funds to 192 (Programme Organizations) POs- 3 big and 189 small and medium-

under its four mainstream credit programs: Rural Micro-credit; Urban Micro- credit; Micro enterprise credit and Micro-credit for the Hardcore Poor. It charges differential service charges for its two categories of POs: 7% for the big POs and 4.5% for the small and medium POs. It also operates a loan program for capacity enhancement of POs at a subsidized rate of 1% service. It provides customized training courses and has a well-developed training strategy including outsourcing to private and public sector institutes. On-site technical assistance is also offered during the intensive schedule of field visits undertaken by PKSf personnel. As of February 2004, PKSf has disbursed a total amount of about US\$ 276.87 million among 4.55 million poor borrowers about 90% of who are women. PKSf's loan recovery rate is over 98%. Independent evaluation studies have shown that PKSf's micro credit program implemented through its POs has helped a Elevation of poverty.

***Some of the best practice lessons evident in the PKSf experience include:***

- \* PKSf has been established and funded by the government, but it has been kept as an independent organization outside government bureaucracy. This has enabled PKSf to form its own policies and develop its own management practices suitable for its activities.
- \* The outstanding quality of the Governing Body has contributed most in guiding the management and forming and revising policies whenever necessary.
- \* The policy of recruiting officials of above average quality has contributed greatly to the growth and performance of PKSf.
- \* PKSf has been successful in utilizing the capacities of local NGOs in quickly reaching the poor and developing the POs to deliver the financial services to the poor. Selection of the right POs was the most crucial factor for PKSf's success.
- \* PKSf has created a congenial "micro credit culture" in Bangladesh by introducing several standards, norms and guidelines for operation of micro credit programs.

\* PKSF's pragmatic policies and practices have made it the world's largest and most successful autonomous apex funding agency (wholesale fund) for microcredit and PKSF model is now being replicated in different countries of the world.

**Table-8: Micro-credit condition of PKSF (Taka in Crore)**

Description	Fiscal Year						
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 (December-2011)
Disbursement of Loan	692.61	1350.07	1408.08	1819.53	1941.70	1931.28	998.28
Numbers of Loan Recipient	6778262	7722451	8283814	8262465	8386214	8228133	6573378
Numbers of Co-Organizations	245	248	257	257	262	288	269

**f. Swanirvar Bangladesh :** Only about two and a half years after Independence through a disruptive war, rehabilitation assisted by massive UN relief operations, a grave misfortune struck Bangladesh due to devastating floods and loss of all crops in 1974. Severe food shortage and no food assistance being available from the international community, disastrous famine followed perishing hundreds of thousands of people. Undaunted, the Government resolved to achieve self reliance in food production starting the well known Swanirvar Movement through a Swanirvar Cell headed by a Special Secretary to the Government under the Ministry of Agriculture. Its main task was providing motivational leadership, implementation in the field spear headed by the Deputy Commissioners of the then 19 Districts of Bangladesh.

The movement continued with many other associated developmental works with good results. But after the change of Government in 1981, the Swanirvar Cell was abolished terminating the Government led movement for achieving food autarky. The inertia caused the volunteer workers to continue the activities for a while, in order to give them an organizational structure a non-government organization (NGO) was established in the name of Swanirvar Bangladesh obtaining necessary registrations from the relevant authorities.



Field activities of Swanirvar Bangladesh gradually became multi-sectoral including literacy, family planning, primary health care and nutrition, rural infrastructure development, crop production, livestock, poultry and fisheries development, tree plantation etc. It also started minor micro-credit program beginning with the famous Dheki (indigenous rice crusher) Loan which gradually encompassed many other rudimentary production, processing and service activities by the rural poor with loans provided by the Nationalized Commercial Banks.

The organization had continued with loosely bound management, mostly by volunteers both at the headquarters and in the field. Although the spirit of self-reliance reigned, there were many limitations; particularly the credit program pursued by volunteer workers was not very satisfactory. In order to give the organization a corporate structure for the sake of sustainability and dynamism, making room for expansions ensuring proper transparency and accountability in management, the Memorandum and the Rules and Regulations of Swanirvar Bangladesh was radically revised, registered with the Registrar Joint Stock Companies under the Societies Registration Act, 1860 in May 2008. In the meantime, in order to meet the structural and systemic requirements imposed by the Micro-credit Regulatory Authority, Registrar, Joint Stock Companies and own changed needs of Swanirvar Bangladesh, as decided by its Governing Body, the existing Memorandum and Rules and Regulations are being further revised.

Initially "DHEKI LOAN" project was started in 1978 while the loan ceiling was Tk. 400-500/-. The loan was disbursed for making Crushed Rice, Fried Rice and Puffed Rice etc. Later on it was expanded as "Swanirvar Credit Program" and engaged in various income generating activities (213) in 150 Upazilas. Credits are being delivered to groups consisting of 5 members and 5 groups form a centre consisting of 25 members. Swanirvar Bangladesh selects members from rural poor and form groups & centers. Members of groups are then imparted 7 days extensive training. Then the members in a group go to the Bank for their approval. The Bank on their satisfaction of forming group /centre & training disburse loan to individual member of the group. Thereafter Swanirvar Bangladesh field workers recover the loan on weekly basis from the member of the centre.

From the beginning up to June 2008, a total of Taka 639.61 crore was disbursed among 8, 55942 poor people through 827 bank branches and recovered Taka 577.03 crore. Recovery rate is 90%. Total savings amount is Tk. 25.35 crore. Through this credit program 4279710 members of destitute and less earned family member have been benefited. Present outstanding loan is Tk. 238 crore against total borrowers 399698. The Swanirvar Credit program has been playing a significant role for empowering of women. It may be mentioned here that more than 80% beneficiaries are women. Besides this, reducing illiteracy, implementing family planning, taking child health care, planting tree and making environment friendly are the integral part of the program. This program is providing the opportunity to the rural people to improve their living standard.

Swanirvar Bangladesh had started Health and Family Planning activities 1987 at 10 Upazilas under “Family Planning Services Project.” With the Financial assistance of USAID & Technical Assistance (TA) of Pathfinder International and implemented this project successfully for a decade i.e. from 1987 to 1997. As of August 1997 the project covered a total of 1333 villages in 38 sites of 217 unions under 35 Upazilas with 4, 21,880 eligible couples.

After successful completion of this phase Swanirvar implemented the activities of “Rural Service Delivery Project” from September 01, 1997 to June 2002 under National Integrated Population and Health Program (NIPHP) with the Technical Assistance of Pathfinder International. Then Swanirvar implemented the activities of ‘NGO Service Delivery Project’ successfully from July 2002 to September 30, 2007 under National Integrated Population and Health Program (NIPHP) with the Technical Assistance of Pathfinder International.

Swanirvar has started Smiling Sun Franchise Project since October 01, 2007. At present Swanirvar Bangladesh provides Essential Services Package services through 50 static clinics, 1,672 satellite clinics and 1,494 Community Service Providers (Previous position was Depot holder) in 11 districts. Swanirvar is covering 3,174,991 population, 634,065 Eligible Couples (ELCOs), 592,542 families, 94,43 pregnant women, 84,612 less than 1 year Children, 404,258 less than 5 year Children of 1,884 villages under 314 unions.

Since its inception, Swanirvar has expanded its programs to 14,160 villages of 173 Upazilas under 52 districts. Since January 2011 to December 32011, it has disbursed Tk. 1242.51 crore as Loan for income generating activities to 17, 30,404 poor Group Members. The recovered amount 1004.49 of money was crore. In this association, 86, 52,020 beneficiaries were directly or indirectly benefited. In the year 2011 from January to December, Swanirvar disbursed Tk. 197.90 crore as Loan to 1, 24,260 members and the recovery amount was Tk. 161.93 crore. The amount of total Savings of the members was Tk. 295.36 crore and return of Savings was Tk. 173.31croree.

**g. TMSS:** TMSS is an NGO committed to ending poverty and to the economic empowerment of the poor, especially women. It was established by some female beggars in 1968 and reformed as a development organization by Prof. Dr. Hosne-Ara Begum, Executive Director in 1980. TMSS provides its best efforts in bringing poor women's living conditions to a dignified level in the family and in society through their capacity building, adaptability, responsiveness, optimum use of available resources, participation in development activities, good governance and fulfillment. At present TMSS is working in 63 districts and has covered 36, 23,120 female members under its umbrella. Main goal of the organization is Family Development through Women empowerment and main vision is Happy & prosperous women and their families in the society.

**Background:** TMSS known as Thengamara Mohila Sabuj Sangha was established in 1980 under the dynamic leadership of Prof. Dr. Hosne-Ara Begum. TMSS works at the socio-economic development of the grassroots level especially for women. TMSS has gradually emerged as a national level women organization with multi-dimensional development activities with an aim of poverty alleviation and Empowerment of women. Over 0.6 million women were organized into groups within its operational areas and brought them in the mainstream of development process and help them to attain self-reliance through designing and implementing of appropriate activities.

***Objectives:***

*General Objectives:* Prime objective of TMSS is to develop the socioeconomic status & condition of the poorest to the poor, especially ultra hard core poor, through implementation of grassroots decision and utilizing local human and material resources.

***Specific Objectives:***

- To use unutilized resources optimally
- To build the capacity of the target people through training
- To reduce poverty through financial services
- To promote gender equity in the society
- To ensure women participation in the society
- To create jobs through women involvement
- To provide human rights to improve the situation of the society
- To raise awareness through advocacy campaigns
- To ensure health & nutrition services for the target groups
- To provide better education to improve the lives of the target groups
- To transfer technology for increasing productivity
- To establish good governance within the organization
- To establish TMSS as a sustainable model organization.

***Values:***

TMSS believes in the following values:

- Respect for women
- Gender equality
- Faith in human resources
- Self-reliance and sustainability
- Ecologically balanced environment
- Practices of democracy
- Secularism
- Honesty and justice
- Peace and prosperity
- Transparency
- Accountability
- Reciprocal respectfulness
- Innovation
- Unity

**Table-9: TMSS Disbursement and Adjustment of Micro-credit since 2005 to 2011 (TK in Crore).**

Description:	Fiscal year						
	2005	2006	2007	2008	2009	2010	2011
<b>Disbursement</b>	292.11	809.79	514.80	571.95	657.31	768.15	991.45
<b>Adjustment</b>	220.02	359399	457.69	548.15	606.34	762.50	870.60
<b>Beneficiaries</b>	115570	66587	99826	89544	22462	60027	53140

The annual report of 2011 of four State owned Commercial Banks and two Specialized Government Banks shows the disbursed amount of Micro credit was Tk. 205242.29 crore and the recovered / adjustment amount was Tk. 20,081.37 crore from the beneficiaries. The full statement is given below:

### **1.5 Micro-credit Programs of Government Agencies:**

The Government of Bangladesh distributes Microcredit through different Ministries, Departments and Agencies. These include the following Ministries and their Agencies: Finance Division; Ministry of Social Welfare; Ministry of Women and Children Affairs; Prime Minister's Office; Ministry of Labor and Employment; Ministry of Fisheries and Livestock; Ministry of Industries; Ministry of Textile; Ministry of Agriculture; Ministry of Local Government, Rural Development and Co-operatives; Ministry of Land; Ministry of Youth and Sports; and Cabinet Division. Up to 1999/2000, disbursement was estimated at Tk. 20,350 (US\$ 407) million. Some of the major programs are discussed below.

*a. Ministry of Women and Children Affairs:* The poverty alleviation programs of the Ministry aim to reach the poorest segments e.g. the asset less women and female-headed households develop their ability and make self-employment prospects through Micro credit. During 1999/00, ten Micro credit programs were implemented by different Agencies of the Ministry with individual target groups e.g. Rural and Urban Poor Women, Adolescent Drop out School Girls, Vulnerable Group Development (VGD) Cardholders, Rural Destitute Women in Reproductive Age, Poor women earning less than

Tk. 10 (US\$ 0.20) per day or owning less than 0.5 acre of land, Female Headed Households, and Educated but Unemployed and Abandoned Women. The total credit disbursement was Tk. 1,064.3 (US\$ 21.28) million and the numbers of poor women who received Micro credit and training were 0.16 million and 0.24 million respectively.

***b. Department of Youth Development :*** The Department of Youth Development (DYD) trained 21,14,939 young men and women during 1991-92 to FY 2002-03 under different programs. Of the total trained youth 11,80,798 have got self-employed. A program is being implemented for reducing poverty of rural landless and poor people under the title "Family Based Employment Program" in 82 upazilas. Since the commencement of the program up to June, 2003 a total number of 5,00,293 youths has been trained for the purpose of self-employment. Since the inception of the credit program of the DYD till June, 2003 Tk. 5158.6 million has been disbursed to 5,91,638 beneficiaries as credit.

***c. Department of Social Services:*** The Department of Social Services (DSS) has been implementing poverty reduction programs through Rural Social Services (RSS), Urban Community Development (UCD) program and Rural Maternity Center (RMC) in all Upzilas and Towns. Under these programs revolving funds are used for initial investment and reinvestment. The initial total investment for these three programs amounted to Tk. 1524 million. The cumulative disbursement of these three programs stood at Tk. 5207.8 million up to June, 2003. The total number of beneficiary families through these three programs was 23, 58,003.

**Table-10: Disbursement and Adjustment of Micro-credit by State owned Banks since 2005 to 2011 (TK in Crore):**

Description:	Fiscal Year						
	2005	2006	2007	2008	2009	2010	2011
<b>Disbursement</b>	1078.61	1128.53	1281.46	1931.45	2161.71	2646.54	1501.47
<b>Adjustment</b>	686.14	879.64	1272.21	1646.70	1569.45	1551.20	1418.50
<b>Beneficiaries</b>	445587	491848	415736	486875	542087	601393	468534

*d. BRDB:* The Bangladesh Rural Development Board under the Ministry of Local Government, Rural Development and Cooperatives (LGRD & C) is the largest service oriented institutional setup of the Government of Bangladesh (GOB), is directly engaged in rural development and poverty alleviation activities in Bangladesh.

Its Head Office based in Dhaka the capital city of Bangladesh .With 57 out of 64 District Offices and over 476 Sub-District (Upazila) Offices across the country. BRDB boasts coverage unmatched by any other Governmental or Non-Governmental Organization working in rural development and poverty alleviation in Bangladesh. BRDB closely follows reflects, supports and reinforces the GOB goal, vision and policies for socio-economic development in respect of rural development and poverty reduction in particular.

It operates by organizing small and marginal farmers, asset less men, women and destitute freedom fighters into cooperative societies and/or informal groups and provides them with short and long-term credit, technology for their socio-economic wellbeing and training. In its provision of services and support, the BRDB seeks to promote self-sufficient, fully sustainable income-generating activities amongst the landless, the rural poor and the marginalized.

The BRDB was established in 1982 and has since then successfully mobilized 5.3 million beneficiaries into cooperative societies and informal groups. It pioneered the two-tier cooperative system and continues to successfully implement it to alleviate the endemic poverty of Bangladesh's rural populace.

### ***History of BRDB:***

In the early sixties the Comilla Model was evolved in rural development by Dr. Akhter Hamid Khan (1914 - 1999), a renowned social scientist and social reformer, through an action research work at the Bangladesh Academy for Rural Development (BARD) in Kotbari, Comilla. This model is known as the Two-Tier Co-operative system, which has become the main vehicle of Rural Development in Bangladesh.

The origins of the BRDB lie in the previous Integrated Rural Development Programme (IRDP), launched in the early 1970s to replicate the Two-Tier Cooperative System, popularly known as the TCCA-KSS System. The TCCA-KSS System – based on the Comilla Approach to rural development – became the keystone of the IRDP. At the most fundamental level, its application sought to promote economic growth through increased agricultural production and ensure that the rural poor attained self-sufficiency in food production.

The IRDP utilised the TCCA-KSS System to deliver a portfolio of poverty alleviation initiatives, including capital accumulation, training, credit provision, sales and marketing assistance, and extension and technological support.

The Integrated Rural Development Programme was dissolved with the promulgation of the Bangladesh Rural Development Board Ordinance LIII, which came into effect on January 13th, 1982. Under this Ordinance, a board to be called the Bangladesh Rural Development Board was established to carry out the purposes of the said ordinance. That is, to formulate policies, coordinate activities and supervise the implementation of various projects and programs relating to rural development, and to strengthen the rural economy of Bangladesh.



### ***Women's Development:***

Women in Bangladesh, particularly those in rural areas, are severely disadvantaged. Inhibited by a low social status and lack of access to remunerative employment and educational opportunities, they have historically been unable to reap the benefits of development.

Since inception, the BRDB has been striving to improve the status of women within Bangladesh. It realises the necessity of involving all in the development process, and for that reason has undertaken steps to ensure women's participation.

In 1975, the BRDB launched a countrywide women's development project titled, "Strengthening Population Planning through Rural Women's Cooperatives". The project sought to mobilise women in the development process by organising them into cooperatives, which then granted members access to BRDB services. The success of the project led it to become established as a main scheme programme under the recurring revenue budget.

To this day, the programme seeks, as always, to reach the following objectives:

- Organise rural poor women into cooperatives for their participation in socio-economic development,
- Improve rural women's socio-economic condition by equipping them with skills and knowledge,
- Provide working capital to female co-operators, to allow them to undertake various income generating activities and entrepreneurial development projects.
- To provide training on different IGA's, various STD's and HIV/AIDS preventive measures, women rights, women empowerment, child abuse etc.

The BRDB was initially mandated to foster agricultural growth and reach self-sufficient food production. With the tremendous success of this approach (food production doubled within fifteen years from the early 1970s and the country reached near self-sufficient levels of production) the BRDB continued to focus its development efforts on those with production capabilities – that is, small and marginal farmers.

However, as it became clear that this approach to development largely neglected landless and ‘asset less’ people and that the socio-economic condition of such people was in fact continuing to worsen, the BRDB renewed its policies and placed the development of the rural poor at the top of its priorities. By shifting its strategy and expanding its activities, the BRDB was able to couple its efforts to improve agricultural production with the active promotion of self-employment and income generating activities. To this day, the BRDB places equal value on both the provision of financial and technological inputs and skills development, through training and education. With this approach, the BRDB continues to promote improvements in agricultural production and provide those with no means of production with opportunities to improve their standards of living. As well as providing assistance to farmers and the rural poor, BRDB is implementing poverty reduction program for the Insolvent Freedom Fighters and their dependents.

## **1.6 Concept of Micro-Credit:**

The word "Micro-credit" 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 "micro-credit" to mean agricultural credit, or rural credit, or cooperative credit, or consumer credit, or credit from the savings and loan associations, or from credit unions, or from money lenders. When someone claims micro-credit has a thousand year history, or a hundred year history, nobody finds it as an exciting piece of historical information.

*a. Definition of Micro-credit:* Micro-credit may be defined as an extremely small loan given to impoverished people to help them become self employed. It is also known as "micro lending" or "Micro loan". [www.businessdictionary.com](http://www.businessdictionary.com)

Micro-credit is a small financial loan made to poverty-stricken individuals seeking to start their own business. This type of loan typically does not exceed a couple hundred dollars, so an impoverished individual can not solely depend on this type of loan to fund their business. It is also called Micro loan. Micro-credit also means the lending of very small amounts of money at low interest, especially to a start-up company or self-employed person.

**b. Classification of Micro-credit:** There are a lot of varieties of Micro credit. Those are: Traditional informal Micro-credit (such as, moneylender's credit, pawn shops, loans from friends and relatives, consumer credit in informal market, etc.). Micro-credit based on traditional informal groups (such as, tontin, su su, ROSCA, etc.). Activity-based Micro-credit through conventional or specialized banks (such as, agricultural credit, livestock credit, fisheries credit, handloom credit, etc.). Rural credit through specialized banks. Cooperative Micro-credit (cooperative credit, credit union, savings and loan associations, savings banks, etc.). Consumer Micro-credit. Bank-NGO partnership based Micro- credit. Grameen type Micro-credit or Grameen credit. Other types of NGO Micro-credit. Other types of non-NGO, non-collateralized Micro-credit etc.

**c. Micro-credit in Bangladesh:** Micro-credit programs in Bangladesh is implemented by NGOs, Grameen Bank, state-owned commercial banks, private commercial banks, and specialized programs of some ministries of Bangladesh government. In the micro-finance sector total loan outstanding is around TK 248 billion (including Grammen Bank TK 72 billion) and savings TK168 billion. The total clients of this sector is 35 million (including 8.4 million clients from Grameen Bank) that accelerates overall economic development process of the country. Credit services of this sector can be categorized into six broad groups: (i) general micro-credit for small-scale self employment based activities, (ii) microenterprise loans, (iii) loans for ultra poor, (iv) agricultural loans, (v) seasonal loans, and (vi) loans for disaster management. Loan amounts up to BDT 50,000 are generally considered as microcredit; loans above this amount are considered as microenterprise loans.

*d. Difference between Micro-finance and Micro-credit:* ‘Micro-finance’ is often defined as financial services for poor and low-income clients offered by different types of service providers. In practice, the term is often used more narrowly to refer to loans and other services from providers that identify themselves as “micro-finance institutions” (MFI’s). These institutions commonly tend to use new methods developed over the last 30 years to deliver very small loans to unsalaried borrowers, taking little or no collateral. These methods include group lending and liability, pre-loan savings requirements, gradually increasing loan sizes, and an implicit guarantee of ready access to future loans if present loans are repaid fully and promptly.

More broadly, micro-finance refers to a movement that foresees a world in which low-income households have stable access to a range of high quality and reasonable financial services offered by a range of retail providers to finance income-producing activities, build assets, stabilize consumption, and protect against risks. These services include savings, credit, insurance, remittances, and payments, and others.

Micro-credit on the other side usually refers to very small loans for unsalaried borrowers with little or no security. Consumer credit provided to salaried workers based on automated credit scoring is usually not included in the definition of microcredit.

Micro-finance typically refers to a range of financial services including credit, savings, insurance, money transfers, and other financial products provided by different service providers, targeted at poor and low-income people.

*e. The Micro-finance Clients: The Target Group:* Usual Microfinance clients are poor and low-income people that do not have access to other formal financial institutions. Micro-finance clients are often self-employed, household-based entrepreneurs. Their diverse “Micro-enterprises” include small retail shops, street vending, artisanal manufacture, and service provision. In rural areas, Micro-entrepreneurs often have small income-generating activities such as food processing and trade; some but far from all are farmers.

Hard data on the poverty status of clients is limited, but tends to suggest that most Micro-finance clients fall near the poverty line, both above and below. Households in the poorest 10% of the population, including the destitute, are not traditional micro-credit clients because they lack stable cash flows to repay loans. Most clients below the poverty line are in the upper half of the poor. It is clear, however, that some MFIs can serve clients at the higher end of the bottom half. Women often comprise the majority of clients.

Over the past decade, some financial institutions have started developing a range of products to meet the needs of other clients, including pensioners and salaried workers. Although little is known about the universe of potential clients, the number of households without effective access to financial services is enormous. Micro-credits have long been seen as an effective and simple tool to help the poor turn their lives around. Yet researchers are increasingly questioning whether Micro-finance programs are really a solution for everyone.

For almost three decades, the idea that a small loan or Micro-credit can help get people out of poverty has dominated development thinking. The idea is simple and attractive: most poor people are excluded from the financial sector because they lack the collateral needed to take out a loan. But group borrowers can vouch for each other. Repayment rates are high, making it an attractive investment option. In the last couple of years, investment funds and big banks have discovered Micro-finance as a means of making good money - and have been selling it as such to their clients.

In the perspective of Bangladesh, the mainstream Target Groups of Micro-credit and to some extent Micro-finance are the rural poor women.

Not only in Bangladesh, the Target Group of Micro-credit is the backwarded rural poor women of the developing countries in the globe. It is found from different experience and study that the Loan adjustment rate among the women is higher than that of the men groups. As the numbers of women in the country is half portion, so, if they are trained and enabled with consciousness rising, leadership in decision making and empowered by Micro-credit in regulating self employment and income generating activities, then there is a chance of a positive change in the national economic development. For this reason,

women have mainly been chosen for the Micro-credit programs especially in Bangladesh. Women participation in the labor market has been considered as a strong device to reduce the existing widespread poverty in Bangladesh. Based on this assumption, the labour market of Bangladesh has been widely occupied by women workers especially in small entrapreneurship, small farming, handicrafts, and various income generating activities and also in the garments sectors. The impact of women involvement in the labour market has already created a positive change in the economy of rural poor families. Different research evidence shows that the wage of women, their earning has heightened their levels of family income one step ahead (Maruf 1981, Rahman 1986, Pal-Mojumdar and Zahir 1994). Consequently, the rural extreme poor families could overcome their lower income level comparatively into a higher state.

***f. Interest Rate of Micro-finance:*** Each of the Micro-finance Institutions has its own system of Loan Disbursement, Loan Adjustment and Interest Rate. But in most cases the rate of interest are both equal and too high of each MFIs. A research report of World Bank (2000) shows that the interest rate range of Micro- credit in India, Kenya and Philipine was from 1.17 to 8.47. Perhaps, for this reason this sort of Micro-credit program due its long term of monitory payback system does not become aburden to the borrowers. In the perspective of Bangladesh, related to Micro-credit, the interest rate is observed from forty per cent to 100% or even above. Nevertheless, the illiterate rural poor do prefer this type of Loan form different NGO's / MFI's due to to flexible conditions. The primary reason of the choice is that such Micro-credit does no require any mortgage. Furthermore, they can receive the Loan without any official troubles that usually happens in the usual banking sectors. As a whole these type of easy Loan attracts the needy rural poor people and consequently they borrow it.

## **1.7 Micro-credit and its effect on Poverty alleviation in Bangladesh:**

Perhaps, the impact of Micro-credit is thought to be the most important measure of poverty alleviation in the globe. The impact of Micro-credit programs in alleviating poverty, income generation and social development in (the then East Pakistan) Bangladesh initiated by Government and NGO's are remarkable since the sixties. In fact, Bangladesh is perhaps the birth place of Micro-credit programs in the world. The Micro-credit programs are equally appreciated and accepted by developing regions as Asia, Africa and in the Western world. This is why, the United Nations has declared the 2005 as Year of Micro-credit and in 2006 and the Nobel authority awarded Nobel Prize to Professor Dr. Yunus and Grameen Bank jointly for the inception of Micro-credit programs in Bangladesh. Muhammad Yunus spoke famously of putting poverty in a museum. So, some research has taken this expression at face value to see whether Micro-credit (slim definition of Micro-finance) could directly and demonstrably reduce poverty.

Basically, the basic device of poverty alleviation in Bangladesh is still related to the income generation activities of the rural poor by the implementation of Micro-credit programs. Though there remains a lot of feed back and difficulty in monitory management of the Micro-credit programs, nevertheless, it has become a blessing for most of the rural poor in relation to their income generating activities.

To alleviate poverty, various steps have been taken by both Government and the Non-Government Organizations. The impact of these steps is observed positive in several segments. For example, social consciousness in social welfare, female empowerment and rights of children etc. have qualitatively been changed in backward rural regions and consequently, eagerness toward education, tendency of higher living status, intention of social network etc. have been created and increased much more than that of the previous decades.

At present, three strategies have been emphasized to alleviate poverty in Bangladesh. Firstly, Rapid growth of economy in such a manner that the nature of growth is sustainable and labor based production system gets farther expansion so that the lower earning population could be facilitated.

Secondly, gradual higher investment in the social sectors as Health, Education, Transportation etc. so that rapid human resource development occurs in the rural poor. Consequently, that would be helpful for them to be prepared to avail the opportunities of the growth of production and income generation.

Thirdly, to create and spread the social security network for those suffering from extreme poverty and poverty in such an approach so that they can avail the effects of development and also being equipped can take part in the activities that are related to development.

In the recent years, though the poverty has moderately been reduced, nevertheless, its magnitude is still visible and powerful. Until or unless the fundamental obstacles or problems of poverty are obviously not resolved, it will be difficult to bring the rural poor with the mainstream of development. In this association, it is important to indicate the basic problems of the rural poor and take appropriate measures to resolve and implement those obstacles and crises.

As proper Statistics of poverty is important to identify and resolve the crisis of poverty, this is why it is needed to collect the annual or binneal national statistics of poverty. A proper method of data collection is equally important to determine and the decision to activate the same or similar method in every year. The method of identifying the poverty could be decided and determined by Bangladesh Bureau of Statistics with the combination or collaboration of those Organizations that are involved in similar research work.

**1.7.1 Drawbacks of Micro-credit:** The first output of Randomized-Controlled Trials or RCTs on micro-credit found that it helped on the business side of things, but didn't translate into direct poverty reduction as defined for the purposes and the time horizons of the studies, which itself is a tricky task. What measurable variables defining poverty could possibly show meaningful change over the usually short time-horizons over which RCTs are conducted? A. Banerjee and Esther Duflo's widely-cited 2009 study of Micro credit clients in Hyderabad measured a number of variables and did not detect impact on the health and education expenditures viewed as poverty proxies relative to the control group. A comprehensive review of the earlier, more traditional econometric work



on direct poverty reduction impacts of micro-credit found no strong evidence. Given the mutual criticisms among the methodological camps, the intellectually honest answer to the narrow question of whether Micro-credit can demonstrably reduce poverty might be it is not known, but it is assumed that the general skepticism that any single, indirect intervention can be found to reduce a multifaceted, deep-rooted, and persistent problem such as poverty.

Helping to alleviate poverty is the key aim of any individual or group involved in development. The classic diagram of the poverty trap is frequently used to explain why it is so difficult to break out of the cycle of poverty.

Low productivity means that there is no money to invest in those things that could increase output. Banks will not lend even the small amounts required to invest in the means to increase productivity because those on such low incomes can provide no security against the loan. The only money available is often from local moneylenders who charge exceptionally high interest rates that only make the situation worse. In the last 30 years there have been some attempts to change the situation and Microfinance is a term used to describe how financial services can be made available to poor people. It has received a lot of support from people involved in international development because it has been seen as an important way of helping millions of people out of the poverty trap. However recent criticisms by some politicians and development experts mean that the advantages and disadvantages of microfinance have been the subject of many discussions and caused many arguments.))

### ***1.7.2 Objectives of Micro-credit of different NGO's:***

If it viewed as a whole, the followings are the common objectives of Micro-credit Programs of different NGO's that are working in Bangladesh. The basic target is obviously the empowerment of rural back warded women creating income generating activities, providing Micro-credit. The intention is also to bring a social homeostasis in economy and other necessary factors. Consequently, the magnitude of Loan distribution is mostly observed among the rural poor women of the country. Thus the common objectives of most of the Small and Large NGO's are:

- ~To facilitate the opportunity of Micro credit to the rural poor women.
- ~ To provide loan at a lower interest rate.
- ~To create self-employment among rural women and make them work oriented.
- ~ To enhance the income level of the rural poor women and thus to develop the national economy.
- ~ To make the rural poor women efficient in Micro credit activities.
- ~ To bring the target group, the rural poor into a mainstream banking system.

*a. Micro-credit Program: Where not applicable:* Where the chance of the failure of Loan adjustment is prominent, Micro-credit program is not applicable there. Especially, poor floated or slum people that have no specific destination are thought to be not eligible to provide Micro-credit.

*b. Coverage under Micro-credit Programs:* Micro-Credit Programs (MCP) in Bangladesh is implemented by various formal financial institutions (nationalized commercial banks and specialized banks), specialized government organizations and semi-formal financial institutions (nearly 700 NGO-MFIs). The growth in the MFI sector, in terms of the number of MFI as well as total membership, was phenomenal during the 1990s and continues till today. The total coverage of MCP in Bangladesh is approximately 13 million households. Table-1 gives the coverage of major institutions in the formal and semi-formal sectors.

There is debate, on the extent of overlap- one borrower taking loan from more than one Micro-finance Institution. The general consensus is that a national average would be that 15% of all borrowers are borrowing from more than one MFI. In that case the effective coverage is about 11 million households. Out of 11 million households covered by MCP, about 80% are below poverty line and so about 8.8 million poor households are covered by MCP. With estimated households of 26 million, out of which about 46% are poor households, the total number of poor households is approximately 11.96 million. Therefore, there is still scope of extending the coverage of Micro credit programs to an approximate 3.16 million households.

In recent years, Micro-credit, in its wider dimension known as Micro-finance, has become a much favoured intervention for poverty alleviation in the developing countries and least development countries. There is scarcely a poor country and development oriented donor agency (multilateral, bilateral and private) not involved in the promotion (in one form or other) of a Micro-finance program. Many achievements are claimed about the impact of Micro-finance programs, and an outside observer can not but wonder at the range of diversity of the benefits claimed.

Although Bangladesh has huge potential for development, it is, for various socio-economic reasons, among the poorest countries in the world. About half of the country's population lives below the poverty line with 80% in the rural areas. The burden of poverty falls disproportionately on women, who constitute half of the total population. Logically, therefore, poverty alleviation and creation of rural employment are top priorities in the development agenda of the Government of Bangladesh (GOB) which has adopted a broad-based approach to poverty alleviation, emphasizing macro-economic stability, economic liberalization, and support for a number of Government agencies and Non-Government Organizations (NGOs). Substantial progress has been made in implementing the Micro-Credit Program (MCP), and the scope for its efficient expansion is enormous.

## **1.8 Evolution of Micro-finance Institutions in Bangladesh:**

Through the late 1970s, when the 'Jobra' research was in progress under Professor M. Yunus, the Dheki (indigenous rice crashing tool) Rin (loan) Prokolpa was initiated by the Bangladesh Bank in cooperation with the Swanirvar Bangladesh, and several other pilot schemes were initiated by a handful of the NGO's which were active then. At that time, it was difficult to imagine that these initiatives would lead to a major micro-credit movement, which would make Bangladesh known to the rest of the world. Even during the 1980s, in spite of Grameen Bank's success, the main discourse amongst development practitioners in Bangladesh centered on the desirability of micro-credit program as opposed to conscientization. By 1990, unhindered experimentation in the fields led to a quiet resolution of the debate and the country experienced a massive expansion of micro-

finance activities during the 1990s. PKSf contributed significantly to the expansion of micro-credit programs in Bangladesh. This is borne out by the figures on the time path of NGO-Micro Finance Institutions (NGO-MFI's) expansion.

This rapid expansion drew attention from all important quarters—policymakers, academia and development practitioners—each trying to struggle with the unfolding stream of issues and trying to shape the course of the social and economic dynamics initiated due to introduction of micro-credit. With a view to meeting the demand for fund for re-lending by the development partners (NGO-MFIs), and due to an urge to coordinate the flow of such funds to appropriate use, the Palli Karma-Sahayak Foundation (acronym PKSf and the full Bangla name can be translated in English as "Rural Employment Support Foundation") came into being in late 1990. Over the years, its share in the revolving loan fund of the MFIs increased— from 9 percent in 1996 to 24 percent in 2002 (see Table 2). In recent years MFIs have moved from the margins of the financial system towards the mainstream.

### ***State of Micro-credit and MFI in Bangladesh:***

In the background of international 'double-dip' collapse and over-indebtedness crisis in Micro-credit sector in several countries, Bangladesh's Micro-finance sector shows strong spirit and continues to contribute towards improvement of Macro-economic growth. Bangladesh Micro-finance sector is grown-up now and its assets constitute around 3 percent of GDP in 2011. Total outstanding loan of this sector (only licensed MFIs) has increased by 20.0 percent from BDT 145.00 billion in June 2010 to BDT 173.8 billion in June, 2011 disbursed among 20.7 million poor people, helping them to be self-employed and accelerating overall economic development process of the country. The total savings has also increased by 23.25 percent to BDT 63.3 billion in June 2011 compared to previous year from 26.1 million clients, over 93 percent of them are women. (Source: MRA-MIS Database-2011)

**Table-11: Basic Statistics of NGO-MFIs in Bangladesh (As of 30 June 2011)**

<b>Particulars</b>	<b>June, 2008</b>	<b>June , 2009</b>	<b>June, 2010</b>	<b>June, 2011</b>
No. of Licensed NGO-MFIs	293	419	516	576
No of Branches	15,077	16,851	17,252	18,066
No. of Employees	98,896	107,175	109,597	111,828
No. of Clients (Million)	23.45	24.85	25.28	26.08
Total borrowers (Million)	17.79	18.89	19.21	20.65
Amount of Loan Outstanding (Tk. Million )	134,680.96	143,134.03	145,022.66	1,73,797.60
Amount of Savings( Tk. Million)	47,386.19	50,610.04	51,362.93	63,304.44
Amount of Loan Outstanding (Tk. Million )	134,680.96	143,134.03	145,022.66	1,73,797.60
Amount of Savings( Tk. Million)	47,386.19	50,610.04	51,362.93	63,304.44

Source: MRA-MIS Database-2011

Table-11 shows the overall trend of Microfinance statistics in Bangladesh. This sector has created direct job opportunities for over 111,800 people; 80 percent of them are male and 20 percent are female. At the end of June 2011, the sector had outstanding loans of BDT 173.8 billion disbursed to 20.7 million borrowers, and had accumulated BDT 63.3 billion as savings from around 26.10 million clients – over 93 percent of them are women – through more than 18,000 branches, by 576 NGO-MFIs licensed by MRA.

**TABLE-12: Size-Wise Loan Outstanding and Savings Compositions (As of 30 June, 2011):**

Categories	Range of Borrowers	No of MFIs	No of Borrower	Total Loan Outstanding (BDT Million)	% of Total Outstanding	No of Savers	Total Savings (BDT Million)	% of Total Savings
Very Small	Up to 1000	85	63973	492.48	0.28	87660	192.20	0.30
	1001-2000	177	244974	1566.68	0.90	351054	741.81	1.17
	2001-6000	120	422745	2914.21	1.68	566864	1282.30	2.03
	6001-10000	46	364848	2987.90	1.72	469938	1128.09	1.78
Small	10001-50000	103	2218532	19946.10	11.48	2861318	6738.03	10.64
Medium	50001-100000	23	1571226	13805.22	7.94	1875363	4713.86	7.45
Large	100001-1000000	19	4600621	39483.64	22.72	5527971	14652.13	23.15
Very Large	1000001-Above	3	11162371	92601.36	53.58	14274780	33856.028	53.51
Total		576	20649290	173797.60	100	26014948	63304.44	100

Source: MRA 2011

Table-12 shows the market scenario of NGO-MFIs in Bangladesh. The top three MFIs contribute 54 percent of total loan outstanding as well as savings of the micro-finance sector in Bangladesh. Two of the largest MFIs, viz., BRAC & ASA, are each serving over five million borrowers. There are a few more developing fast. On the other hand the smallest 428 NGO-MFIs have contributed only 4 percent of total loan outstanding and 5 percent of total savings. Institutional concentration ratio is highly skewed in favor of large MFIs: just 22 institutions are in control of 76 percent of the market share while three largest organizations have control of over 50 percent in terms of both clients and total financial portfolios.

**TABLE-13: Scenario of Micro Enterprise Loan-2011:**

NGO-MFIs	Total Number of Borrowers	%	Total Loan Outstanding (Tk Million)	%
BRAC	249585	1.30	19128.64	11.27
ASA	140496	0.73	9194.57	5.42
Buro Bangladesh	4857	0.03	187.45	0.11
Jagoroni Chakra Foundation	15008	0.08	1067.96	0.63
Padakkhep Manobik Unnayan Kandra	8570	0.04	561.26	0.33
RDRS Bangladesh	3029	0.02	141.12	0.08
Shakti Foundation	3885	0.02	149.10	0.09
Society for Social Service	15552	0.08	1155.40	0.68
TMSS	8816	0.05	621.12	0.37
UDDIPAN	7310	0.04	663.40	0.39
Top 10 MFIs	457108	2.37	32870.01	19.37
Total 576 MFIs	617706	3.21	40059.84	23.60

Source: MRA 2011

Table-13 depicts the scenario of micro-enterprise loan, i.e., loans above BDT 50,000, of different NGO-MFIs in Bangladesh. It is observed that micro-enterprise loan outstanding is BDT 40 billion which is around 24 percent of total loan outstanding in which the top ten NGO-MFIs contributed around 19 percent. It also shows that BDT 40 billion is disbursed to around 6 lakh borrowers which are only 3 percent of total borrowers. The table expresses that only the top NGO-MFIs are capable to run micro enterprise loan.

#### **Selected Indicators of NGO-MFIs in Bangladesh:**

It is observed from table 4 that savings per member has been increasing over the years. In 2006 savings per member was Tk. 1,207 which stands at Tk.2495 in 2011 – an increase to more than double within the last five years. The loan outstanding per borrower also increased over the years and average growth rate of loan outstanding per borrower is around 17 percent in 2011 compared to the previous year. The loan outstanding per borrower has increased by more than 100 percent within the last five years. These two

indicators, savings per member (average saving size) and outstanding loan per borrower (average loan size) increased over time perhaps due to the increase in the income level of the poor resulting in an increase in their need for higher amount of loans from the MFIs. The ratio between borrowers to clients (members) remained steady for the last few years, which is within 70 to 80 percent and the savings to outstanding loan ratio has also been stable from 2006 to 2011. Since the total number of branches of MFIs has increased at a much higher rate in 2011 compared to the previous year, the number of members and borrowers per branch has decreased. Substantial rate of increase in the sizes of loans per borrower and savings per member has resulted in a rise in the total loan outstanding and savings in the sector. Consequently outstanding loan and saving per branch has also increased. The loan outstanding amount per branch which was TK 8.42 million in 2010 has increased by 14.4 percent in 2011.

Due to huge volume of micro-credit transaction it is necessary to control its abuse and in this connection government of Bangladesh has adopted micro-credit regulatory act in 2006 and setup regulatory authority under this act. Basic features of the authority are:

***Basic features of the Micro-credit Regulatory Authority Act, 2006:***

The Act is the basic skeleton of regulatory requirements, which has a scope to expand further by formulating rules. Following are the important areas which have been covered in the law:

1. Formation of the Authority,
2. Duties of the Authority,
3. Prerequisites of license for MFIs,
4. Rights and responsibilities of MFIs,
5. Deposit insurance fund,
6. Governance of MFIs,
7. Reserve requirement,
8. Profit distribution,
9. Operational requirement,
10. Illegal activities and punishment, etc.



The authority has drafted a set of rules and regulations under the coverage of the law, which is waiting for Government approval. It is expected that this set of rules will help the sector to take a formal institutional shape. This draft has been finalized after thorough consultation with the sector at different levels. It addresses the issue of service charge, good governance, savings collection, merger, sources of fund, rights and responsibilities, reserve requirement and use of surplus fund, liquidity requirement, financial transparency, audit requirement etc.

### ***Vision:***

The Micro-credit Regulatory Authority (MRA) will create a conducive and healthy environment in the micro-finance sector which will ultimately eradicate poverty and contribute to achieve Millennium Development Goals (MDG) as well as foster sustainable development of the country.

### ***Mission:***

To uphold the vision and in pursuant with the “Micro-credit Regulatory Authority Act 2006”, MRA’s mission is to ensure transparency and accountability of micro-finance operations of NGO-MFIs as well as foster sustainable growth of this sector. In order to achieve its mission, MRA has set itself the task to attain the following goals:

1. To formulate as well as to implement the policies to ensure good governance and transparent financial systems of MFIs.
2. To conduct in-depth research on critical microfinance issues and provide policy inputs to the government consistent with the national strategy for poverty eradication.
3. To provide training of NGO-MFIs and linking them with the broader financial market to facilitate sustainable resources and efficient management.
4. To assist the government to build up an inclusive financial market for economic development of the country.
5. To identify the priority issues of microfinance sector for policy guidance and dissemination of information to attain the MRA’s social responsibility.

***Responsibility of MRA:***

According to the Act, the MRA will be responsible for the three primary functions that will need to be carried out, namely:

1. Licensing of MFIs with explicit legal powers;
2. Supervision of MFIs to ensure that they continue to comply with the licensing requirements; and
3. Enforcement of sanctions in the event of any MFI failing to meet the licensing and ongoing supervisory requirements.

**1.9 The concepts of Happiness**

Throughout history philosophers considered happiness to the highest good and ultimate motivation for human action. The literature on happiness or SWB is concerned with how and why people experience their lives in positive ways, including both cognitive judgment and affective reactions.

Actually, Happiness is a state of joy, pleasure, goodness or satisfaction or well-being of the individual about his self, done by cognitive direction. Satisfaction, pleasure, well-being, joy, goodness, enthusiasm etc. influences positively in different fields of the person's personal life. Achievement in a given task, active role in family needs or participation in social activities etc. creates satisfaction and leads the individual toward happiness. The concept of happiness varies from individual to individual. It is a matter of feeling, which is quite personal. Everybody seeks for happiness. The better we understand what makes us happy, the better a chance we have of being happy. Happiness is frequently viewed as a state of pleasure achieved after some external event occurs. Some times, some incidents, experience, external events or even some people become the source of both happiness and unhappiness.

Happiness and well-being are synonymous. Therefore, both individual happiness and subjective well-being attempts to understand people's evaluations of their lives. Primarily, these evaluations are perhaps cognitive (such as – satisfaction or marital satisfaction, or may be pleasant emotions such as – joy and unpleasant emotions as

depression). Happiness can simply be defined as the individual's present evaluation of personal well-being. The evaluation may be such as – "I feel fine" (Schwartz & Strack, 1999). Views of Psychologists' on happiness are many. As Mullis (1990), states that happiness is related to personal goals, like expectation and the means to attain them. Diener and Diener (1996) defined happiness as the cognitive and affective evaluation by the individual or his/her life. The cognitive evaluation refers to long-run life objectives satisfaction, while the affective evaluation is associative with daily emotions experienced by the individuals. (Venhoveen, 1994).

An individual's evaluation of personal life may be in form of the cognitions such as, when the person expresses conscious evaluative judgment about his satisfaction with life as a whole. An individual is said to be living within happiness when experiences life satisfaction and frequent joy and infrequently experience some unpleasant emotions such as sadness, fear, grief, anger etc. On the contrary, an individual is said to be living within low happiness when dissatisfaction with life and experiences negative emotions such as anxiety, anger, tension, suppression etc. The cognitive and affective components of happiness are highly interrelated and recent investigations are revealing the relations between different types of happiness.

Diener (1984) pointed three important characteristics in the study of happiness: First, the magnitude covers the total range of happiness from angry to anxiety. It does not focus only on undesirable states such as depression or helplessness. Instead, individual differences in levels of positive happiness are also considered important. The field of happiness includes the undesirable states that are treated by clinical psychologists, but is not limited to the study of these undesirable states. Happiness is not concerned with the causes of depression and anxiety, but also with the factors that differentiate slightly happy people from moderately happy and extremely happy people.

Second – happiness is defined in terms of the internal experience of the individuals. An external frame of reference is not imposed when assessing happiness. Happiness is measured from the individual's own perspective. If someone thinks his life is going well only then it is going well within his framework. Happiness cannot be a complete definition of mental health because people may be exposed even if they are happy. Therefore, a

psychologist usually will consider measures in connection to happiness in evaluating a person's mental health.

Finally, happiness is the field that focuses on long-term states, not just momentary moods. Though an individual's moods are likely to vary with each new event, the happiness researcher is mostly interested in the person's moods over time. Often, what leads to happiness now of the respondent, may not be the same as what produces long-term happiness.

**1.9.1 Components of Happiness:** The Basic components of happiness are- a. Satisfaction or fulfillment; b. Pleasant affect, and c. Low level unpleasant affects. These three components of happiness are global and interrelated. Each factor of happiness is also subdivided. Global satisfaction, for example, can be divided into satisfaction with various domains of life such as – friendship; love, marriage, recreation etc. and these domains can also be further divided into facet. Pleasant affect can be subdivided into some specific emotions such as – pleasure, ecstasy, joy, affection, pride etc. In addition, unpleasant affects can be separated into specific emotions and moods, such as – shame, sadness, guilt feeling, anger, apathy, anxiety etc. Each of the sub divisions of affect can also be subdivided further more. Happiness can be measured at the most global level, or at gradually narrower levels, depending on one's purpose. Some differences in happiness between nations appear to be because people differently value happiness. Thus, people may trade some amount of positive emotions in order to obtain other things they value. (Diener, Oishi, Lucas, 2003).

### **1.9.2 THEORIES OF HAPPINESS:**

**a) Economic Theory of Happiness:** The view of the individual's income and happiness is also known as 'Economic Theory of Happiness'. This theory refers that higher levels of income are associated with higher levels of happiness. Gradual rising of income enables the individual to fulfill more needs and procure necessary goods needed for life possible. All this satisfies the individual for increased consumption capacity and a higher standard of happiness is thus achieved or attained.

In the field of psychology, the relationship between happiness and economic status (income levels) has been explored theoretically and empirically. The following theories are concerned to individual happiness and income status.

**b) *Relative Theory of Happiness:*** Easterlin, (1974) stated that the impact of individual's income on happiness depends on standards that change over time according to the individual's expectations and social comparisons. This is why, a factor such as the relationship between the present and previous economic condition and the individual's wealth could influence an individual's happiness regarding his/her income level. (Diener and Diener, 1996; Parducci, 1968, 1982).

**c) *Absolute Theory of Happiness:*** It is supposed that there is a positive relationship between happiness and satisfaction of basic needs. Veenhoven (1988, 1991). Usually in all societies, people of higher economic background or with higher income levels can easily satisfy their basic needs and demands such as –food, clothing, housing, traveling, health, amusement etc. They thus deserve a higher happiness than of the people of marginal income level.

**d) *Adaptation Theory of Happiness:*** The 'Adaptation Theory' differs with the absolute theory. It emphasizes on the emotional depth or capabilities of the individual to adjust him to changing circumstances as positive and negative events (Brickman et al., 1978). Therefore, individuals having strong emotional balance or adaptation capabilities supposed to be happier even in adverse situation of low earnings.

**e) *Aspiration Theory of Happiness:*** The 'Aspiration Theory' refers to the degree of satisfaction/dissatisfaction experiences by a person. It is related to the ratio of individual's satisfied desires with the total desires. Those individuals, according to this theory, who believe that their desires are fully satisfied, are supposed to be happier than the individuals who feel they have unsatisfied desires, regardless of their income levels. This approach to the concept of happiness takes into consideration that not only the degree of satisfaction needs (in relation to income) but also the individual's total desires (also in relation to income) are related to happiness.

A research conducted by Myers, (1996) found that higher the income, higher the degree of happiness. In a study Diener, et al., (2003) showed that “some differences in happiness between nations appear to be due to the fact that people differentially value happiness. Thus, people may trade some amount of positive emotions in order to obtain other things they value. Smart et al., (2005), in their research (Satisfaction vs. health), conducted an experiment on the Victorian children at age 19-20. Eighty percent of the respondents were satisfied with their lives- including lifestyle, work or study, relationships with parents and friends, accomplishment and self-perceptions. Fifty percent of the respondents experiencing one or more problems associated with depression, anxiety, anti-social behavior and alcohol use.

### ***1.9.3 COGNITIVE THEORY OF HAPPINESS:***

In accordance to the ‘Cognitive Theory’, the happiness and unhappiness of an individual is developed as a part of behavioral science. The attribution theory of depression is a well-known cognitive theory. This theory refers that the individuals, who are depressed, do believe that negative events are caused by global and stable causes. This is why; negative events are very likely to continue to occur in them. Beck, (1967) popularized the idea that, depressed individuals are fond of perceiving the earth in self-defeating ways. Researchers have identified that in connection to happiness, individuals can shrink or amplify their emotion by that they think and thus can experience heightened or reduced intense emotions (Larsen et al., 1987).

### ***1.9.4 COPING THEORY OF HAPPINESS:***

‘Coping Theory’ has been developed in order to cope with the problems faced by the individuals. Based on the assumption, that in order to cope with the problems, those individuals who feel happy, initiates thoughts and behaviors that are adaptive and helpful. In contrast, the individuals, who on average are unhappy, cope with the events and circumstances in more drastic and destructive ways. For example, happy individuals are more likely to view the positive side of affairs, offers prayer, struggles directly with problems and if necessary seek help from others. On the other hand, unhappy individuals are more likely to engage themselves in fantasy, like to blame others for what has happened

problematic. They also avoid working on difficulty (McCrae & Costa, 1986). The limitations of the theory are that it could not specify that whether those coping styles are the cause or effect of happiness. Religious values or social morals can control the thought process of the individual. Thus, it is assumed that happiness can be enhanced if the individual abide by the religious values or social morals. Research finding show that on average, those who are by nature religious are happier than of those who are non-religious minded (Ellison, 1991; Myers, 1992; Pollner, 1989). Another research finding indicates that those people have higher happiness that concentrates on attainable goals and does not focus their attention exclusively on too huge goals or difficult goals (Emmons, 1986, 1992). Positive optimism can also enhance one's happiness in future (Scheier & Carver, 1993). It is assumed that some intervening variables such as temperament, cognition, intelligence etc. often become the prominent factors to establish a correlation between cognitive factors and happiness.

#### ***1.9.5 THEORY OF CONTEXT:***

Veenhoven (1991) in his research findings states, that happiness is achieved when the individual finds that the satisfactions of basic and universal human needs are fulfilled. In this connection, Veenhaven mentioned the basic needs as hunger, thirst, warmth etc. The 'Context Theory' emphasizes the variables based on the circumstances in which people live in. These variables are the time, person, good or bad life events etc. All these variables influence the happiness of the individual. Context theory also emphasizes the variables that influences the person's happiness are ideas and estimation of counterfactual alternative situations. Conscious aims of the individual are the foundation of the context theory. Changeable factors and their magnitude such as good or bad determine the context models, not the biological universals.

#### ***1.9.6 SOCIAL COMPARISON THEORY OF HAPPINESS:***

Easterlin, (1974) proposed the 'Social Comparison Theory' of happiness. He stated that people in nations do not differ in happiness because the inhabitants of the nation compares only with each other on attributes as wealth and income. This is why the

comparatively more and more rich people are likely to be happier than poorer people of same nation or country, but nations do not differ in happiness.

People having similar income and living either in wealthier or in poorer neighborhoods, do not differ (Diener, Sandvik, Seidlitz & Diener, 1993). People used to earn moderately, were about equally happy whether either in a poorer or wealthier neighborhood lived. When an individual is by others who are inferior on different criterion, the environment does not produce happiness by the social comparison theory. By this theory, people selectively choose others to compare happiness (Taylor, et al., 1983). Often people create an imagery person with whom compares in order to achieve own objectives.

### ***1.9.7 TELIC (ENDPOINT) THEORY OF HAPPINESS:***

The view of this theory is simple. When the individual's need and goal-seeking activities are achieved, happiness is gained (Diener, 1984). The causes of happiness are not universal; it differs depending on an individual's values, attitudes and desires. Most of the human needs and goal seeking activities are related to different components of happiness. For example, individuals having high happiness perceive their goals as more valuable, important and higher in probability of success (Emmons, 1986). In contrast, individuals, low in happiness; perceive their goals more conflicting (Emmons and King, 1988).

In another study conducted by Carver and Scheier (1990), demonstrates that progression toward goal achievement at a higher rate than its standard leads the individual's happiness toward positive effects. On the other hand, progression at a lower rate than its standard leads the individual's happiness toward negative effects (Brunstein, 1993). From this prolonged study, he found that, perceived progress toward goals influences positive changes in happiness, whereas, perceived barriers toward goals influences negative changes in happiness. In another similar study, he also found that a higher level of commitment, along with a sense of progress contributed to higher happiness.

Considering the theories cited above, it could be argued that in the context of the present study the theory related to 'Economic Variable's is more applicable than that of the others. However, each of the theories has its own compatibility, and incompatibility; however, it seems that the 'Economic Theory' of happiness has some sort of consistency with the study.



The economic theories mentioned above focus on the financial conditions of the individuals. The financial condition directly influences the ability to procure the required means of everyday life. It is the most important factor of to fulfill the basic needs of the individual. In addition, whenever the basic demands are not fulfilled, the level of happiness of the individual is affected. The individual then fails to reach the minimum levels of happiness.

It is well known that individuals who received micro-credit, their income level might be higher than that of the previous position. As a result, their purchasing capabilities would be in higher and thus could fulfill the basic needs of family requirements. This in turn, affects their levels of happiness. If it is observed in the conclusion of the study that the micro-credit recipients experience higher happiness levels than that of the non-recipient respondents. Consequently, the finding favours the economic theory of happiness.

#### ***1.9.8 THE CONCEPTS OF ANXIETY:***

Halgin et al., (2003) defined anxiety as a future-oriented and global response, involving both emotional and cognitive components, in which an individual is extremely frightened, tensed, and uneasy about the viewpoint of something terrible is going to happen. Anxiety is a state of increased physiological arousal and generalized feelings of fear and apprehension. Psychologists have introduced the concept of anxiety. The situation that threatens the happiness of an individual is assumed to produce some reaction. That state of reaction is called anxiety. Sustained anxiety is considered an illness when one cannot control his/her anxious feeling. Anxiety disorders are characterized by intense, irrational, and incapacitating apprehension. Anxiety disorder involves excessive levels of negative emotions, such as fear, worry, nervousness, tension and the anxious feelings occur involuntarily despite the best attempts to avoid them or stave them to off. Prolonged worries and anxieties, which experts call generalized anxiety disorder and panic attacks have the same root core cause the overwhelming fears which paralyze the mind and creates serious physical problems. There are some basic patterns of anxiety disorders: The Generalized anxiety disorder, Panic disorder, Phobias, Obsessive Compulsive Disorder (OCD) and Post-traumatic Stress Disorder (PTSD). The anxiety of the individual is

concealed i.e. unfocused. It happens due to disconnection to any special stimulus. The Generalized anxiety disorder is a chronic state of diffuse anxiety. Its syndromes, according to *DSM-IV*, are excessive worry about different circumstances of life. For the micro-credit recipients, some conditions like weekly payback or invest situation/condition, fear of loss of capital etc. might be the cause of the credit recipients to fall into a state of constant tension and anxiety, which Freud called “Free floating anxiety”.

Usually, a threat of physical harm, threats to one’s self-esteem and pressure to perform beyond one’s capabilities produces anxiety. By anxiety, it is meant that the unpleasant emotions characterized by the terms worry, apprehension, dread, and fear that the individual experience at times in varying degrees. Sigmund Freud recognized three types of anxieties. These are Reality anxiety, Neurotic anxiety and Moral anxiety. He mentioned that reality anxiety was a realistic response to perceived danger in the environment. Neurotic anxiety is the fear that the instincts will get out of control and cause the person to do something for which he will be punished. Neurotic anxiety has the basis in reality. Moral anxiety is fear of the conscience. The person with a well developed superego tends to feel guilty when he does something or even thinks of doing something that is contrary to the moral code by which he has been raised (Hall, C. S & Lindzey, G. 1966).

In a final life-time course, an individual develops various methods of coping with anxiety producing situations and with feeling of anxiety. In this connection, various views of anxiety have been expressed. For example, Serotonin is the substance secreted inside the brain, helps brain neurons to communicate with each other by crossing the synaptic gulf. Between neurons, it also helps to bind neurons with neighboring cell membranes. In the treatment of anxiety and depression, it is found that binding of serotonin to its receptors (SSRI – Serotonin Selective Re-uptake Inhibition) plays an important role in regulating emotions. The American ‘National Institute of Mental Health’ (NIMH, 2002), in a research work found that Serotonin is the signaling protein suspected of malfunctioning in anxiety and mood disorders and plays an important role in development of emotional behavior. In an anxiety-producing situation, the researchers found that mice lacking serotonin in frontal brain circuits during an early critical period fail to develop normal reactions. During

anxiety, serotonin stimulation on the forebrain receptors triggers, sustains changes in the brain chemistry that are important for normal emotional behavior throughout life. Researchers have found that serotonin substance plays very critical role in resolving anxiety and controlling emotional behavior (Hen, et al., 2002).

Ruch, (1984) defined anxiety as a feeling of fear or apprehension. Actually, anxiety is a disorder of behavior. It is a threatening situation. This disorder includes several subcategories. Such as, realistic anxiety (fear of actual danger) and neurotic anxiety (fear that one's Id impulses will set out of control). Behavioral theorists believe that anxiety is an inferred state that links observed variables. Sigmund Freud, in his Psychoanalytic view, considered generalized anxiety because of unconscious conflict over Id impulses. The Ego is afraid of the punishment because of the expression of aggressive and sexual impulses. Anxiety becomes a source of clinical concern when it reaches such an intense level that it interfaces with the ability to function in daily life, when a person enters a maladaptive state characterized by extreme physical and psychological reactions. The intense, irrational and incapacitating physical and psychological experiences are the core of the anxiety disorders. Anxiety has both cognitive and affective components. Prolonged anxiety leads to some mental disorders. *DSM-IV* defined mental disorder as a clinically significant behavioral or psychological syndrome or pattern that occurs in an individual and that is associated with present distress (painful symptoms) or disability (impairment in one or more important areas of functioning) or with significantly increased risk of suffering death, pain, disability or an important loss of freedom.

**1.9.9 Manifest Anxiety:** Manifest Anxieties are the obvious, exposed or expressed anxieties that are experienced by the individual. While an individual faces any adverse or negative events, some common anxiety based symptoms are revealed through his attitude and behavior. In case of micro-financing program the recipients of micro-credit faces any such situation that might affect their state of anxiety. In general, it may be speculated that anxiety based symptoms when are exposed by an individual may be called the manifest anxiety.

### 1.9.10 THEORIES OF ANXIETY:

Anxiety as assumed to be the most vital factor of any mental disorder. Psychologists give much emphasis on its formation, reaction and symptoms. There are some views regarding anxiety as follows:

**a) *Psychoanalytic Theory of Anxiety:*** Anxiety as an unconscious conflict. Sigmund Freud believed that neurotic anxiety was the result of an unconscious conflict between Id impulses (sex and apprehension) and the constraints imposed by the ego and superego. Many of the id impulses create a threat to the individual either because they are contradictory to personal values or because they are in opposition to what society will permit.

**b) *Learning Theory of Anxiety:*** This theory does not emphasize the ride of internal conflict on anxiety, but on ways in which anxiety becomes associated with certain situations through learning. When an individual learns to fear or favor of any object or condition because of its association with a fear-producing or happy feeling. For example, an animal that has learned to jump the barrier in a shuttle box to avoid shock may continue to jump to the opposite compartment indefinitely even though no shock has followed the signal since the first few trials of the experiment. It never gives itself a change to learn that the shock has been turned off. This is a more practical theory of habit forming through experiencing some sort of anxiety. (Hillgard, et al., 1975).

**c) *Coping Theory of Anxiety:*** As anxiety is a very uncomfortable emotion that threatens the happiness levels of an individual. It is not possible to tolerate long-term anxieties. The individual, facing anxiety is then strongly motivated to reduce or alleviate the discomfort. Sometimes, the individual attempts to deal directly with the anxiety-producing situation by appraising the situation and then do something to change or avoid the anxiety. These methods are called 'direct coping'. Other methods focus on defending us against anxious feelings without trying to deal directly with the anxiety-producing situation; these are called 'defensive coping'. That includes various ways of distorting ones perception of the situation to make it less threatening. In any anxiety-producing situation, an individual may employ a combination of 'direct and defensive' coping methods

(Hillgard et al., 1975). Any threat to the happiness of the organism is assumed to arouse a state of anxiety. The organism responds directly by coping with the situation and/or tries to defend against anxious feelings by distorting perception of the situation.

### **1.9.11 COGNITIVE-BEHAVIORAL PERSPECTIVE OF ANXIETY:**

According to this theory, the generalized anxiety is viewed as resulting from cognitive distortions that arise in the process of worrying (Aikens & Craske, 2001). People suffering from generalized anxiety disorder also appear to become easily distressed and worried by the minor nuisances and small disruptions of life. If anything goes wrong in their day-to-day existence, such as vehicle trouble, arguments with colleagues or friends, problems related to family relationships, they amplify the extent of the problem and become unduly apprehensive about the outcome. Their concentration shifts from the original problem to their own worries. As a result of their regular worrying, they develop into less efficient in their daily tasks and, therefore, develop more to worry about as more goes wrong to them.

Considering the above-mentioned theories of anxiety, it can be stated that each of these theories have some sort of acceptance as well as rejection in relation to the objectives of the proposed study. If it is observed carefully in the context of the present study, it seems that the Learning Theory of Anxiety has a strong basis of acceptance than that of the other theories. Borrowers that received micro-credit had some sort of economic needs. This need of money stimulated them to receive micro-credit. The credit thus helped the receiver in different phases of life events. To resolve any economic and/or social expenditures and the intention to achieve a higher socio-economic status, the rural poor women first thinks of the micro-credit. The practice or experience of micro-credit, the receiver learns that the credit is important or required either to survive from the unemployment status or economic crisis in the social life or to achieve an income generating activities for a higher economic status than that of the present blockade state. In this manner, the micro-credit related activities become associated with the psychophysical demand of the receivers. This learning then stimulates the receivers to receive further credits. It is already observed that

most of the micro-credit recipients are involved in receiving credit from different NGO's, and also for several times from the same NGO.

It is comprehensive that the psychological reasons of the micro-credit are to survive from unemployment status, income generation, and security of life. While the habit receiving micro-credit is repetitive and fixated for the mentioned reasons, the individual learns that it is required either to survive from poverty and unemployment and course of income generation and to lead a homeostatic secured social life or to avoid the inevitable dangers of poverty. In this way the micro-credit receiving behavior becomes associated with the psychophysical demand of the recipients.

### **1.10 Rural Poor (in Bangladesh):**

In the perspective of Bangladesh, the mainstream Target Groups of Micro-credit and to some extent Microfinance are the rural poor women.

It has been proved possible to indicate the characteristics of rural poor and non-poor classes. Usually, the numbers of family members of the rural poor are higher/larger than that of the other classes (Especially, numbers of children under ten years are more visible). The income generation capabilities of the rural poor families are limited and responsibilities are greater. Furthermore, by occupation, most of the rural poor are involved in agricultural labourers. (Mujeri, 2005).

The expenditures of food purchase in a rural family are much higher than that of the rich or the others. In this regard, a survey report shows that the rural poor families do spend 86.7% of their family income in purchasing food items and for *non-food items* .13.3%. In contrast, comparatively rural solvent people do spend 73.3% in purchasing food and 26.7% *non-food items*. (Mujeri, 2005). Besides, the rural poor get poorer in response to natural disaster, insecurity, seasonal unemployment, termination from work, sudden death of only earning member. They are usually not capable or unable to bear or face these obstacles or barriers in their family life, which in turn makes them vulnerable, pauper, distressed, landless and homeless.

Research evidence suggests that micro-credit facilitates purchasing capacities of essential commodities and health care support of the rural poor (Rahman, 2012). Unfortunately, no studies on impact of micro-credit on psychological phenomenon have *yet* been found. But, income and/or purchasing capability of an individual can influence of his psychological state like happiness and anxiety.

Research evidence reveals that income generation of an individual influences the level of happiness. Several evidences support this proposal that there exists a positive relationship between person's family income and happiness within countries (Larsen, 1978; Mullis, 1990; Veenhoven, 1988, 1991; Heady, 1991; Douthitt et al., 1992). The income-happiness relationships exist even when other variables as education, age, marital status etc. are controlled. It is also to be noted that satisfaction with income is also related to happiness (Barun, 1977; Campbell et al., 1976). Larson, (1978) reviewed the above studies and added that many others have found happiness to be related to subjective income. Those researchers are Alston, Lowe, & Hultsch, 1974; Freudiger, 1980; Manchini & Orthner, 1980; Riddick, 1980. While other factors are controlled, the *effect of income is often small*. From review of 30 cross sectional studies conducted within countries by Easterlin, (1974) reported that wealthier people were happier than poorer in concerned countries and the effect of happiness was often strong.

Several studies have been conducted to determine the effect of age, education, income, employment, and marital status on happiness. Some of those are cited as follows:

**Age:** Many of the early studies reported that younger people were happier than older people (Bradburn & Caplovitz, 1965; Gurin, Verrof, & Feld, 1960; Wessman, 1957). In comparison to the above studies of relatively recent years many other researchers have also found no age aspect in happiness. Those are: Alston et al., 1974; Andrews & Withey, 1976; Cameron, 1975; Sauer, W. 1977. But in the study of Brauns (1977), opposite result have been found than expected. He showed that younger respondents reported stronger levels of both positive and negative effects. In contrast older respondents reported greater level of overall happiness.

**Education:** Campbell, (1981) in the report of his investigation mentioned that education plays important role on the level of happiness of an individual. Bradburn, (1969) studied and found that educational level was significantly associated with positive affect of the respondents, but not with the negative affects. Some other investigation on the relationship of happiness and education showed contradictory findings. Palmore, E. (1979); Palmore & Luicart, (1972); stated from investigation that the effect of education on happiness do not appear to be prominent and education seem to interact with other variables such as income (Bradburn & Caplovitz, 1965). It is also accumulated from some other studies that there is no significant effect of education on happiness when other factors are controlled. (Clemente & Sauer, 1976a; Spreizer & Snyder, 1974; Toseland & Rasch, 1978-1980). Campbell, (1981) further made some analysis and suggested that education may serve as a resource for the person; it may also intensify the level of aspirations and stimulates an individual toward alternative types of life.

**Income:** There is an overwhelming amount of evidence that shows a positive relationship between income and SWB within countries (Larson, 1978). This relation exists even when other variables (such as education) are controlled. As might be expected, satisfaction with income is also related to happiness (Brawn, 1977; Campbell et al., 1976). In addition to those studies reviewed by Larson, many other have found objective income to be related to SWB (Alston, Lowe, & Wrigley, 1974; Andrews & Withey, 1976; Bortner & HUltsch, 1970; Freudiger, 1980; Kimmel, Price, & Walker, 1978; Mancini & Others, 1980; Riddick, 1980). Although the effect of income is often small when other factors are controlled, these other factors may be ones through which income could produce its effects (e. g., better health). Easterlin (1974) reviewed thirty cross-sectional studies conducted within countries. In every study, wealthier persons were happier than poorer persons in that country, and this effect was often strong.

**Employment Status:** Employment status is one of the most prominent research areas in the analysis and measurement of happiness. It is observed from the study of Campbell et al., (1976) that people having no job to do or unemployed are the most unhappy group, even when the differences of income were controlled. From these research findings, it is suggested that unemployment status was the most devastating impact on the



level of happiness for many people that go beyond the obvious financial difficulties. In every society, it is observed around the globe that due to unemployment condition or inability of the government to ensure or provide job, faces anti-government movements or activities, which in turn, changes the ruling authority. Unemployment status not only makes the victim unhappy, it also encourages toward violence either on the street against the government or against the social values by committing different anti-social or criminal activities. It may occur anywhere in the world. It is observed in various studies on socio-economic impact of Micro-credit that the credit can play a vital role on self employment or to start small business of the unemployed rural poor (Ahmed, S. and Wahab, F. R. 1990; Begum, R, et. al. 2005; Bhattacharya, D. 1990).

**Marital Status:** Many researchers like Bortner & Hultsch, 1970; Sauer, 1977; Spreitzer & Synder, 1974; and Toseland & Rasch, 1978-1980 in their concerned studies tried to establish relationship between happiness and marital status. But all of them could not succeed to show statistically significant effects on happiness for marriage; virtually most relationships were positive. (Larson, 1978). A huge number of investigations indicate that married persons reported lower anxiety and higher happiness level than any category of unmarried persons. (Denier et al., 1999; Andrews & Withey, 1976; Glenn, 1975). Glen & Weaver, (1979) stated that marriage was the strongest predictor of happiness even when income, occupation and education status were controlled.

**Residential Status:** Anxiety might be revealed within the individual due to some socio-economic status. A few numbers of studies on anxiety in relation to Micro credit have been conducted. But, so far few numbers of studies has yet been conducted in Bangladesh. Several studies have been conducted on happiness, and also related to Micro credit. However, available studies on anxiety are discussed below.

Sustained anxiety is an illness. The reaction to sustained anxiety further creates negative emotions, such as – fear, worry, nervousness, tension, anxious feelings etc. within the individual.

“The typical micro-finance borrower faces a very rigid repayment schedule that requires her to make installments on a weekly basis beginning shortly after loan disbursement,” the authors write. “While such a contract is believed to be an important component of keeping default at bay, frequent repayment also limits clients’ ability to deal with short-term shocks to household income and could, therefore, be an important source of anxiety when there is a high degree of income variance.”

Opposite findings are also observed in the research of CAMBRIDGE, MA. The author observed that ‘Flexible repayment schedules for microfinance loan recipients can reduce financial stress faced by individual clients. The important reason for this may be income gains due to improved business investments. That is the finding from a field experiment in India designed in part by Professor Rohini Pande (*in Print*) of Harvard Kennedy School.

***Further studies in this regard shows-***“Repayment Flexibility Can Reduce Financial Stress: A Randomized Control Trial with Microfinance Clients in India” is co-authored by Professor Erica Field, Duke University; Rohini Pande, Mohammed Kamal Professor of Public Policy, Harvard Kennedy School; John Papp, High bridge Capital Management; and Y. Jeanette Park, Harvard Business School.

Recent criticism of micro-finance institutions has focused on a perception that the poor are being allowed to take on too much debt – that leads to significant financial stress. In some cases, this debt has been blamed for borrower suicides. Nevertheless, the poor need credit to grow businesses and insulate against shocks. This paper finds that the financial stress of debt can be significantly reduced, and business income doubled, on average, by increasing loan repayment flexibility.

The researchers worked in collaboration with a microfinance organization called Village Financial Society (VFS) in Kolkata, India to gauge clients’ responses to different loan repayment schedules with the intent of determining whether more flexible schedules reduced financial pressures and improved economic outcomes.

They also mentioned that- “A central concern is that the psychological burden of frequent repayment – particularly among poor clients who often lack the financial tools to optimally manage loans – may in many instances offset the positive influence of access to credit, making microfinance borrowers worse off in terms of mental as well-being.”

In the field experiment, some loan recipients were switched to a monthly repayment schedule, resulting in significant differences as compared to those on the weekly schedules:

Rohini Pande is the Mohammed Kamal Professor of Public Policy at Harvard Kennedy School and co-Director of Evidence for Policy Design (EPoD) at Center for International Development, Harvard University mentioned the following observations from her study related to payment procedure:

- monthly clients were 51 percent less likely to report feeling ‘worried, tense or anxious’ about repaying than weekly clients;
- monthly clients were 54% more likely to report feeling confident about repaying their loan than weekly clients; and
- relative to weekly clients, monthly clients more than doubled their business income, on average;
- there was no evidence, however, that moving from a weekly to a monthly payment increased the default rate during the study period.

The findings show that flexibility in repayment reduced clients’ mental stress along several dimensions, suggesting that product design can play a key role in influencing how micro-credit affects the financial stress of the poor. The authors conclude that, ‘Little evidence that the less frequent payments affected social interactions, default, spending on temptation goods, or clients’ ability to smooth income.’ The author also mentioned that, “Rather, results suggest that a schedule requiring less frequent payments leads to a reduction in financial stress because it enables clients to use their credit more wisely and

take advantage of profitable investment opportunities, which results in higher household income." [www.hks.harvard.edu](http://www.hks.harvard.edu)

***Studies on psychological phenomenon of the rural poor in Bangladesh:***

A very few studies have so far been carried out on psychological phenomenon (as well-being or anxiety) of the rural poor in Bangladesh. In a study, Khan and Haque (2011) showed that Manifest Anxiety of the 'Khash Land Allotees' (land owned by the government and allotted to the poor for long term basis) was minimum in comparison to the landless and marginal farmer or share-croppers. A further study conducted by Khan and his associates (2007) on the effect of land ownership on psychological well-being of the rural poor. They observed that psychological well-being of the khash land allotees was much higher and psychological well-being of the landless was very low. In another study, Khan, et. al. (2005) found that mental health condition of the khash land allotees was much higher in comparison to landless and share-croppers.

It can thus be argued that on the basis of the above mentioned study (study on psychological phenomenon of the rural poor); the ownership of wealth or assets is the influencing factor that positively changes the state of well-being of the poor people.

Considering the above mentioned findings, it is apparent that most of the studies related to micro-finance have been conducted on economic perspective and results of those studies indicate that micro-credit can play the vital role on generating income of its recipients. Researchers have concluded that income of an individual influences his psychological state positively. But, unfortunately studies on the effect of micro-finance on psychological phenomenon of the micro-credit recipients have not yet been conducted accordingly. It is apparent to mention that there is a space of our understanding on the relationships between micro-credit and psychological state of its clients. Consequently, the researcher of the present study intends to conduct an investigation to establish the relationships between micro-finance and psychological impact on its beneficiaries. Specially, the present researcher intends to investigate the impact of micro-credit on the level of Happiness and Manifest Anxiety of the credit recipients.

## 1. 11 Review of Literature:

It is a primary task to review the literatures related to the research work to be done. In this view based on the concepts of the current study- Micro credit, Rural poor, Happiness, and Manifest Anxiety related studies and findings were assessed and discussed in the following steps.

The principal focal point of the review was determined on some observed studies designed to investigate the general features of Microcredit. In the second step, some experiential studies that cover Happiness have been emphasized. Finally, available studies have been discussed based on personal and Socio-economic variables that influence the level of Manifest Anxiety of an individual.

Findings of the mentioned psychological phenomenon as Happiness and Anxiety based studies, the impact of Microcredit and its relationships with Happiness and Manifest Anxiety are discussed in the following sections:

### ***Micro-credit*** [Microfinance]:

Impact of micro-credit on socio-economic perspective in Bangladesh have been well studied and findings show that micro-credit has positive impact on enhance the socio-economic conditions of the rural poor. (Rahman, R. I., 1996; Rahman, R. I., 2000; Chowdhury, M. J. Alam, 2000; Ahmed., et al. 1992).

Micro-credits have long been seen as an effective and simple tool to help the poor turn their lives around. Yet researchers are increasingly questioning whether Microfinance programs are really a solution for everyone. Different research evidence shows that the impact of Micro credit has created work and wage for women and their earning has heightened their levels of family income one step ahead (Maruf 1981, Rahman 1986, Pal-Mojumdar and Zahir 1994). Consequently, the rural extreme poor families could overcome their lower income level comparatively into a higher state.

## 1.12 OBJECTIVES AND HYPOTHESES OF THE STUDY:

### Objectives:

Considering both experimental evidences and field observation of micro-credit and its findings indicates that the levels of Happiness of the micro-credit recipients differ from those that are non-recipients. Similarly, the levels of Manifest Anxiety of the micro-credit recipients also differ from the non-recipients. The present study has been designed to investigate and compare the levels of Happiness and Manifest Anxiety of the micro-credit recipients and non-recipients with the following objectives:

- i. To measure the levels of Happiness and Manifest Anxiety of the micro-credit recipients and non-recipients in Bangladesh.
- ii. To investigate and compare whether there exists any significant difference in the levels of Happiness between the micro-credit recipients and the non-recipients.
- iii. To investigate and compare whether there exists any significant difference in the levels of Manifest Anxiety between the micro-credit recipients and non-recipients.
- iv. To investigate and compare the levels of Happiness and Manifest Anxiety of micro-credit recipients in relation to some personal variables.
- vi. To investigate separately whether there remains a correlation between the scores of Happiness and Manifest Anxiety of the micro-credit recipients and non-recipients.
- vii. To investigate the levels of Happiness of the micro-credit recipients as related to their socio-demographic variables.
- viii. To investigate the levels of Manifest Anxiety of the micro-credit recipients as related to their socio-demographic variables.

**Hypotheses:**

Considering the mentioned information and objectives related to micro-credit, the following hypotheses have been considered for justification:

**Hypothesis I:** Levels of Happiness of the micro-credit recipients would be higher than that of the non-recipients.

**Hypothesis II:** Levels of Manifest Anxiety of the micro-credit recipients would be lower than that of the non-recipients.

**1.13 IMPORTANCE OF THE STUDY**

It is evident to mention that the mainstream Target Groups of Micro-credit and to some extent, Micro-finance are the rural poor women in Bangladesh. As the numbers of women in the country is all but half of total population, therefore, if they are trained and enabled with consciousness raising, leadership in decision making and empowered by micro-credit in regulating self employment and income generating activities, then there reveals a chance of a positive change in the national economic development. Research evidence also shows that micro-credit increases income of the credit recipients (Maruf 1981, Rahman 1986, Pal-Mojumdar and Zahir 1994). Consequently, the rural extreme poor families could overcome their lower income level comparatively into a higher state while utilizing the opportunities of the micro-credit programs.

The sustainable development of any society depends not only on the economic development or increased per capita income, but also on the combination of economic, social, educational, political and health status (physical as well as psychological) of the individual. Higher state of mental health or Happiness and lower state of Anxiety of the individuals of a nation is the prime psychological parameter of sustainable development. Philosophers of different ages considered happiness to be the unique and ultimate motivation for personal as well as social achievements. Unluckily most of the studies already been conducted are concerned with the economic perspectives of micro-credit

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recipients. Yet, no satisfactory research evidence has been found on psychological phenomenon specially, on Happiness of the micro-credit recipients. To ensure any sustainable development of a nation, it is the precondition to establish a sound psychological health of the people. If the psychological health of the micro-credit recipients do not remain in a sound state, the economic impact of micro-credit might not be effective or be sustained. This is why, the researcher of the present study intends to study two important psychological health phenomenon (like Happiness and Manifest Anxiety) and willing to find out some correlations between micro-credit and the said psychological states of the credit recipients. It is assumed that many significant features would be observed through the proposed investigation and that would perhaps be regarded as the addition or extension of existing knowledge in the concerned field, which might be helpful to device appropriate measure to eliminate the difficulties related to micro-financing policy and of the recipients of micro-credit as well. In consequence, the proposed study would stand much important significance.



## **Chapter-II**

### **Methods:**

#### **2.1 Respondents:**

In the present study one thousand respondents were selected and required data were collected from them. All the respondents were female. Among them 500 respondents were Micro-credit recipient from different Government and Non Government Organizations (NGO). The rest 500 were non-recipients of micro-credit (control group). The respondents of control group were homogeneous to the Micro-credit recipients on the basis of age, sex, education, occupation, family structure and monthly family income. Samples have been collected from six district of Bangladesh. Those were Rajshahi, Panchagarh, Tangail, Gazipur, Kushtia and Meherpur. From every mentioned district, respondents were selected from those who received micro-credit from national and local micro-financing organizations. Eighty three micro-credit recipient and similar numbers of non-recipient respondents were selected for data collection from each following districts- Tangail, Gazipur, Rajshahi and Kushtia. And eighty four micro-credit recipient and similar numbers of non-recipient respondents were selected from Panchagarh and Meherpur districts (Table-1). Among the micro-credit recipient respondents, 468 were married and 32 were unmarried. Contrarily, among the non- recipients 462 were married and 38 were unmarried. All the respondents were adult and mentally responsible. The same Personal Information Blank (PIB) was employed on all them to collect the required data. The items of the questionnaire cover Age, Occupation, Monthly Family Income, Education, and Micro-credit based information etc.

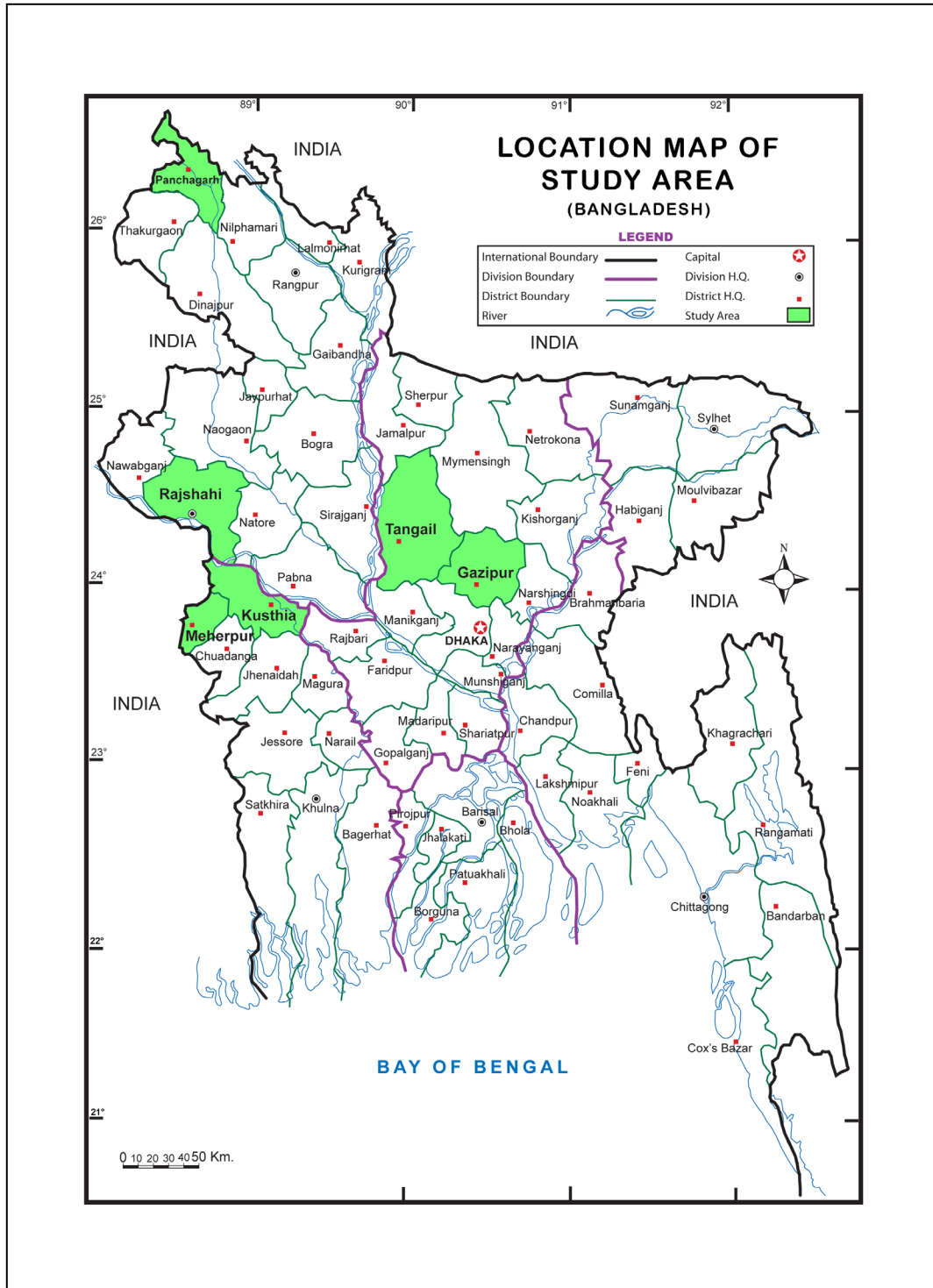
#### **2.2 Sampling:**

About the sampling or data collection, it is important to mention that, just before it started, the mass destructive Sidor hit the Chittagong and the Barishal divisions. A vast destruction occurred in these two divisions. The Sidor has had a big blow or a negative impact to the socio-economic infrastructures and well-being of the people of these two

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regions. This is the reason that data collections from these divisions were excluded in the study. From the remaining six divisions, three divisions were selected randomly as study area. Those were Dhaka, Rajshahi and Khulna. Furthermore, two districts were randomly selected from each division. Locations of the study areas are shown in country map in the next page. Respondents of experimental group (micro-credit recipient) were selected purposefully and each member of a group (credit group) were respondent. On the other hand respondents of the control group were homogeneous to each respondent of the experimental group, and homogeneity of the two groups were insured on the basis of the age, sex, education, occupation, family structure and monthly family income of the respondents.

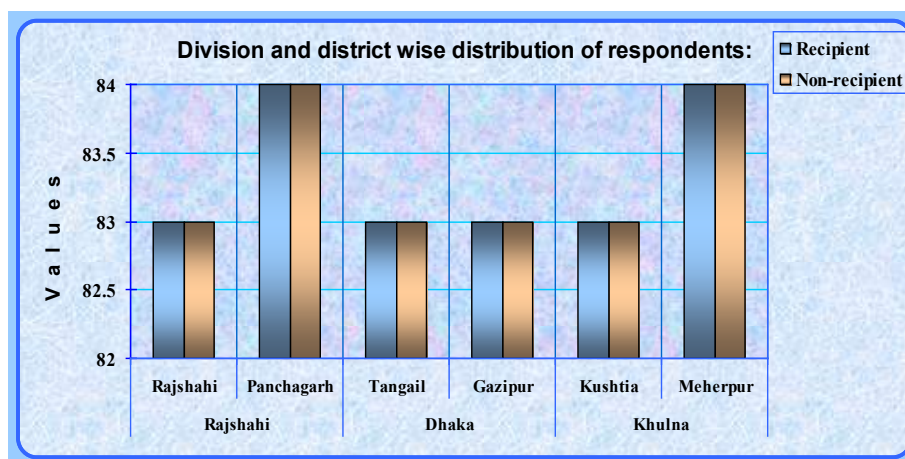
Figure-1: Map: Location of the study areas:



**Table-14: Division and district wise distribution of micro-credit recipient and non-recipient Respondents:**

Division	District	Numbers of micro-credit recipient	Numbers of non-recipient respondents	Comments
Rajshahi	Rajshahi	83	83	Rajshahi Division
	Panchagarh	84	84	
Dhaka	Tangail	83	83	Dhaka Division
	Gazipur	83	83	
Khulna	Kushtia	83	83	Khulna Division
	Meherpur	84	84	
Total=		500	500	

**Figure-2:** Division and district wise distribution of micro-credit recipient respondents.

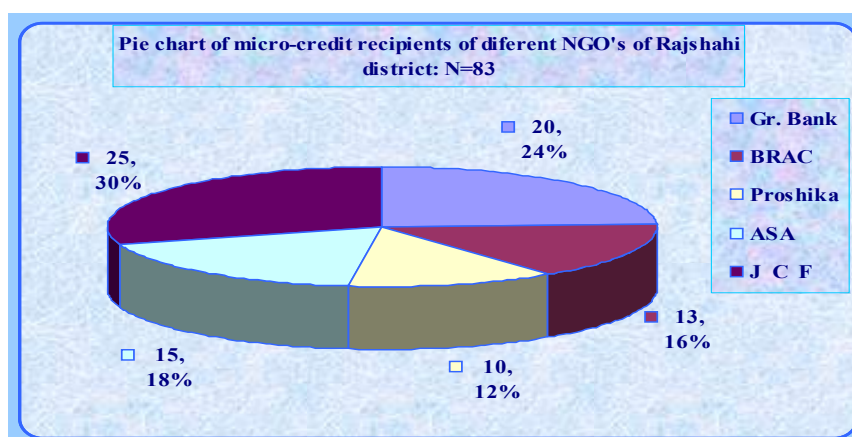


Distribution of district and location based Micro-credit recipient respondents of NGO's, their Academic Status, Marital Status, Monthly Family Income, Amount of Loan and Investment of Loan in related sectors are presented in the following tables and graphs:

**Table-15: Distribution of Micro-credit recipients of different NGO's of Rajshahi district:**

SL. No.	NGO Name	Location	No. of Sampling	Percentage	Comments
1	<b>Grameen Bank</b>	Parila, Paba	20	24.1	
2	<b>BRAC</b>	Kharkhari, Paba	13	15.66	
3	<b>Proshika</b>	Hetemkha	10	12.05	
4	<b>ASA</b>	Kharkhari, Paba	15	18.07	
5	<b>JCF</b>	Housing Estate	25	30.12	

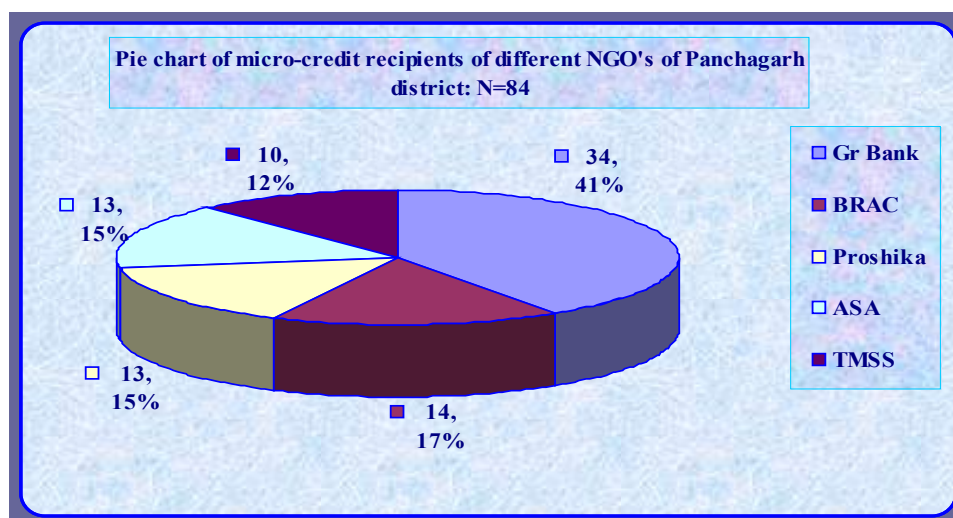
**Figure-3: Pie chart distribution of Micro-credit recipients of different NGO's of Rajshahi district:**



**Table-16: Distribution of Micro-credit recipients of different NGO's of Panchagarh district:**

Sl. No.	NGO Name	Location	No of Sampling	Percentage	Comments
1	<b>Grameen Bank</b>	Deviganj	34	40.97	
2	<b>BRAC</b>	Deviganj	14	16.67	
3	<b>Proshika</b>	Boda	13	15.48	
4	<b>ASA</b>	Deviganj	13	15.48	
5	<b>TMSS</b>	Boda	10	11.90	
<b>Total=</b>			<b>84</b>	<b>100</b>	

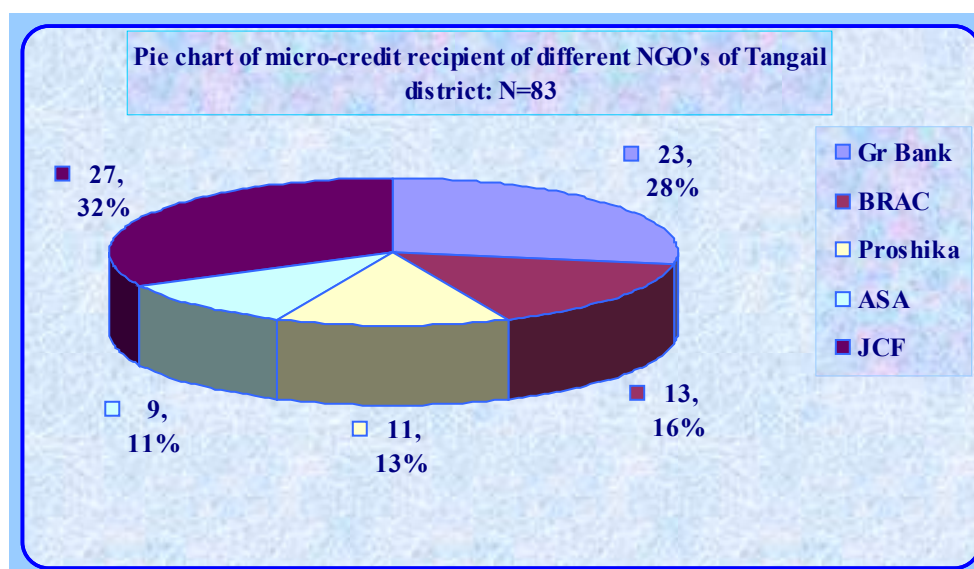
**Figure-4: Pie chart distribution of Micro-credit recipients of different NGO's of Panchagarh district:**



**Table-17: Distribution of Micro-credit Recipients of different NGO's of Tangail District:**

Sl. No.	NGO Name	Location	No of Sampling	Percentage	Comments
1	Grameen Bank	Tangail	23	27.71	
2	BRAC	Tangail	13	15.66	
3	Proshika	Kalihati	11	13.25	
4	ASA	Tangail	9	10.85	
5	JCF-	Tangail	27	32.53	
Total=			83	100	

**Figure-5: Pie Chart Distribution of Micro-credit Recipients of different NGO's of Tangail District:**

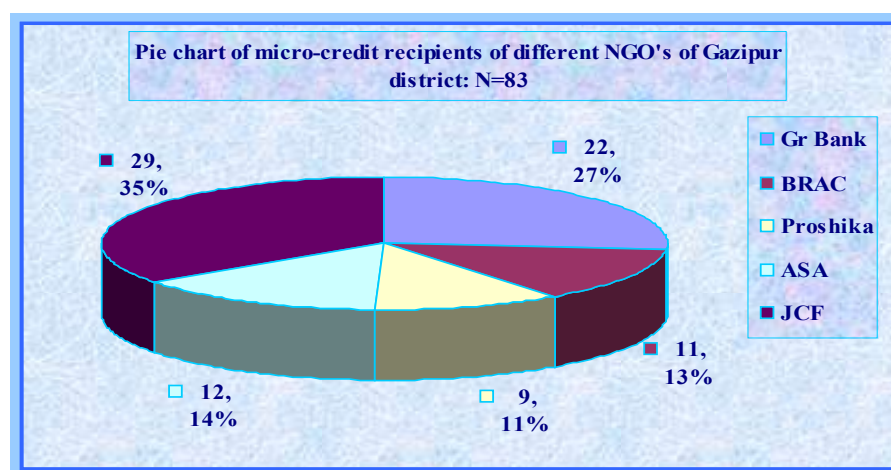


**Table-18: Distribution of Micro-credit recipients of different NGO's of Gazipur district:**

Sl. No.	NGO Name	Location	No of Sampling	Percentage	Comments
1	Grameen Bank	BIDC Bus- Stand	22	26.50	
2	BRAC	Tongi	11	13.25	
3	Proshika	Mid-Aushpara	9	10.84	
4	ASA	Shafiuddin Rd	12	14.46	
5	JCF*	Shafiuddin Rd	29	34.94	
Total=			83	100	

\*Jagoroni Chakro Foundation.

**Figure-6: Pie Chart distribution of Microcredit recipients of different NGO's of Gazipur district:**



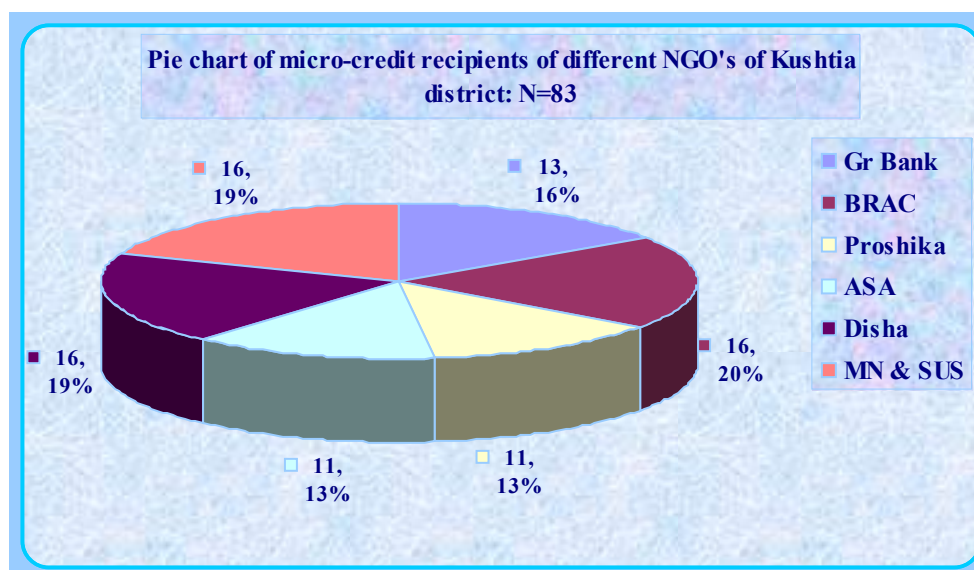


**Table-19: Distribution of Micro-credit recipients of different NGO's of Kushtia district:**

Sl. No.	NGO Name	Location	No of Sampling	Percentage	Comments
1	Grameen Bank	Kushtia	13	15.66	
2	BRAC	Kushtia	16	19.28	
3	Proshika	Kushtia	11	13.25	
4	ASA	Kushtia	11	13.25	
5	Disha	Kushtia	16	19.28	
6	MN&SUS*	Kushtia	16	19.28	
Total=			83	100	

\*Mukto Nari & Sishu Unnoyon Sangstha.

**Figure-7: Pie chart distribution of Micro-credit recipients of different NGO's of Kushtia district:**

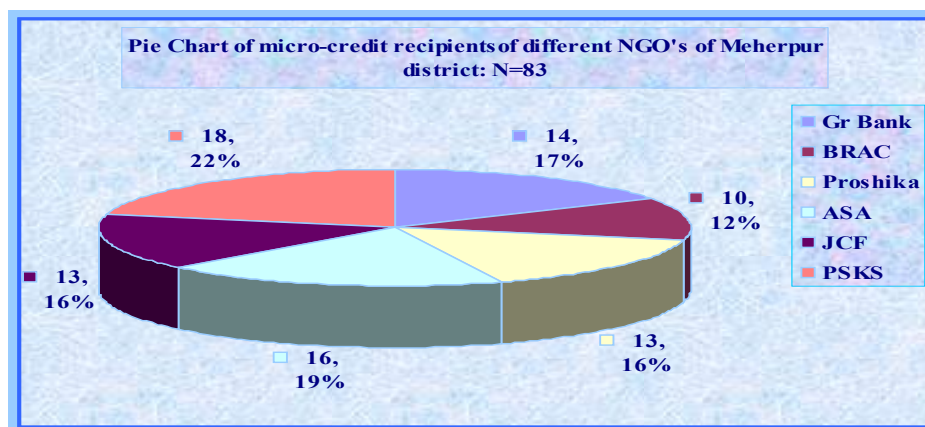


**Table-20: Distribution of Micro-credit recipients of different NGO's of Meherpur district:**

Sl. No.	NGO Name	Location	No of Sampling	Percentage	Comments
1	<b>Grameen Bank</b>	Chougasa, Gangni	14	16.67	
2	<b>BRAC</b>	Malsadaho, Gangni	10	11.90	
3	<b>Proshika</b>	Gangni	13	15.48	
4	<b>ASA</b>	Gangni	16	19.05	
5	<b>JCF</b>	Changara, Gangni	12	14.29	
6	<b>PSKS*</b>	Bashbaria, Gangni	18	21.43	
<b>Total=</b>			<b>83</b>	<b>100</b>	

\*Polashipara Samaj Kallyan Samity

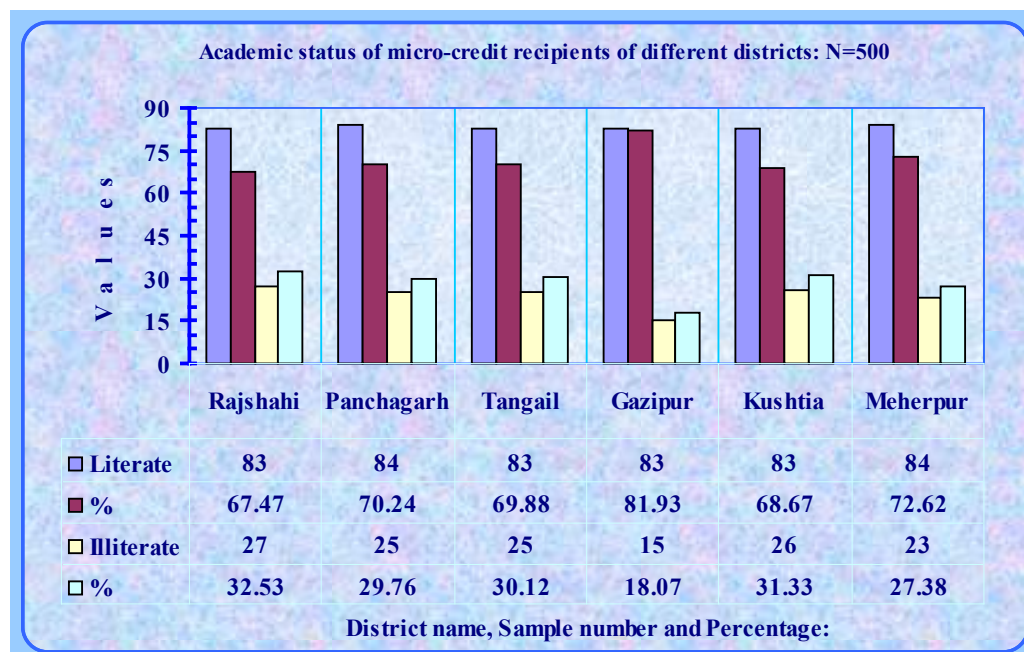
**Figure-8: Pie chart distribution of Micro-credit recipients of different NGO's of Meherpur district:**



**Table-21: Division and district wise distribution of Literate and Illiterate Micro-credit recipients:**

District	Sample	Literate	Illiterate	Comments
Rajshahi	83	56	27	
Panchagarh	84	59	25	
Tangail	83	58	25	
Gazipur	83	68	15	
Kushtia	83	57	26	
Meherpur	84	61	23	
<b>Total=</b>	<b>500</b>	<b>359</b>	<b>141</b>	

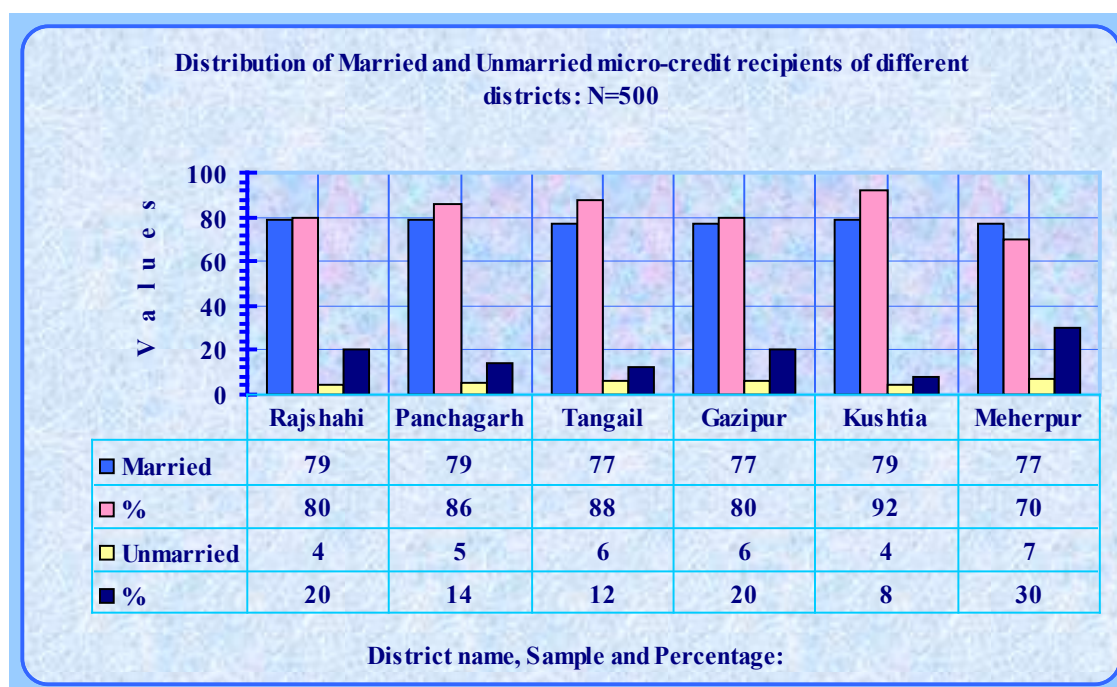
**Figure-9: Graphical presentation of district wise Literate and Illiterate Microcredit recipients:**



**Table-22: Division and district wise distribution of Married and Unmarried Micro-credit recipients:**

District	Sample	Married	Unmarried	Comments
Rajshahi	83	79	4	
Panchagarh	84	79	5	
Tangail	83	77	6	
Gazipur	83	77	6	
Kushtia	83	79	4	
Meherpur	84	77	7	
<b>Toal=</b>	<b>500</b>	<b>468</b>	<b>32</b>	

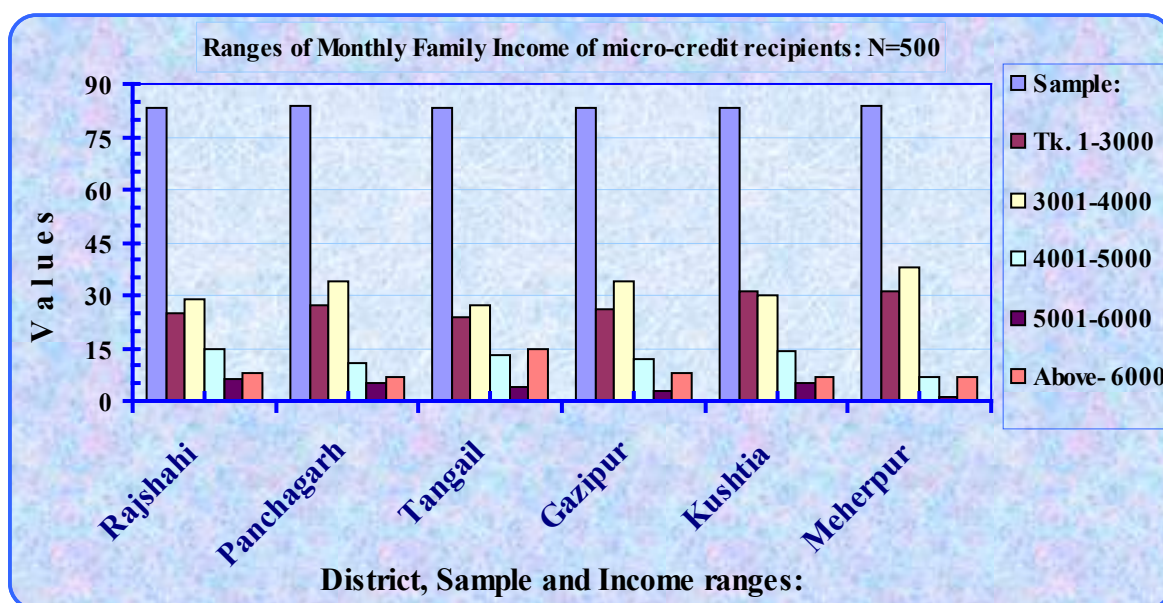
**Figure-10: Graphical presentation of district wise Married and Unmarried Micro-credit recipients:**



**Table-23: Division and district wise distribution of Monthly Family Income of Micro-credit recipients (amount in Taka):**

District	Sample	Tk. 1-3000	3001-4000	4001-5000	5001-6000	Above 6000
Rajshahi	83	25	29	15	6	8
Panchagarh	84	27	34	11	5	7
Tangail	83	24	27	13	4	15
Gazipur	83	26	34	12	3	8
Kushtia	83	31	30	14	5	7
Meherpur	84	31	38	7	1	7

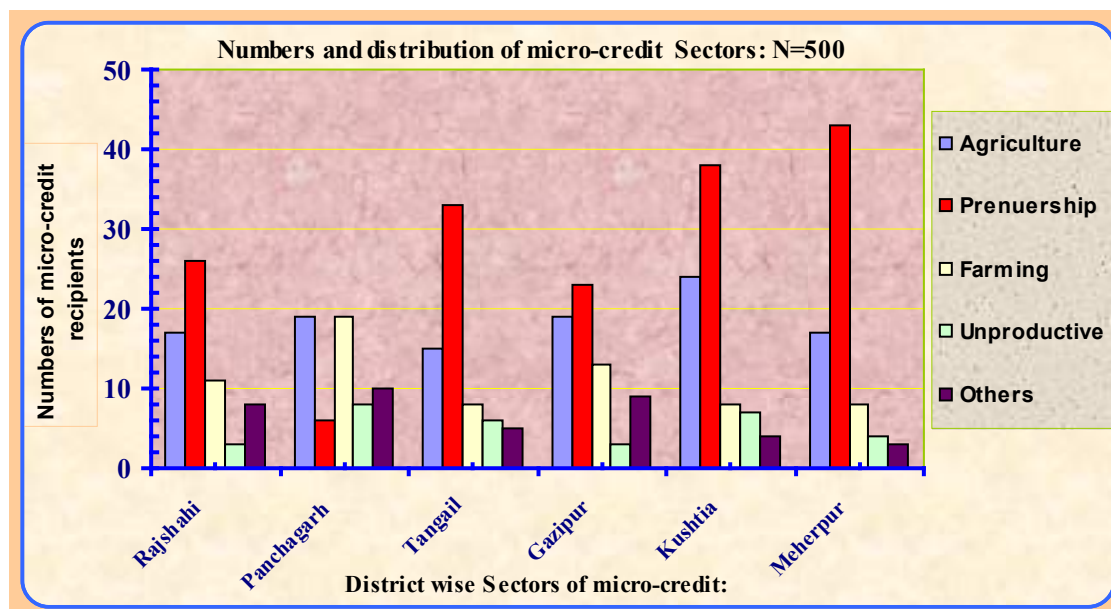
**Figure-11: Graphical presentation of district wise Monthly Family Income of Micro-credit recipients:**



**Table-24: Division and district wise distribution of Micro-credit receiving sectors/fields:**

District	Agriculture	Small Penuership	Fish-Cattle-Poultry farming	Unproductive Sectors	Others
Rajshahi	17	26	11	3	8
Panchagarh	19	6	19	8	10
Tangail	15	33	8	6	5
Gazipur	19	23	13	3	9
Kushtia	24	38	8	7	4
Meherpur	17	43	8	4	3

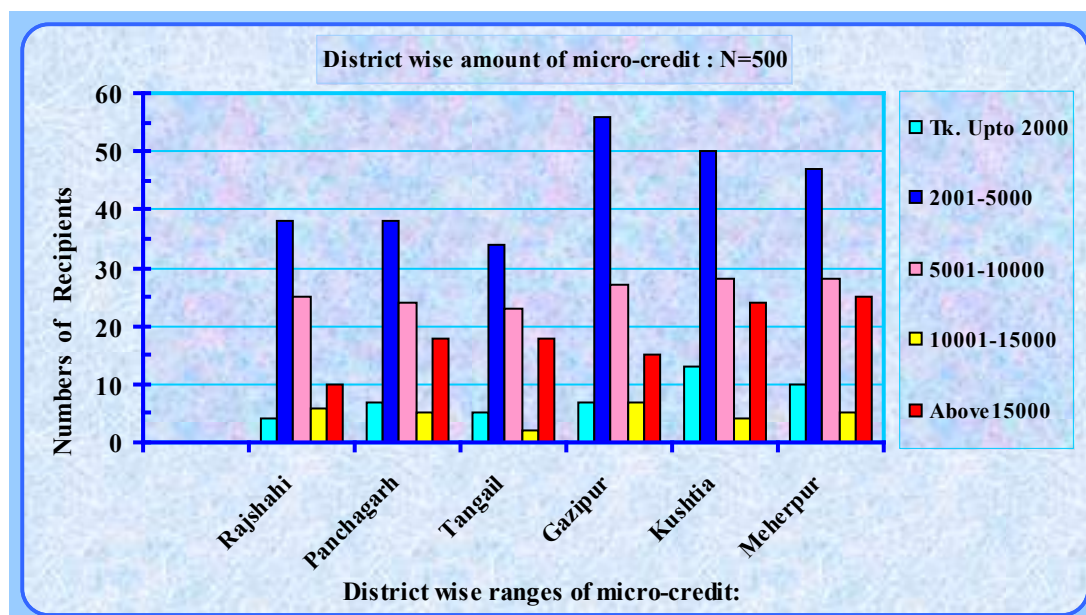
**Figure-12: Graphical presentation of Micro-credit Sectors/fields of different districts:**



**Table-25: Division and district wise amount of Micro-credit recipients: (Tk)**

District:	Sample	Tk. 1-2000	2001-5000	5001-10000	10001-15000	Above Tk. 15000
<b>Rajshahi</b>	83	4	38	25	6	10
<b>Panchagarh</b>	84	7	38	24	5	18
<b>Tangail</b>	83	5	34	23	2	18
<b>Gazipur</b>	83	7	56	27	7	15
<b>Kushtia</b>	83	13	50	28	4	24
<b>Meherpur</b>	84	10	47	28	5	25

**Figure-13: Graphical presentation of the amount of Micro-credit recipients: (Tk):**



**2.2.1 Interviewers:** In this present study, the researcher herself led and collected the required data from different zones of the country. In her data collection team, the members were the regular graduate students of the discipline of Psychology and Economics of National University. The researcher collected the data from the micro-credit recipients and the team members collected the data from the respondents who did not receive micro-credit from any NGO or Government Organizations. In this regard, as per the instruction of the research Supervisor, the researcher provided necessary instruction and training the team members. To collect proper data, it required a long time (approximately two years) because of the geographical location and magnitude of the samples.

### **2.3 Materials used to collect data:**

For any research work, the materials used to collect data are very important. Materials used to collect data depend on the objectives of the study. Furthermore, the ability of the researcher to collect data, scoring and assess data is also important for any investigation.

In this connection, to conduct the present study, the following materials have been used:

- 1) A Personal Information Blank.
- 2) A Bangla Adaptation of MUNSH Happiness Scale.
- 3) A Bangla Adaptation of the Taylor's Manifest Anxiety Scale (TMAS).

#### **2.3.1 The Personal Information Blank:**

It consists of three sections with **25** Items. Those are as follows: **1. Age, 2. Sex, 3. Occupation, 4. Educational qualification, 5. Marital status, 6. Husband's occupation, 7. Husband's income, 8. Number of children., 9. Numbers of family members, 10. Household status (own/others), 11. Location of residence :( Rural / Slum; Name of own district), 12. Total monthly family income, 13. Head of the family (Self / father / mother / husband), 14. Are you a micro-credit recipient? 15. From which NGO you have received micro-credit? 16. How much money you have received? 17. How many**



installments have been fixated to payback the credit? 18. Type of installments :( Monthly / weekly / daily), 19. How much money is settled for each installment? 20. In which field / project you are investing the received amount? 21. Is there any possibility to be benefited from your investment? 22. Are you satisfied to the terms and conditions of the credit providing NGO? 23. If not satisfied, what are the reasons? 24. Do you payback the installments regularly? 25. When you fail to payback an installment, what consequences do you face?

*The Personal Information Blank is attached in Appendix- A.*

### **2.3.2 MUNSH HAPPINESS SCALE:**

MUNSH (Memorial University of Newfoundland Scale of Happiness) Scale of 24 Items: A Bangla adaptation of MUNSH Happiness Scale (Kozma & Stones, 1980) has been used to collect data and measure the levels of Happiness of mentioned three groups. Akter, B. (2003) developed the Bangla adaptation of the scale. Reliability of Bangla version of MUNSH was measured using test-retest method and parallel form method. These reliability coefficients were .81 ( $p < 0.01$ ) and .33 ( $p < .01$ ) respectively. The scale covers the following background and procedure:

The MUNSH Scale was developed (Kozma Albert and Stones M. J., 1980) as a self-appraisal measure of mental health of the adults. The items in the MUNSH Scale were chosen based on their correlation with avowed happiness and were intended to overcome shortcomings in Bradburn's Affect Balance Scale (ABS). In its initial pool, more than 70 items were selected from the ABS. Other scales were included, from which 24 items were selected after cross validation. The final form of MUNSH Scale contained five Positive Affect (PA) items, those includes- 1,2,3,4,10; five Negative Affect (NA) items, those includes- 5,6,7,8,9; seven items of Positive Experience (PE), those includes- 12,14,15,19,21,23,24; and seven items of Negative Experience (NE), those includes- 11,13,16,17,18,20,22. The MUNSH is classified as a measure of general subjective psychological well-being (Andrews & Robinson, 1991).

Correlation and longitudinal research suggests that the evaluation of subjective well-being should encompass both negative and positive affective experiences, as well as disposition (Stones et al., 1996). The MUNSH includes 24 positively and negatively valence questions/items measuring both short-term (Affective) and long-term (Dispositional) components. Ten of the questions (PA & NA) were affect-oriented, (ABS or Affect Balance Scale) type, asking how the respondent had been feeling in the past months. The remaining 14 dispositional items (PE & NE) query general life experiences, and require the respondent to reflect back on his or her life.

The item analysis phase of the original scale was conducted with a random sample of 301 adults aged from 65-95 equally drawn from lists of elderly people living in urban, in rural and in institutional settings in Newfoundland in Canada. The results were cross-validation with a similar sample of 297 Newfoundland residents. Coefficient  $\alpha$  values above 0.85 was reported for both samples for overall MUNSH Scale. A test-retest correlation 0.07 was reported for 23 respondents interviewed 6-12 months after the initial interview. The Scale's items were initially "validated" in terms of their higher correlation (at the 0.005 significance level) with avowed happiness, compared to 0.05, 0.49 for three alternative scales of well-being and showed internal consistency indicating discriminate validity as well.

This Scale is self-administering in nature. All the required instructions are given on the top of the questionnaire. The Bangla version of MUNSH was administered in Bangladesh as a Psychological tool in earlier studies (Raihan, M S, 2013).

### **2.3.2.a SCORING OF MUNSH HAPPINESS SCALE:**

In accordance to the MUNSH Happiness Scale Instruction Procedure, the scoring has been computed and assessed accordingly for Statistical analysis. Respondents were asked to draw a tick mark ( $\surd$ ) to the box at the right in columns that is befitting to the respondent's feelings in the form of "Yes" "Don't know", and "No". Scoring: yes = 2, Don't know = 1, and No = 0. Item 19: Present Location = 2; Other Location = 0. Item 23: Satisfied = 2; Not Satisfied = 0. Four separate scales scores were computed: A Positive

Affect (PA) Scale score (the sum of responses to all positive affect questions). A Negative Affect (NA) Scale score (the sum of responses to all negative affect questions). A Positive Experience (PE) Scale score (the sum of responses to positive experience questions). A Negative Experience (NE) Scale score (the sum of responses to negative experience questions). The difference between the Affect Scales (PA-NA) and the Experience Scales (PE-NE) are summed up. Therefore, because of the nature of computation formula (PA-NA + PE-NE), the scores varies from -24 to +24. Then a constant of 24 is added to obtain a total MUNSH score to avoid minus scores. Thus, MUNSH Total = (PA- NA+ PE- NE) + 24. Therefore, the MUNSH score range varies from zero to 48. A high total score indicates higher level of happiness and a low total score indicates a lower level of happiness.

*The MUNSH Happiness Scale is attached in the Appendix-B.*

### **2.3.3 TAYLOR'S MANIFEST ANXIETY SCALE (TMAS):**

A Bangla adaptation of Taylor's Manifest Anxiety Scale (Taylor, 1953) developed by Ahmed and Keya (1995) was administered to assess the extent of manifest anxiety in the respondents. Reliability of this scale was measured using test-retest method and parallel form method. These were .92 ( $p < 0.001$ ) and .73 ( $p < .001$ ) respectively. TMAS consists of 114 items in which 50 items are Anxiety indicative, both in Positive and Negative form. The Bangla version of TMAS was administered in Bangladesh as a Psychological tool in earlier studies (Ahmed and Keya ,1995; Raihan, M S,2013).

TMAS was originally developed as a device for selecting subjects for inclusion in psychological experiments on stress, motivation, and human performance. It has subsequently been used as a general indicator of anxiety as a personality trait; it is not intended as a specific measure of anxiety as a clinical entity. Taylor thought that personality drive level would be reflected in the intensity of "manifested anxiety", and measured it using true/false responses.

Validity and reliability of TMAS were widely studied. Correlations of construct validity 0.72 and 0.75 were reported between the TMAS and Evsenck's measure of neuroticism in two samples; correlations with the psychoticism scale were 0.26 and 0.21.

High correlations of 0.81 and 0.92 were reported between the TMAS and the Psychasthenia scale of the MMPI and a low of 0.64 with the Beck Depression Inventory. Taylor suggested that, when scores hold consequences for the respondent, more intelligent people may be more apt to fake good scores than less intelligent respondent. Because Taylor's original theory held that anxiety might be related to certain physiological measures, several studies have tested its validity in this way.

Test-retest correlations of 0.89, 0.82, and 0.81 over intervals of three weeks, five months and nine to 17 months. Item-total correlations appear low: one study found only 20 of the 50 items to have item-total correlations about 0.4, another study found only 16 questions. The range of item-total correlations is wide: 0.01 to 0.70 in one study. Correlations may also vary by ethnic group and educational level. Kuder-Richardson internal consistency estimates were 0.78 and 0.84 in two samples.

The Positive form of items of the TMAS Scale covers the following 39 items - 2,6,9,10,15,16,17,19,27,28,34,37,38,40,41,44,46,49,51,52,61,64,66,67,70,73,75,76,79,84,87,94,99,103,106,107,108,109,110. The Negative form of items of the TMAS Scale covers the following 11 items - 3,13,18,31,57,69,83,92,95,101,114.

The rest 64 items were buffer items drawn from F and K scale of the Minnesota Multiphasic Personality Inventory (MMPI). The Scale is also self-administering in nature. All the required instructions are given on the top of the questionnaire. The educated respondents were asked individually to read the instructions on the first page of the questionnaire. They were also asked to give personal information after reading the instruction above.

The items of the Personal Information Blank and the two scales were told verbally either by the researcher himself or by the member of the interview team to the lower academic backgrounds or illiterate respondents.

### **2.3.3. a SCORING OF TAYLOR'S MANIFEST ANXIETY SCALE:**

The TMAS questionnaire is designed to collect some general information about the respondents' multiple dimensions of life. In this connection, the respondents were requested cooperate accordingly to provide proper information. Each respondent was asked to read and follow the instruction very carefully and justify the items one by one and decide which true or false item fits his feelings. If he feels the statement of the item true or maximum true for him, then he was asked to draw a cross marks (×) inside the related box of the 'Yes' column to the right side of the answer sheet. Similarly, if he feels the item False or not usually true for him, then he was asked to draw a cross marks (×) inside the related box of the 'No' column to the right side in the same sheet. In this regard, respondents were shown an example in practical form. Each item was presented orally to the lower academic backgrounds or illiterate respondents and was asked to respond orally for the cross marks. Respondents were also requested to answer their opinions honestly to make the investigation proper. In this way, each respondent responded to the total 114 items of the questionnaire of Taylor's Manifest Anxiety Scale. In TMAS, among the 114 items 50 items were anxiety indicative and 64 items were buffer. Template was used to compute the scores. Following the instruction, total number of Manifest Anxiety Scale score of every respondent was measured and summarized. Score of TMAS ranges from zero to 50. A high total indicates higher level of anxiety and a low total indicates a lower level of anxiety.

*The Scale is attached in the Appendix-C.*

## **2.4 Procedure:**

In the initial stage of data collection, the researcher first visited the Branch Office of the concerned micro-financing organizations (Government and NGO) and informed the local authority about the intention of the study. Thus, the researcher could get the Branch Manager's approval to visit and collect data from its Group members using Questionnaires and the Personal Information Blank. The researcher also gets information from the Branch Manager of the field where the field worker meets the Group members and collects the weekly Installments of the disbursed credit. In this manner, the researcher collects the information of every centre of Installment collection. In addition, the researcher learns the Principles and Constitution of the Organization, Rules of credit disbursement, Fields of credit, Systems of Installments Collection, and related local information.

The researcher visited the concerned centre of Installment collection with the Field Worker and met the credit recipients. The researcher first tried to establish a rapport with the member (micro-credit recipient) and explained the reasons of the visit. If, the member was Literate, then the Personal Information Blank PIB was presented and requested to respond. In case of the respondents of illiterate or lower academic background each of the items was presented vocally and was asked to respond orally. After completion of the PIB the Bangla adaptation Questionnaires (MUNSH and TMAS) were then presented (with one hour interval) gradually to the respondents. In association to the MUNSH Scale, respondents were asked to draw a tick mark ( $\surd$ ) in the box at the right in columns that is befitting to her or her feelings in the form of “Yes” “Don’t know”, and “No”. Each of the items was presented vocally to the illiterate or respondents with the lower academic background and was asked to respond orally for the tick marks. Thus the responses were collected of the MUNSH Scale.

After completion of the MUNSH, the TMAS was presented to the respondents and they were again requested to cooperate accordingly to provide proper information. Each respondent was asked to read and follow the instruction very carefully and justify the items one by one and decide which true or false item fits her feelings. If she feels the statement of the item true or maximum true for her, then he was asked to draw a cross marks ( $\times$ ) inside the related box of the ‘Yes’ column to the right side of the answer sheet. Similarly, if she feels the item False or not usually true for her, then she was asked to draw a cross marks ( $\times$ ) inside the related box of the ‘No’ column to the right side in the same sheet. In this regard, respondents were shown an example in practical form. In case of illiterate or respondents with the poorer academic background and unable to respond independently the earlier mentioned procedure was followed. Respondents were also requested to answer their opinions honestly to make the investigation proper. In this way, each respondent responded to the total 114 items of the questionnaire of Taylor's Manifest Anxiety Scale.

After a complete completion of all three instruments of data collection, the PIB, MUNSH and the TMAS, the submitted papers were collected from the respondents. In addition respondents were also requested to give their personal opinion about the interview and the response was attached in written form in the answer sheet.

Data from non-recipients were collected following the same procedures.

## **2.5 Duration of the study:**

To accomplish the data collection from the total one thousand respondents (micro-credit recipients and non-recipients) required about three years time. To make a complete data collection from one respondent, it required about two and half hours time. There were three types of questionnaires in the process of data collection i.e. The Personal Information Blank, MUNSH Happiness Scale and Taylor's Manifest Anxiety Scale. Especially, it required much more time to get a data from illiterate respondent. A large number of respondents were illiterate or very lower academic background. Thus the data collection was very difficult. The total data collection was thus, a very time consuming task. In most cases, respondents felt tired to respond to the Taylor's Manifest Anxiety Scale for the large contents it holds. The other two were not found problematic to the respondents because of their volume of contents. It required another year to compute, process, and analyze the collected data and to prepare the dissertation report for submission.

## **2.6 Design of the study:**

The present study was designed to conduct an investigation of measuring and comparing the levels of Happiness and Manifest Anxiety of the micro-credit recipient and non-recipient respondents in Bangladesh. In this connection, some objectives and hypotheses were determined for the justification of the investigation. The reported investigation is a quasi-experimental study and Independent (actually quasi independent) variable was manipulated by selection.

The Independent Variable of the present study was 'Micro-credit'. The Independent Variable has two levels. These are Micro-credit recipients and Non-recipients. The additional variables of the study for the micro-credit recipient respondents were- Age, Marital Status, Occupation, Education, Husband's occupation, Number of children, Number of Family Members, Residential Status, Types of Organization.

Respondents of the study were selected in three steps. First, the study areas were selected randomly. Secondly, five hundred micro-credit recipients were selected. Finally, the equal numbers of non-recipients (five hundred) was selected. The non-recipients were homogeneous with the micro-credit recipients in respect of their Age, Marital Status, Personal Occupations and Residential Status. Comparison was made in general between the respondent groups and within the groups in case of micro-credit recipients based on the scores of Happiness and Manifest Anxiety Scale.

Analyses of Variance (ANOVA) have been implemented by using SPSS analysis to investigate the significance of differences of the respondent groups. The Statistical analyses disclose the relationships between the levels of Manifest Anxiety and Happiness of the respondent groups. The impacts of the additional variables as Age, Marital Status, Personal Occupations and Residential Status of the micro-credit recipients have been compared and analyzed in the present study. In this connection, graphical presentations are prepared from the data processed by the Excel application.



## **Chapter -III**

### **RESULTS**

The present chapter provides the analysis of the obtained results of the study. Moreover, the methods of analysis that have been employed in the study are also presented in detail in this chapter. Bangla adaptation of the MUNSH Happiness Scale and Taylor's Manifest Anxiety Scale (TMAS) were employed on five hundred micro-credit recipients and equal numbers of non-recipients to assess their extent of Happiness and Manifest Anxiety. The obtained score of each respondent of each scale was computed separately by the instruction of assessment. The scores were further assessed and compared by the variables and by the hypotheses mentioned in the Personal Information Blank and in the Introduction Chapter. The overall scores of Happiness Scale and Manifest Anxiety scale of each group of respondents was assessed, analyzed and compared by employing different Statistical computation and Analysis of Variance (ANOVA) using SPSS -16 version, and presented by Graphical representation in this present chapter.

In order to find the effects of the Independent Variable (micro-credit) of the study, comparison has been made in between the micro-credit recipient and non-recipient respondents. Sequentially, the Happiness and Manifest Anxiety Scale based data of the respondents are assessed, compared and presented in the following tables and graphs.

**Table-26: ANOVA table of Happiness of the micro-credit recipient (of different organizations) and non-recipient respondents:**

Name of Banks	Source of Variance	<i>df</i>	Sum of Squares	Mean Square	<i>F</i> - ratio	Level of Significance
Total data	Between Groups Within Groups Total	1 998 999	727.609 39129.766 39857.375	727.609 39.208	18.56	.001***
Grameen Bank	Between Groups Within Groups Total	1 262 263	180.015 8152.576 8332.591	180.015 31.117	5.785	.017 **
BRAC Bank	Between Groups Within Groups Total	1 164 165	96.019 6277.072 6373.090	96.019 38.275	2.509	.115 NS
ASA	Between Groups Within Groups Total	1 152 153	422.240 5305.896 5728.136	422.240 34.907	12.096	.001***
Proshika	Between Groups Within Groups Total	1 106 107	66.898 6452.093 6518.991	66.898 60.869	1.099	.297 NS
Other NGO's (local)	Between Groups Within Groups Total	1 306 307	245.536 11410.890 11656.425	245.536 37.290	6.584	.011 **

\*\*\*  $p < .001$ ; \*\*  $p < .01$ ; NS= Non Significant

Table-26: Shows the Analysis of Variance (ANOVA) of Happiness of the micro-credit recipient (that received micro-credit from different NGO's) and the non-recipient respondents.

The first row of the above table shows the analysis of variance in association to Happiness of the micro-credit recipients and non-recipients on the basis of the total data. Finding of the row indicates that there was significant effect of micro-credit on Happiness of the micro-credit recipients ( $F=18.56$ ;  $M=24.67$  and  $23.77$ ;  $N=1000$ ;  $df=1/998$ ;  $p < .001$ ) in comparison to non-recipients. It indicates that Happiness state of the micro-credit recipients is significantly higher than that of the non-recipients.

Second to last row of the above table shows the analysis of level of Happiness of the respondents on the basis of micro-financing organizations. Second row shows the findings of Grameen Bank (pioneer of the leading micro-financing NGO in the country) and it was found that there was significant effect of micro-credit on the Happiness of the respondents. The value computed for  $F$  is 5.785. This value is found significant at  $p < 0.01$  levels. Where,  $M = 24.44$  and  $22.82$ ,  $N = 264$ ,  $df = 1$  and  $262$ . The result shows that there remains a significant difference on the levels of Happiness of the micro-credit recipients and non-recipients while the respondents of two groups are homogeneous on similar backgrounds. Level of Happiness of the micro-credit recipients was higher than that of the non-recipients.

Again, in case of BRAC, the largest micro-financing organization in Bangladesh showed in the 3<sup>rd</sup> row of the table, the observed data indicates that there was no significant effect of micro-credit on Happiness of the credit recipients. The value computed for  $F$  is found 2.509 (where,  $M=24.39/22.98$ ,  $N=166$ ,  $df= 1/164$ ). The result shows that the Happiness level of the credit recipients of NGO BRAC is apparently higher in average but not significantly higher than that of the non-recipient respondents, while matched on similar backgrounds.

On the other hand, the fourth row of table-1 shows the level of Happiness of micro-credit recipients from ASA (a nationwide micro-financing NGO) and non-recipients of similar backgrounds. This result indicates that there was significant effect of micro-credit facilities provided by ASA on Happiness on the credit recipients. The value computed for  $F$  is found 12.096. (Where,  $M = 24.52/21.01$ ,  $N=154$ ,  $df = 1/152$ ). This value is also found significant at  $p < 0.001$  levels. The result shows that the Happiness level of the micro-credit recipients from ASA is significantly higher than that of the non-recipients while the respondents of two groups are homogenous on similar conditions.

The fifth row of table-26 shows the Analysis of Variance of Happiness of micro-credit recipients from Proshika (one of the leading micro-financing NGO) and homogenous non-recipients. This result indicates that there was no significant effect

between the two groups on their level of Happiness. The value computed for F is 1.099. This value is found not significant. Where,  $M = 26.28/24.87$ ,  $N = 108$ ,  $df = 1/106$ . The result shows that the mean Happiness score of the micro-credit recipients of this organization though is higher in average but statistically not significant than that of the compared non-recipients.

Last and final row of table-12 shows the Analysis of Variance in connection to Happiness of the micro-credit recipients from Local NGO's (which is mentioned as other NGO's in the table) and compared to non-recipients. This result indicates that there was significant effect of Happiness between the respondents of compared two groups. The value computed for F is 6.584. This value is found significant at  $p < 0.01$  levels. Where,  $M = 25.54/23.79$ ,  $N = 308$ ,  $df = 1/306$ . The result shows that the Happiness of the micro-credit recipients is significantly higher than that of the non-recipient respondents while they were homogeneous on similar conditions.

Figure-14: Comparative line graph of Mean scores of Happiness of the Micro-credit recipient and Non-recipient respondents:

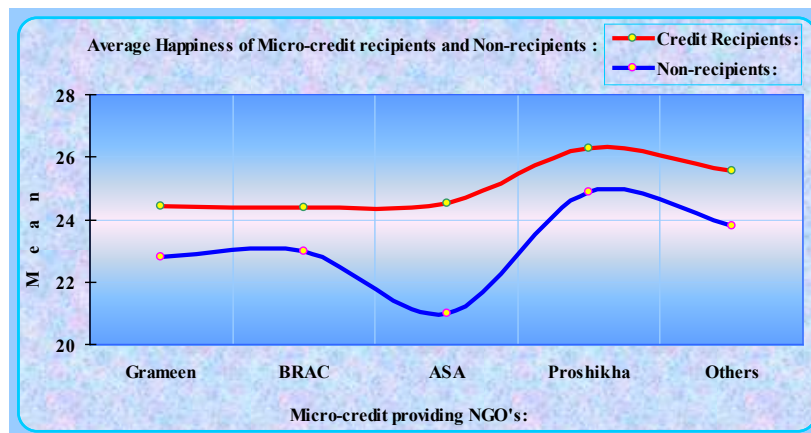


Figure-14 shows the average scores of Happiness of micro-credit recipients and non-recipients, where score 24 is the mid-value.

**Table-27: ANOVA table of Manifest Anxiety of the micro-credit recipient and non-recipient respondents:**

Name of Banks	Source of Variance	<i>df</i>	Sum of Squares	Mean Square	<i>F</i> -ratio	Level of Significance
Total data	Between Groups	1	199.809	199.809	9.264	.001***
	Within Groups	998	21524.566	21.568		
	Total	999	21724.375			
Grameen Bank	Between Groups	1	.034	0.34	.001	.969 NS
	Within Groups	262	5962.932	22.759		
	Total	263	5962.966			
BRAC	Between Groups	1	7.611	7.611	.308	.580 NS
	Within Groups	164	4049.690	24.693		
	Total	165	4057.301			
ASA	Between Groups	1	61.097	61.097	3.506	.063 NS
	Within Groups	152	2649.039	17.428		
	Total	153	2710.136			
Proshika	Between Groups	1	34.454	34.454	1.711	.194 NS
	Within Groups	106	2134.463	20.136		
	Total	107	2168.917			
Other NGO's (local)	Between Groups	1	461.458	461.458	21.819	.001***
	Within Groups	306	6471.565	21.149		
	Total	307	6933.023			

\*\*\*  $p < 0.001$ ; NS = Non Significant

Table-27: Shows the Analysis of Variance (ANOVA) of Manifest Anxiety of the micro-credit recipients and non-recipients.

The first row of table-27 shows Analysis of Variance in association to level of Manifest Anxiety of the micro-credit recipients and non-recipients on the basis of the total data. This result indicates that there was significant effect of micro-credit on Manifest Anxiety of the micro-credit recipients. The Value computed for *F* is 9.264 which is significant at 0.001 levels (where,  $M=23.27$  and  $24.98$ ;  $N= 1000$ ;  $df=1/998$ ).

Second to last row of the above table shows the analysis of level of Manifest Anxiety of the respondents on the basis of micro-financing organizations. Results indicate no significant differences between the respondent groups except in case of Local NGO's (which is mentioned as other NGO's in the table).

Second row shows the findings of Grameen Bank. Results indicate that there was no significant effect of micro-credit on Manifest Anxiety of the respondents. Value computed for *F* is .001. (Where,  $M = 23.98 / 24.04$ ,  $N = 264$ ,  $df = 1$  and  $262$ ). The result

shows that there remains no significant difference on Manifest Anxiety levels between the respondents of experimental group (micro-credit recipients) and control group (non-recipients).

Similarly, sequentially it is found in the third row (in case of BRAC), fourth row (in case of ASA) and fifth row (in case of Proshika) of the table that there remains no significant differences between the respondent groups (experimental and control groups) on their level of Manifest Anxiety. The  $F$  value, total value- $N$ , mean value ( $M$ ) and degrees of freedom- $df$  of those three groups are: (BRAC)  $F = .308$ ;  $N=166$ ;  $M = 23.99/23.59$ ;  $df=1$  and  $164$ ; (ASA);  $F=3.506$ ;  $N=154$ ;  $M = 23.77/22.47$ ;  $df =1/152$ ; (Proshika)  $F=1.711$ ;  $N=108$ ;  $M=25.46/26.66$ ;  $df=1/106$ ; respectively.

Last and final row of table-11 shows the Analysis of Variance of the micro-credit recipients in connection to Manifest Anxiety from Local NGO's (which is mentioned as other NGO's in the table) and compared to non-recipients. This result indicates that there was significant effect of Manifest Anxiety between the respondents of the compared groups. The value computed for  $F$  is 21.819. (Where,  $M = 22.89 / 25.35$ ,  $N= 308$ ,  $df=1$  and  $306$ ). This value is found significant at  $p < 0.001$  levels. The result shows that the Manifest Anxiety of the micro-credit recipients is significantly lower than that of the non-recipient respondents while they were homogeneous on similar conditions.

**Figure-15:** Comparative line graph of Mean scores of Manifest Anxiety of the Micro-credit recipient and Non-recipient respondents:

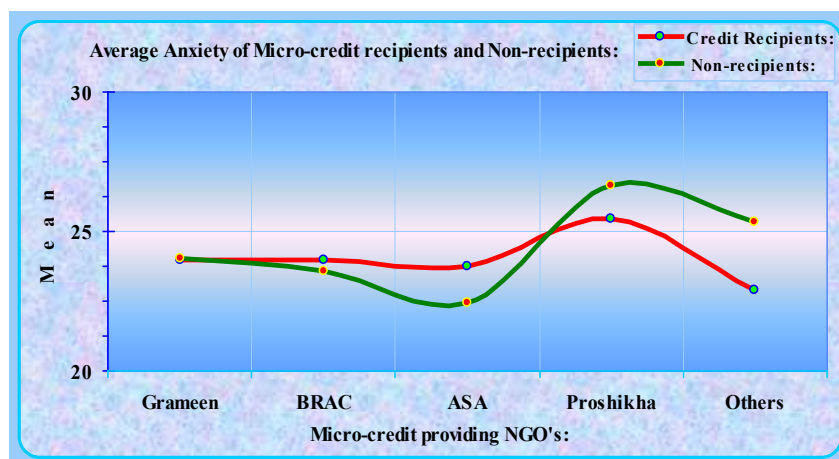


Figure-15 shows the average scores of Manifest Anxiety of micro-credit recipients and non-recipients, where score 25 is the mid-value.

**Table-28: ANOVA table of Happiness of the micro-credit recipients with different Personal variables:**

Name of Variables	Source of Variance	df	Sum of Squares	Mean Square	F-ratio	Level of Significance
Age	Between Groups Within Groups Total	1 498 499	19.428 21323.330 21342.758	19.428 42.818	.454	.501NS
Marital Status	Between Groups Within Groups Total	2 497 499	320.996 21021.762 21342.758	320.996 42.212	7.604	.006**
Occupation	Between Groups Within Groups Total	1 498 499	147.824 21194.934 21342.758	147.824 42.560	3.473	.063 NS
Education	Between Groups Within Groups Total	3 496 499	159.145 21183. 21342.758	159.145 42.537	3.741	.054*
Husband's Occupation	Between Groups Within Groups Total	1 498 499	8.092 21334.666 21342.758	8.092 42.841	.189	.664 NS
Number of Children	Between Groups Within Groups Total	2 497 499	105.330 21237.428 21342.758	105.330 42.645	2.470	.117 NS
Number of Family Members	Between Groups Within Groups Total	1 498 499	142.571 21200.187 21342.758	142.571 42.571	3.349	.068 NS
Location of Residence	Between Groups Within Groups Total	1 498 499	492.755 20850.003 21342.758	492.755 41.867	11.76 9	.001***
Types of Organization	Between Groups Within Groups Total	1 498 499	150.040 21192.718 21342.758	150.040 42.556	3.526	.061 NS

\*\*\*  $p < .001$ ; \*\*  $p < .01$ ; \*  $p < .05$ ; NS = Non Significant

Table-28 shows the analysis of variance of Happiness of total micro-credit recipients with different personal variables. These variables were manipulated by selection.

The mentioned results indicates that there was significant effect of Marital Status (of three levels - married, unmarried and widow) on the level of Happiness of the micro-credit recipients ( $F= 7.604$ ,  $df = 2/497$ ,  $N=500$ ,  $p > .006$ ). In case of Education there was significant effect of Education (of four levels - Illiterate, Class-I to Class-V, Class-VI-IX, Class-X and above-) on the level of Happiness (where,  $F = 3.741$ ,  $df = 3/496$ ,  $N=500$ ,  $p < .054$ ). Furthermore, there was significant effect of the Location of Residence (of two levels: Rural and Sub-urban/slum areas) (where,  $F= 11.769$ ,  $df = 1/498$ ,  $N=500$ ,  $p < 0.01$ ) on the level of Happiness.

The results of table-28 also shows no significant effects of several Personal variables in rows 1, 3, 5, 6, 7, 9 as- Average age (Where,  $F=.454$ ,  $df=1/498$ ,  $N = 500$ ,  $p > .501$ ); Personal Occupation ( $F = 3.473$ ,  $df = 1/498$ ,  $N = 500$ ,  $p > .063$ ); Husband's Occupation ( $F = .189$ ,  $df = 1/498$ ,  $N=500$ ,  $p > .664$ ); Numbers of Children ( $F= 2.470$ ,  $df = 1/498$ ,  $N=500$ ,  $p > .117$ ); Numbers of Family Members ( $F= 3.349$ ,  $df= 1/498$ ,  $N=500$ ,  $p > .068$ ) and Types of Organization ( $F= 3.526$ ,  $df= 1/498$ ,  $N= 500$ ,  $p > .061$ ) on the levels of Happiness of the micro-credit respondents.



Table-29: ANOVA table of Manifest Anxiety of the micro-credit recipients with different Personal variables:

Name of Variables	Source of Variance	<i>df</i>	Sum of Squares	Mean Square	<i>F</i> -ratio	Level of Significance
Age	Between Groups	1	5.623	5.623	.266	.606 NS
	Within Groups	498	10536.735	21.158		
	Total	499	10542.358			
Marital Status	Between Groups	2	1.227	1.227	.058	.810 NS
	Within Groups	497	10541.131	21.167		
	Total	499	10542.358			
Occupation	Between Groups	1	15.337	15.337	.726	.395 NS
	Within Groups	498	10527.021	21.139		
	Total	499	10542.358			
Education	Between Groups	3	135.268	135.268	6.473	.011**
	Within Groups	496	10407.090	20.898		
	Total	499	10542.358			
Husband's Occupation	Between Groups	1	46.748	46.748	2.218	.137 NS
	Within Groups	498	10495.610	21.076		
	Total	499	10542.358			
Number of Children	Between Groups	2	44.237	44.237	2.098	.148 NS
	Within Groups	497	10498.121	21.081		
	Total	499	10542.358			
Number of Family Members	Between Groups	1	4.553	4.553	.215	.643 NS
	Within Groups	498	10537.805	21.160		
	Total	499	10542.358			
Location of Residence	Between Groups	1	64.601	64.601	3.070	.080 NS
	Within Groups	498	10477.757	21.040		
	Total	499	10542.358			
Types of Organization	Between Groups	1	53.880	53.880	2.558	.110 NS
	Within Groups	498	10488.478	21.061		
	Total	499	10542.358			

\*\*  $p < .01$ ; NS = Non Significant

The table-29 shows the result of the Analysis of Variance of Manifest Anxiety of total micro-credit recipients with their different Personal variables. These variables were manipulated by selection.

It also shows no significant effects of most of the Personal variables as Average age, Marital Status, Personal Occupation, Husband's Occupation, Numbers of Children, Numbers of family members, Location of Residence, Types of Organization, on Happiness of the micro-credit recipients. This result also indicates that there was significant effect of Education, on Manifest Anxiety of the credit recipients. This results found from the SPSS analysis are the follows: Average Age ( $F = .266$ ,  $df = 1/498$ ,  $N = 500$ ,  $p > .606$ ); Marital Status ( $F = .058$ ,  $df = 1/498$ ,  $N = 500$ ,  $p > .810$ ); Personal Occupation ( $F = .726$ ,  $df = 1/498$ ,  $N = 500$ ,  $p > .395$ ); Husband's Occupation ( $F = 2.218$ ,  $df = 1/498$ ,  $N = 500$ ,  $p > .137$ ); Numbers of Children ( $F = 2.098$ ,  $df = 1/498$ ,  $N = 500$ ,  $p > .148$ ); Numbers of Family Members ( $F = .215$ ,  $df = 1/498$ ,  $N = 500$ ,  $p > .643$ ); Location of Residence ( $F = 3.070$ ,  $df = 1/498$ ,  $N = 500$ ,  $p > .080$ ); and Types of Organization ( $F = 2.558$ ,  $df = 1/498$ ,  $N = 500$ ,  $p > .110$ ) on Manifest Anxiety of total micro-credit recipients.

Contrarily, this result indicates that there was significant effect of Education on Manifest Anxiety of the credit recipients ( $F = 6.473$ ,  $df = 1/498$ ,  $N = 500$ ,  $p < .011$ ).

Table-30: Average scores of Happiness of the Micro-credit recipient and the Non-recipient respondents.

Name of NGO's	Category of Respondents:	Mean
Total data	Micro-credit recipients	24.98
	Non- recipients	23.27
Grameen	Micro-credit recipients	24.44
-	Non- recipients	22.82
BRAC	Micro-credit recipients	24.39
-	Non- recipients	22.98
ASA	Micro-credit recipients	24.52
-	Non- recipients	21.01
Proshika	Micro-credit recipients	26.28
-	Non- recipients	24.87
Others	Micro-credit recipients	25.54
-	Non- recipients	23.79

Table-31: Average scores of Manifest Anxiety between the micro-credit recipient and the Non- recipient respondents:

Name of Bank	Category of Respondents:	Mean
Total data	Micro-credit recipients	23.78
	Non- recipients	24.67
Grameen	Micro-credit recipients	23.98
	Non- recipients	24.04
BRAC	Micro-credit recipients	23.99
	Non- recipients	23.59
ASA	Micro-credit recipients	23.77
	Non- recipients	22.47
Proshika	Micro-credit recipients	25.46
	Non- recipients	26.66
Others	Micro-credit recipients	22.89
	Non- recipients	25.35

## **Chapter- IV**

### **DISCUSSION AND CONCLUSION**

The present study was designed to measure the Levels of Happiness and Manifest Anxiety of the micro-credit recipients and non-recipients rural poor in Bangladesh. The plans of analysis also designed to investigate the status of Happiness and Manifest Anxiety of five hundred micro-credit recipients (female) and then make a comparison of that with the same numbers and similar status of non-recipients. The non-recipients are homogeneous to the micro-credit recipients on the basis of their Age, Marital Status, Personal Occupation and Residential Status.

A Personal Information Blank, A Bengali Adaptation of MUNSH Happiness Scale of 24 items (Kozma & Stones, 1980) and A Bengali Adaptation of Taylor's Manifest Anxiety Scale (Taylor, 1953) of 114 items, was separately administered on the micro-credit recipients and non-recipients.

Based on the Objectives mentioned earlier, following three Hypotheses were formulated to be investigated in the present study for justification.

Hypothesis-I: States that the levels of Happiness of the micro-credit recipients would be higher than that of the non-recipients. In this regard, it was estimated that the average Happiness score would significantly be higher of the micro-credit recipients than that of the non-recipients.

In association to hypothesis I, the results observed in the MUNSH Happiness Scale (table-10), shows that in case of total respondents the result of ANOVA between the micro-credit recipient and the non-recipient is  $F = 18.56$ ;  $df = 1/998$ ;  $N = 1000$ ;  $p < 0.001$ ; and mean score of the micro-credit recipients and non-recipients (table-5) were 24.98 and 23.27 respectively. This indicates that state of Happiness of the micro-credit recipients found to be significantly higher than that of the non-recipients. On the other hand, in case of micro-financing organization wise analysis, results reveal that Happiness of the micro-credit recipients from Grameen Bank (24.44 and 22.82); ASA (24.52 and

21.01) and Local micro-financing organizations (25.54 and 23.79) were higher than that of the non-recipients. On the other hand, in case of BRAC and Proshika no significant differences were found between the micro-credit recipients and non-recipients.

In case BRAC, result ( $F=2.509$ ,  $df=1/164$ ; mean of the micro-credit recipients and non-recipients are 24.39 and 22.98 respectively) point out that there was no significant effect of micro-credit on the level of Happiness of credit recipient respondents as they are compared with the similar numbers of non-recipient respondents in similar background. So, the observed result don't support the hypothesis. Thus, it can be mentioned that the impact of Micro credit of BRAC on the recipients could not significantly modify their basic Happiness levels. Though, Happiness of the credit recipients is found higher in average but not significantly higher than that of the non-recipient respondents while they are compared on the same conditions.

On the other hand the findings observed in case of Proshika also indicate that that there was no significant effect of micro-credit on the level of Happiness of credit recipients as they are compared with the similar numbers of non-recipient respondents in similar background ( $F = 1.099$ ,  $df = 1/106$ ; mean of the credit recipients and non-recipients are 26.28 and 24.87 respectively). Thus, the hypothesis is found not accepted in case of Proshika. It can be mentioned that the impact of Micro credit from NGO Proshika on the recipients could not significantly influence their basic Happiness levels. Though, Happiness of the credit recipient respondents is found higher in average but not significantly higher than that of the non-recipient respondents while they are compared with them on equal settings.

Probable causes of the apparently inconclusive results would be discussed in later discussions of Manifest Anxiety.

However, on the basis of the mentioned discussion it may be argued that, micro-credit has influencing impact on the state of Happiness and micro-credit thus to some extent, can enhance the Happiness level of the recipients.

These findings are supported by the finding of the studies on employment (Campbell et al., 1976; Ahmed, S. and Wahab, F. R. 1990) and income variables (Larson, 1978; Brawn, 1977; Campbell et al., 1976; Easterlin, 1974). It is observed from the study of Campbell et al., (1976) that people having no job to do or unemployed are the most unhappy group, even when the differences of income were controlled. On the other hand, it is observed in various studies on socio-economic impact of Micro-credit that the credit can play a vital role on self employment or to start small business of the unemployed rural poor (Ahmed, S. and Wahab, F. R. 1990). Studies on income variables also show that there is a positive relationship between income and SWB within countries (Larson, 1978) and satisfaction with income is also related to happiness (Brawn, 1977; Campbell et al., 1976). It was also found that wealthier persons were happier than poorer persons in that country, and this effect was often strong (Easterlin, 1974).

These findings appear to fit the hypothetical model of economic variables (theories) of Happiness (i.e. Absolute theory, Adaptation theory, Aspiration theory etc.). Moreover, these findings arrive to fit the hypothetical model of Coping, Context, and Telic or Endpoint theories. As has been mentioned earlier, the Absolute theory, introduced by Veenhoven (1988, 1991), affirm that People with higher income levels effortlessly satisfy their basic needs (as food, shelter, health, recreation etc.) and consequently, arrive at a higher Happiness level. In addition, the Telic or Endpoint theories speculate that Happiness is achieved when goals and needs are reached (Diener, 1984). Again, the Context theory of Happiness states that Happiness is gained by the fulfillment of fundamental and common human needs. For example, people can only be happy if needs such as hunger, warmth, and thirst are fulfilled (Veenhoven, 1991). On the other hand, the Aspiration theory suggests that the degree of satisfaction or dissatisfaction experienced by a person is associated to the ratio of his satisfied desires to total desires. Individuals who believe that their desires are fully satisfied tend to be happier than those who think they have unsatisfied desires. In case of present study, micro-credit recipients attain higher level of purchasing capacities than the non-recipients. So, they can fulfill their basic needs in better ways. And consequently, they do attain a higher Happiness level. Yet again, in

Adaptation theory Brickman et al. (1978) pointed out those individuals with higher adaptation capabilities tend to be happier.

On the other hand the theories of Coping reveal that the happy people cope with their problems in constructive ways, initiate thoughts and behaviors that are adaptive and helpful. But, the unhappy people cope in destructive ways.

It was observed in many studies that the people of lower economic status have unsatisfied needs and desires due to their financial crisis. They suffer from malnutrition, loose their desires and face health deterioration (Washtom, et al, 1984; Sharma, 1983) etc. and thus become mostly unhappy in the society. As a result, they fail to cope with their problems in constructive ways and fail to initiate proper thoughts and behaviors. Thus, they do not achieve the standard of Happiness.

Researchers and theorists related to SWB/Happiness believe that the mean happiness level of a nation lies in the average score position of the scale. Based on that argument it may be cited that the original Happiness Scale (MUNSH) score varies from zero to 48. Where the 'average Happiness score' lies in 24, and/or 24 is the middle position. From the results of the study of Happiness (table-4), primarily, it shows that the mean score of the micro-credit non-recipient respondents (23.27) is positioned slightly lower than that of the average Happiness score. This finding further supports the hypothesis. It also indicates that the micro-credit non-recipient respondents could not reach the average Happiness level due to the lack of economic flow.

Secondly, it is found that the mean score of the micro-credit recipient respondents (24.98) lies slightly above of the average Happiness score, which is found significantly higher than that of the non-recipient ( $M = 23.27$ ) respondents. This result indicates that the micro-credit recipient respondents could arrive at the position of average Happiness level regarding their economic activities or employment status. This result equally supports the hypothesis-I.



Finally, it can be affirmed based on the observed mean scores of the respondents that the level of Happiness of the non-recipient respondents is inferior to that of the micro-credit recipient respondents. These findings favor the above hypothesis. Finally, it may be argued that, micro-credit significantly leads to higher happiness level of the credit recipients than that of the non-recipients. However, the findings accept the hypothesis. It can be cited here that the impact of micro-credit on the recipients could significantly modify their basic Happiness levels, while they are compared with the non-recipient respondents of equal backgrounds. The reasons behind the higher level of Happiness of micro-credit recipient is perhaps because of the flow of money, change of economic status, and/or the opportunity of self employment and/or the continuation of ongoing income generating activities. These factors played the role of enhancing the level of Happiness, of the micro-credit recipients and consequently a significant difference is observed in this regard.

**Hypothesis II:** States the levels of Manifest Anxiety of the micro-credit recipients would be lower than that of the non-recipients. In this regard, it was estimated that the overall Manifest Anxiety score would significantly be lower for the micro-credit recipients than that of the non-recipient respondents.

The results of the Manifest Anxiety scale (table-11) show that the result of the ANOVA of the total micro-credit recipients and non-recipient respondents (row-1) is  $F = 9.264$ ;  $df = 1/998$ ;  $N=1000$ ;  $p < 0.001$  and mean score of the micro-credit recipients and non-recipient were 23.78 and 24.67 respectively. It also shows that Manifest Anxiety along with the total micro-credit recipients and non-recipient respondents of other local micro-financing organizations is  $F= 4.671$ ;  $df = 1/306$ ;  $N =308$ ;  $p < 0.001$  and mean score of the micro-credit recipients and non-recipient were 22.89 and 25.35 respectively. The result of the first and the last row of table-11 shows significant difference in the level of Manifest Anxiety between the micro-credit recipients and non-recipient respondents. It also indicates that level of Manifest Anxiety of the micro-credit recipients is significantly lower than that of the non-recipients.

On the other hand, in case of the analysis of other micro-financing organization, results reveal that Manifest Anxiety of the micro-credit recipients of Grameen Bank (23.98 and 24.04); and Proshika (25.46 and 26.66) were lower than that of the non-recipients. But these differences were not statistically significant. In case of BRAC (23.99 and 23.59) and ASA (23.77 and 22.47) the difference was opposite to the expectation of the hypothesis-II. The difference that remains there is that the Manifest Anxiety of the micro-credit recipients found higher but not significantly higher than that of the non-recipients. It is no doubt a very atypical, contradictory and surprising result.

One of the probable cause of this contradictory finding can be the rigid repayment schedule of BRAC. The typical micro-finance borrower faces a very rigid repayment schedule that requires her to make installments on a weekly basis beginning shortly after loan disbursement. At the same time as such a contract is believed to be an important component of keeping default at bay, frequent repayment also limits clients' ability to deal with short-term shocks to household income and could, therefore, be an important source of anxiety. Repayment Flexibility Can Reduce those anxiety. However, further intensive study is required before drawing any definite conclusion in this regard.

These findings are supported by the finding of the studies of Maletzky and Klotter, (1974); Cooney et al., (1997); Shaham, Rajabi, & Stewart, (1996); Stewart, Zeitlin, & Somoluc, (1996); Cooper, (1994); and also explained by the Psychodynamic and Instrumental Learning Theory of Anxiety. On the basis of the theoretical explanations and observation report it may be argued that the anxieties and continuous questing attitude of the micro-credit non-recipient rural poor women for probable employment or income generation to lead life or to meet the minimum costing of life events, it requires money. The probability of finding job for income generation or to earn money, keeps their anxiety levels higher. Contrarily, the micro-credit recipients are somehow related to any income generating activities or being self employed by the amount received as credit from the micro-financing organizations. Perhaps, it helps to reduce their level of anxiety.

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It is generally argued that the population mean of a psychological phenomena falls in the middle score position of the psychological scale. Based on that general argument it is mentionable that the TMAS score range varies from zero to 50, and middle score position is 25. The table-2 shows the results of TMAS, where the mean score of the micro-credit recipient respondents ( $M=23.78$ ) does not exceed or remains in lower position than that of the average anxiety score. This finding further supports hypothesis-II. It also indicates that the micro-credit non-recipient respondents though did not exceed the average anxiety score, but it was just near to the average anxiety score (24.67) and thus do suffer from Manifest Anxiety more than the micro-credit recipient respondents.

It is therefore promising to explain that the mentioned differences indicate that the status of micro-credit recipient helps to decrease the average anxiety levels of the respondents than that of the status of micro-credit non-recipient.

Thus, this result of table-11, row-1 and 6 fully accepts the hypothesis-II and in case of other lending organization (row-2, 4 and 5) except BRAC (row-3) the Manifest Anxiety of the credit recipients was in better (lower) position in comparison to the non-recipients. Though, these differences (better condition) are statistically insignificant. However, it may be argued that the impact of receiving a micro-credit significantly leads to lower Manifest Anxiety than that of the status of non-recipient of micro-credit.

Nevertheless, on the basis of the mentioned discussion it may be argued that, micro-credit has influencing impact on the state of Manifest Anxiety and micro-credit thus to some extent, can reduce the Manifest Anxiety level of the recipients as a whole. The above findings thus mostly support the hypothesis-II. Thirdly, the observed Happiness and Manifest Anxiety status of the micro-credit recipients were analyzed in relation to their personal and some other variables.

Some additional analyses were done to investigate the status of Happiness and Manifest Anxiety of the micro-credit recipients in relation to their some additional variables (variables have been presented earlier) and those variables were manipulated by

selection. Findings of those analyses have been presented in table- 12 and table-13. Analyses were done on the basis of the total micro-credit recipients. Micro-credit lending organization wise analyses were not investigated. The results cited in table-12 shows no significant effects of most of the Personal variables as Age, Personal Occupation, Husband's Occupation, Numbers of Children, Numbers of family members, and Types of Organization (from where the respondents received micro-credit) on Happiness. Contrarily, this result also indicates that there was significant effect of Marital Status, Education, and Location of Residence on Happiness of the credit recipients.

On the other hand results of table-13 shows the Analysis of Variance of Manifest Anxiety of total number of credit recipients with their different Personal variables. It also shows no significant effects of most of the Personal variables as Age, Marital Status, Personal Occupation, Husband's Occupation, Numbers of Children, Numbers of family members, Location of Residence, and Types of Organization on Manifest Anxiety. This result also indicates that there was significant effect of Education, on Manifest Anxiety of the micro-credit recipients.

On the basis of the analysis of personal variables of the credit recipients, it should be pointed out that the most of the personal variables of the credit recipients have no outstanding effects of enhancing the level of Happiness or reducing their levels of Anxiety. In this connection, it may be suggested that the personal variables whether significant or not, to draw a definite conclusion it needs further detailed investigation.

The author of the present study has the intention to bring a conclusion based on the experience of working with the rural poor, especially the micro-credit recipients. In the field of micro-credit disbursement and payments of installments, the group members usually get together and exchange their views with each other. Many a times they fail to payback the installment due to several reasons as calamities, sudden storm or fire, draught, flood, local or political conflicts, illness of family members or earning members, off season of earning, addict or idle spouse, etc. In addition, many a times the recipient spent

the credit capital by purchasing household items as TV or repairs home. These are perhaps the primary causes of being defaulter of the recipients.

The mentioned irrational spending makes their normal life leading very difficult. At the same time they, the defaulters become afraid of the pressure from the group or of the workers of lending organizations. Many a times it is observed that the other group members create force to sell household items as goat, cow, GI sheet of the home roof of the defaulter to pay back. This is the pain of the micro-credit activities. Such conditions create psychological affects on other members of the same group. Because the lending organizations do apply pressure on the other members of the group to collect the disbursed amount. Consequently, the normal happiness and anxiety levels the recipients are affected. The inappropriate monitoring of the Micro-finance regulatory authority, the lending organizations do apply their own method of loan collection. In this regard the Micro-finance regulatory authority should intensify the monitoring activities so that the lending organizations do revise the payback policy in a manner that is much more humanistic and friendly to the recipients.

Finally, it may be said that micro-credit is one of the prime considering factors in poverty alleviation over the globe. But, there are some drawbacks in financing procedure (mentioned above) observed in the field experience of the study. Those drawbacks should be minimizing as early as possible to ensure the objectives of micro-financing. So, the concerned authorities of micro-financing organizations and micro-finance regulatory body also need to take immediate required action and minimizing the lapses within the micro-financing programs.

## Appendix-A

### e<sup>3</sup>vw<sup>3</sup>MZ Z<sub>2</sub> m<sup>3</sup>úwK©Z cÖkœgvjv

- 1| eqm:..... 2| wj½: ..... 3|  
†ckv:.....
- 4| wk¶vMZ †hvM<sup>3</sup>Zv (wb†Ri): ..... 5| %œevwnK Ae<sup>3</sup>v  
:.....
- 6| <sup>3</sup>^vgxi †ckv : ..... 7| <sup>3</sup>^vgxi Avq  
:.....
- 8| †gvU mš<sup>3</sup>lv mSL<sup>3</sup>v:..... 9| cwiev†ii †gvU m<sup>3</sup>m<sup>3</sup>  
mSL<sup>3</sup>v:.....
- 10| wbR evox†Z emevm K†ib wK bv:.....
- 11| evm<sup>3</sup>v†bi Ae<sup>3</sup>vb:.....  
M&<sup>3</sup>vg/kni/wkí GjvKv:.....  
wb†Ri †Rjvi bvg : .....
- 12| cwiev†ii †gvU gvwmK Avq : .....
- 13| cwiev†ii c<sup>3</sup>avb †K? wbR/wcZv/gvZv/fvB
- 14| AvcwB Kx ¶z<sup>3</sup> FY MÖnb K†i†Qb? :.....
- 15| †Kvb ms<sup>3</sup>v n†Z MÖnb K†i†Qb :.....
- 16| †gvU KZUvKv FY MÖnb K†i†Qb? :.....
- 17| KZ wKw<sup>3</sup>í†Z cwi†kva†hvM<sup>3</sup>? : .....
- 18| wKw<sup>3</sup>í cwi†kv†ai aiY? gvwmK/mvßvwnK/%<sup>3</sup>wbK  
.....
- 19| c<sup>3</sup>wZ wKw<sup>3</sup>í†Z KZ UvKv Rgv w<sup>3</sup>†Z nq? .....
- 20| †Kvb Lv†Z D<sup>3</sup> A<sub>2</sub>© e<sup>3</sup>q K†i†Qb ?.....
- 21| wewb†qvMK...Z A<sub>2</sub>© n†Z jv†fi m<sup>3</sup>çvebv Av†Q wK? .....nu<sup>3</sup>v/bv
- 22| AvcwB wK FY<sup>3</sup>vZv ms<sup>3</sup>vi k†Z© mš<sup>3</sup>yó? .....nu<sup>3</sup>v/bv
- 23| mš<sup>3</sup>ó bv n†j,Zvi KviY? .....
- 24| AvcwB wK wbqwgZ wKw<sup>3</sup>í cwi†kva K†ib?.....

*Appendices*

25 | †Kvb wbav©wiZ wKw´Í bv w`‡Z cvi‡j wK ai‡Yi cwiw´wZi mæ\$ywLb

nb?.....

Z\_¨ msMÖnKvixi ´^v¶i

## Appendix-B

### Bangla Version of the MUNSH Scale

GB Afx¶vwU KZ,¶jv cÖ¶kœi / Dw³i mgš^¶q MwVZ| G¶Z Ggb wKQy welq i¶q¶Q ¶h  
 ,¶jv mšú©¶K Avcbvi gZvgZ n"uv, A\_ev bv wKsev Rvwb bv n¶Z cv¶i| Avcbvi Kv¶Q  
 ¶h gZvgZwU MÖnb¶hvM" e¶j g¶b n¶e DËic¶î ¶mwU¶Z wUK (✓) wPý w`b|

			nuv		
Rvwbbv	bv		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.	PA	Avccb wK wb¶R¶K c,,w_exi myLx e" w³¶i GKRb e¶j g¶b K¶ib?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	PA	Avccb wK my¶Li ev myLvbyf~wZi D" P^¶i Ae^'vb Ki¶Qb?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	PA	Avccb wK Avcbvi Rxeb wb¶q we¶klfv¶e Z...ß?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	PA	Avccb wK wb¶R¶K fvM"evb e¶j g¶b K¶ib?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	NA	Avccb wK wei³ ev exZ^ú,,n?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	NA	Avccb wK wbtm½ ev Ab"¶i ¶_¶K wew"Qbœ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	NA	Avccb wK welbœ ev Lye AmyLx?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	NA	Avccb wK wegyp ev nZf^ Kvib Avccb Rvb¶Zb bv Avcbvi wK Kibxq wQj?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	NA	¶hfv¶e Avcbvi Rxe¶bi ¶gvo Ny¶i¶Q Zv wb¶q wK Avcbvi g¶b wZ³Zvi AbyfywZ Av¶Q?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	PA	¶hfv¶e Avcbvi Rxe¶bi ¶gvo Ny¶i¶Q Zv wb¶q wK Avccb ¶gvUvgywU mš'ó?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	NE	GUvB Avgvi Rxe¶bi me¶P¶q wbivb>`gq mgq	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	PE	hLb Avgvi eqm Avil Kg wQj ZLbKvi gZB GLbl Avwg myLx	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13.	NE	hv wKQy Avwg Kwi Zvi AwaKvskB weiw³Ki A_ev GK¶N¶qwg¶Z fiv	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14.	PE	Avwg hv wKQy Kwi ¶mUv Av¶Mi gZB AvK©lboxq g¶b nq	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15.	NE	hLb Avwg Avgvi Rxe¶bi wcQ¶bi w`¶K ZvKvB Avwg tek mš—wó¶eva Kwi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.	NE	hZB w`b hv¶"Q mewKQy ZZB Lvivc n¶"Q	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17.	NE	Avccb wK wb¶R¶K wbtm½ g¶b K¶ib?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18.	PE	GLb (G eQi) A¶bK ¶QvU Lv¶Uv welq Avgv¶K fvwe¶q ¶Zv¶j	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19.	NE	hw` Avcbvi B"QvgZ emevm Kivi my¶hvM _vK¶Zv Z¶e wK eZ©gv¶b Avccb ¶hLv¶b emevm Ki¶Qb ¶mLv¶bB emevm Ki¶Zb?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20.	PE	Avwg gv¶S gv¶S Abyfe Kwi ¶h, te¶Pu _vKvi ¶Kvb gv¶b ¶bB	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21.	NE	hLb Avgvi eqm Kg wQj ZLb ¶h iKg my¶L wQjvg GLbl Avwg ¶m iKg my¶L AvwQ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22.	PE	AwaKvsk mgq RxebUv Avgvi Kv¶Q KóKi g¶b nq	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23.	PE	Avcbvi eZ©gvb Rxeb wb¶q wK Avccb mš'ýó?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24.		Avgvi ^v^" Avgvi eq¶mi Ab"vb"¶i gZ wKsev Zv¶i ¶P¶q  fvj	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



## Appendix-B

### Memorial University of Newfoundland Scale of Happiness (MUNSH):

Class: Psychological-morale inventories, Code L4.7.2

Measurement:

Memorial University of Newfoundland Scale of Happiness (MUNSH):

In the past months have you been feeling:

**(The First ten questions are based on general life experience) :**

1. On top of the world ? (PA)
2. In high spirits? (PA)
3. Particularly content with your life ? (PA)
4. Lucky ? (PA)
5. Bored ? (NA)
6. Very lonely or remote from other people ? (NA)
7. Depressed or very unhappy ? (NA)
8. Flustered because you didn't know what was expected of you ? (NA)
9. Bitter about the way your life turned out ? (NA)
10. Generally satisfied with the way your life has turned out ? (PA)

**(The next 14 questions have to do with more general life experience):**

11. This is the dreariest time of my life. (NE)
12. I am just as happy as when I was younger. (PE)
13. Most of the things I do are boring or monotonous. (NE)
14. The things I do are as interesting to me as they ever were. (PE)
15. As I look back on my life, I am fairly well satisfied. (PE)
16. Things are getting worse as I get older. (NE)
17. How much do you feel lonely? (NE)
18. Little things bother me more this year. (NE)
19. If you could live where you wanted, where would you live? (PE)
20. I sometimes feel that life isn't worth living. (NE)
21. I am as happy now as I was when I was younger. (PE)
22. Life is hard for me most of the time. (NE)
23. How satisfied are you with your life today? (PE)
24. My health is the same or better than most people's my age. (PE)

# Appendix-C

(TMAS- Bengali Version)

Ôwb#`©k bv cvlqv ch@śí cyw`ÍKvi cvZv Dëv#eb bvÕ

DËi cÎ

e`w³MZ Z\_`vejx

eqm	t	%eevwnK Ae`v	t
wk¶vMZ thvM`Zv	t	#ckv	t
gvwmK Avq	t	Av_©-mvgvwrK Ae`v	t

wb#`©kbvt

gvby#li Rxe#bi wewfbœ w`K m#ú#K© wKQy mvaviY Z\_` msMÖ#ni D#í#k` GB cÖkœgvjv cÖYqb Kiv n#q#Q| G#¶#î, Avcbvi AvśíwiK mn#hvwMZv Avgv#`i cÖ#qvRb| KviY Avcbvi AvśíwiK mn#hvwMZv bv #c#j msM,,wnZ Z\_`mg~n ev`Íe wfwËK n#e bv|

GB cyw`ÍKvq tek wKQy e³e` i#q#Q, `qv K#i cÖwZwU e³e` gb w`#q co-b Ges #f#e #`Lyb e³e`wU Avcbvi #¶#î wKfv#e (mZ`/wg\_`v) cÖ#hvr`| hw` cÖ#kœ D#j#wLZ e³e` Avcbvi Rb` mwZ` e#j g#b nq ev tekxi fvM #¶#î mwZ` e#j g#b nq Zvn#j Avcwb DËi c#î Ônu`vÕ Kjv#g (x) wPý w`b Ges hw` e³e`wU wg\_`v e#j g#b nq ev tewki fvM #¶#î mZ` bv nq Zvn#j DËi c#î ÔbvÕ Kjv#g (x)wPý w`b| (`qv K#i wb#æ cÖ`Ë D`vniY j¶` KiæY)|

D`vniYt

DËi cÎ					
cÖkœ bs	Ônu`vÕ	ÔbvÕ	cÖkœ bs	Ônu`vÕ	ÔbvÕ
1		x	3	x	
2	x		4		x

g#b ivL#eb, DËi #`qvi #¶#î Avcwb Avcbvi wbR`^ gZvgZ cÖ`vb Ki#eb| cyw`ÍKvq D#j#wLZ e³#e`i µwgK msL`v | DËi c#î DËi msL`vi g#a` #hb wgj\_`v#K #mw`#K we#klfv#e j¶` ivL#eb| cÖkœc#î #Kvb `vM w`#eb bv| Avevil AvśíwiK mn#hvwMZv Kvgbv KiwQ| GLb cÖkœc#î cvZv Dëvb|

## Appendix-C

**Bengali Version of Taylor's Manifest Anxiety Scale**  
 e³e" wU mwZ" e†j g†b n†j Avcwb Ônu"vÕ e†. (x) wPý w`b Ges wg\_`v e†j g†b n†j ÔbvÕ e†.

- |   |              |   |
|---|--------------|---|
| 1. mevb e†j Avwg bvwk Ny†gi g†a" nuvwU <br>nuv bv   | □            | □ |
| 2. K†qK ivZ ci ciB Avwg `yt`^coe †`wL <br>bv  | <i>nuv</i> □ | □ |
| 3. Avgvi Lye KgB gv_v e`_v nq <br>nuv bv  | □            | □ |
| 4. Avgvi wk n†"Q bv n†"Q †mUv wb†q †KD Lye GKUv gv_v Nvgvq bv <br>nuv bv                              | □            | □ |
| 5. Avwg Lye avwg©K (AwaKvsk †jv†Ki PvB†Z †ekx) <br>nuv bv   | □            | □ |
| 6. Avgvi B†"Q nq Avwg hw` Ab`†`i gZ myLx n†Z cviZvg <br><i>nuv</i> bv                                 | □            | □ |
| 7. Avgvi Kv†Q me wKQy `^v` GKB iKg jv†M <br>nuv bv  |              |   |
| 8. Avwg AvBb cÕ†qv†M wek`vm Kwi <br>nuv bv  |              |   |
| 9. Avwg cÕvqB j¶" Kwi †h, †Kvb wKQy Kivi mgq Avgvi nvZ Kuv†c <br><i>nuv</i> bv                        |              |   |
| 10. Avwg mn†RB Kvuw` <br>bv   | <i>nuv</i>   |   |
| 11. gv†S gv†S Avgvi g†b nq wb†R†K A_ev Ab" KvD†K †hb AvNvZ Ki†ZB n†e <br>nuv bv                       |              |   |
| 12. Avgvi åg†bi †bkv Av†Q Ges Ny†gi g†a" A_ev ågb bv Ki†j Avwg wKQy†ZB Z...wß cvB<br>bv  nuv bv       |              |   |
| 13. Avgvi Lye KgB eyK aK aK K†i Ges K`vwPr `g eÜ n†q Avmvi Abyf~wZ nq <br>nuv bv                      | □            | □ |
| 14. KLbl KLbl Avgvi wb†R†K Kg©kw³†Z c~Y© g†b nq <br>nuv bv  | □            | □ |
| 15. †Kvb Sv†g†v mn" Ki†Z ev ,iæZic~Y© wm×vší wb†Z Avgvi fvj jv†M bv <br><i>nuv</i> bv                 | □            | □ |
| 16. Avgvi mvg†b GZ †ekx mgm`v wQj hv Avwg KwvU†q DV†Z cvwiwb e†j cÕvqB Avgvi<br>g†b nq  <i>nuv</i> bv | □            | □ |
| 17. D†Ø†Mi Kvi†Y KL†bv KL†bv Avgvi Ny†gi e`vNvZ nq <br><i>nuv</i> bv                                  | □            | □ |
| 18. Avgvi eÜz†`i gZ AZ fq Avgvi †bB <br>bv  | <i>nuv</i>   |   |
| 19. Avwg cÕvqB me `^coe †`wL hv Ab`†`i ejv hvq bv <br><i>nuv</i> bv                                   |              |   |
| 20. Avgvi gv GKRb fvj gwnjv wQ†jb <br>bv  | <i>nuv</i>   |   |
| 21. Avwg wek`m wKi Avwg GKRb †`vlx e`w³ <br>nuv bv  |              |   |

Appendices

22. Rxeþb GK ev GKvwaKevi Avgvi gþb nþqþQ th þKD GKRb AvgvþK hv`y Kþi ev  
mþxšvwnZ  
Kþi KvR Kwiþq wbþ”Q|    
nuv bv
23. þKD Avgvi wRwbmcĀ AcniY Kivi þPóv KiþQ|    
nuv bv
24. Avwg wek|vm Kwi Avgvi cvc ¶lgi AþhvM”|    
nuv bv
25. Avwg th þckv MÖnY KþiwQ (A\_ev Avwg Rxeþb th KvR KiþZ PvB) Avgvi cwievþii þjvKRb    
Zv cQ>` Kþi bv|    
nuv bv
26. Avgvi gv\_vq þKvb þMvjgvj AvþQ|    
nuv bv
27. þKvb þKvb mgq ,iæZinxb welq wbþq Avwg AþnZzK `ytwðšív KiwQ|    
nuv bv
28. Avgvi Nyg cvZjv Ges Avgvi fvj Nyg nq bv| *nuv*    
bv
29. þekxi fvM mgq wKQy Kivi PvBþZ eis eþm eþm AvKvk Kzmyg(Aev`—e)Kíbv KiþZ    
fvjevwm| nuv bv
30. Avwg UvKv cqmv bvovPvov KiþZ fq cvB bv|    
nuv bv
31. Avwg mvaviYZt Lye kvš— Ges mnþR wech©`Í nBbv|    
nuv bv
32. Avgvi gv-evev Ges cwievþii þjvKRb Zvþ`i hZLvwB DwPr Zvi þ\_þKl tekx Avgvi þ`vl aþi|    
nuv bv
33. Avwg th me RvqMvq AvþM þKvb w`b hvB bvB þm me RvqMvq teovþZ thþZ cQ>` Kwi|    
nuv bv
34. þKvb þKvb mgq Avwg GZ Aw`iZv teva Kwi th GK RvqMvq tekx¶Y eþm \_vKþZ cvwi    
bv| nuv bv
35. Avwg Avgvi evevþK fvjevMZvg|    
nuv bv
36. þKvb Rxe-Rš`þK Kó þcþZ þ`Lþj Zv AvgvþK weþkl wePwjZ Kþi bv|    
nuv bv
37. cÖvqB gþb nq GB RxebUv Avgvi Rb” AZ”šÍ cxov`vqK|    
nuv bv
38. Avwg AZ”šÍ cvþci gþa” KvR Kwi|    
nuv bv
39. Avgvi gþb nq Avgvi weiæþx lohšġ PjþQ|    
nuv bv
40. Avwg cÖvq me mgqB þKvb welþq ev KvDþK wbþq `ytwðšív Kwi|    
nuv bv
41. Avwg Ggb aiþYi e`w<sup>3</sup> th me wKQyþKB AZ”šÍ ,iæZi þ`q|    
nuv bv
42. gvþS gvþS Avwg Aþb”i e`w<sup>3</sup>MZ wRwbl cĀ e`envi Kwi|    
nuv bv
43. Avwg w`þb NygvþZ cvwi wKš’ ivþZ cvwi bv|    
nuv bv

Appendices

44. Avwg Lye bfv©m ai†Yi gvbyl|    
nuv bv
45. Avwg Avgvi Pvicv†k bvbv iKg wRwbm, Rš' Rv†bvqvi A\_ev †jvKRb †`wL hv Ab`iv ††L   
bv| nuv bv
46. KLbl KLbl g†b nq †h, Avwg G†Kev†i ††½ cowQ|    
bv nuv
47. Avgvi g†b nq Avgv†K †KD †hb AbyMiY Ki†Q|    
nuv bv
48. Avgvi †hŠbRxeb m†šÍvIRbK|    
bv nuv
49. Avwg cÖvq cÖvqB †Kvb wKQy wb†q `ytwðšÍv Kwi|    
nuv bv
50. Avgvi Nv†o cÖvqB jvj PvKv `vM nq|    
bv nuv
51. Avwg weeªZ†eva Ki†j cÖvqB Nvg†Z \_vwK hv AZ`šÍ weiw³Ki|    
nuv bv
52. Avgvi †gv†UB AvZœwek|vm †bB|    
nuv bv
53. Ab` A†b†Ki Zzjbvq Avwg mn†RB g†b AvNvZ cvB|    
nuv bv
54. †KD Avgv†K wel Lvlqv†Z †Pón Ki†Q|    
nuv bv
55. Avwg †h me KvR Kwi Zv†Z mvaviYZt mdjZv jv†fi Avkv Kwi|    
nuv bv
56. gv†m GK ev GKvwaKevi Avgvi †c†Ui AmyL nq|    
nuv bv
57. Avwg Ab`†i gZB j¾vq jvj n†q hvB|    
bv nuv
58. Avwg wek|vm Kwi GKRB m„wóKZ©v Av†Qb|    
nuv bv
59. †KD Avgvi g†bi Dci cÖfve we`Ívi Kivi †Pón Ki†Q|    
bv nuv
60. Avwg mn†RB Ab`†i g†b Avgvi mǎú†K© fq jvMv†Z cvwi Ges gv†S gv†S gRv Kivi   
Rb` Zv K†il \_vwK| nuv    
bv
61. Avwg cÖvqB †c†Ui Amy†L fywM|    
nuv bv
62. KLbl KLbl †QvU LvU Pzwi A\_ev †`vKvb †\_†K wKQy nvZ mvdvB Kivi †jvf mvgjv†bv   
Avgvi c†¶ Amǎce n†q `uvovq|    
nuv bv
63. Avgvi cwiev†ii GK ev GKvwaK m`†m`i cÖwZ Avgvi Cl©vcivqb nevi KviY Av†Q|    
nuv bv
64. A†c¶v Ki†Z n†j Avwg bfv©vm †eva Kwi|    
nuv bv
65. cÖvq me AvBb Kvbyb\_wj ev` w`†Z cvi†jB fvj nq|    
nuv bv

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66. Avwg mn†RB weeªZ nB|  
nuv bv
67. gv†m GKevi ev Zvil †ekxevi Avgvi Wvqwiqv nq|  
nuv bv
68. Avwg GKv\_vK†j hZUv myLx nB Ab¨ †Kvb mg†q ZZUv myLx nB bv|  
nuv bv
69. Avgvi nvZ I cv Mig\_v†K| nuv  
bv
70. mªcve¨ wec` mªú†K© Avwg †ek `ytwðšÍv Kwi|  
nuv bv
71. †h K†Vvi cwikªg Ki†Z cv†i Ges Ki†Z Pvq, Zvi Rxe†b mdjZv jv†fi †ek mªcvebv Av†Q|  
nuv bv
72. cÖvqB †`wL †h, GKbvMv†o K†qKw`b a†i Avgvi gjZ¨vM nq bv|  
nuv bv
73. †hŠbwelqK cÖavb Z\_¨,†jv †QvU†ejv †\_†KB wk¶v †`lqv DwPr|  
nuv bv
74. cÖvq K†qKivZ ci ciB Avwg `yt^cœ †`wL|  
nuv bv
75. Avwg Ggb me welq ev e¨w³ mªú†K© fxZ n†qwQ hv Avgvi ¶wZ Ki†Z cv†i bv e†j Avwg Rvwb| nuv bv
76. hLb Avwg †jvK R†bi mv†\_vwK ZLb bvbv ai†bi A™cyZ kã I K\_vevZ©v †b†Z cvB|  
nuv bv
77. gvbyl hw` Avgvi e¨vcv†i bvK bv MjvZ, Zvn†j Avwg Av†iv mdjZv AR©b Ki†Z cviZvg|  
nuv bv
78. KLbl KLbl Avwg wb†R†K wbwðZ fv†e Ac`v\_© e†j †eva Kwi|  
nuv bv
79. hv Avwg mwVK e†j fvwe Zvi Rb¨ cÖvqB iæ†L `uvov†bv cÖ†qvRb g†b Kwi|  
nuv bv
80. Avwg †h wel†q KvR KiwQ †m wel†q Av†iv †ekx Rvb†Z I cov†bv Ki†Z cQ›` Kwi|  
nuv bv
81. nvwmi Lei,†jvB msev`c†Îi GKgvÍ AvKI©Yxq Ask| nuv  
bv
82. Avwg Ab¨vb¨†i gZB bvfvc©m |  
nuv bv
83. †ekxi fvM †jv†Ki †P†q Avwg A†bK †ekx AvZ¥-m†PZb|    
nuv bv
84. Avwg mvaviYZt bvbv ai†bi AvR,we K\_vevZ©v I kã cvB wKš' †m,†jv †Kv\_v †\_†K  
Avm†Q Zv eyS†Z cvwi bv|    
nuv bv
85. †QvU†ejvq GK ev GKvwaKevi ¯czj †\_†K cvwj†q hvevi Rb¨ Avwg kvw´Í †c†qwQ|    
nuv bv
86. Avgvi gb†K GKB wel†q Avwg w´i ivL†Z cvwi bv|  
nuv bv
87. wki†i†K Avgvi fvj jv†M| nuv    
bv
88. Avgvi Rxe†b Ggb wKQy wKQy mgq Gm†Q hLb Avwg KvR K†i wM†qwQ, wKš' c†i g†b  
Ki†Z

Appendices

- |   |                              |                          |
|---|------------------------------|--------------------------|
| cvwi bvB H mgq,wjZ Avwg wK KfiwQ  | <input type="checkbox"/>     | <input type="checkbox"/> |
| nuv  bv   | <input type="checkbox"/>     | <input type="checkbox"/> |
| 89. gvS gvS Avwg tiM hvB  | nuv <input type="checkbox"/> | <input type="checkbox"/> |
| bv  | <input type="checkbox"/>     | <input type="checkbox"/> |
| 90. cxi dwKiiv t`vqv `iafi gva`g AmyL wemyL fvj KiZ cvfibv                                  | <input type="checkbox"/>     | <input type="checkbox"/> |
| nuv  bv   | <input type="checkbox"/>     | <input type="checkbox"/> |
| 91. Avwg AZ`š AvZ-wek vmx   | <input type="checkbox"/>     | <input type="checkbox"/> |
| nuv  bv   | <input type="checkbox"/>     | <input type="checkbox"/> |
| 92. th KfiVvi cwik <sup>a</sup> g KiZ cvfi Ges KiZ Pvq, Zvi Rxeib mdjZv jvfi tek mævebv AvQ | <input type="checkbox"/>     | <input type="checkbox"/> |
| nuv  bv   | <input type="checkbox"/>     | <input type="checkbox"/> |
| 93. Avgvi gbK tKD GKRB wbqšb KiQ  | <input type="checkbox"/>     | <input type="checkbox"/> |
| nuv  bv   | <input type="checkbox"/>     | <input type="checkbox"/> |
| 94. Avwg UvKv cqmv I KvRKg© wbq `ytwšiv Kwi   | <input type="checkbox"/>     | <input type="checkbox"/> |
| nuv  bv   | <input type="checkbox"/>     | <input type="checkbox"/> |
| 95. e`Zt Avwg KLbB j <sup>3</sup> /4vq jvj nB bv  | nuv <input type="checkbox"/> | <input type="checkbox"/> |
| bv  | <input type="checkbox"/>     | <input type="checkbox"/> |
| 96. gvS gvS Avgvi AvZv t`n tQto Pj hvq  | <input type="checkbox"/>     | <input type="checkbox"/> |
| nuv  bv   | <input type="checkbox"/>     | <input type="checkbox"/> |
| 97. wKQy tjk AvQ Avgvi wPšiv I aviYv Pzwi Kivi tPov KiQ                                     | <input type="checkbox"/>     | <input type="checkbox"/> |
| nuv  bv   | <input type="checkbox"/>     | <input type="checkbox"/> |
| 98. Avwg ciKvj wek vm Kwi   | <input type="checkbox"/>     | <input type="checkbox"/> |
| nuv  bv   | <input type="checkbox"/>     | <input type="checkbox"/> |
| 99. cÖvq me mgqB Avwg ŋ zavteva Kwi   | <input type="checkbox"/>     | <input type="checkbox"/> |
| nuv  bv   | <input type="checkbox"/>     | <input type="checkbox"/> |
| 100. Avwg Avgvi gvK fvjevMzv  | <input type="checkbox"/>     | <input type="checkbox"/> |
| nuv  bv   | <input type="checkbox"/>     | <input type="checkbox"/> |
| 101. tekxi fvM mgqB Avwg myLx   | <input type="checkbox"/>     | <input type="checkbox"/> |
| nuv  bv   |                              |                          |
| 102. Avgvi eev GKRB fvj gvbyl wQjb  | nuv <input type="checkbox"/> |                          |
| bv  |                              |                          |
| 103. cÖvqB Avgvi fq nq th, Avwg tevanq j <sup>3</sup> /4vq jvj nq hww"Q                     | <input type="checkbox"/>     | <input type="checkbox"/> |
| nuv  bv   |                              |                          |
| 104. hviv AvgvK tPb Zvfi gfa` tekxi fvM tjkB AvgvK cQ>` Kfi                                 | <input type="checkbox"/>     | <input type="checkbox"/> |
| nuv  bv   |                              |                          |
| 105. Avwg AZ`vwaK cwigvb g`cvb KfiwQ  | <input type="checkbox"/>     | <input type="checkbox"/> |
| nuv  bv   |                              |                          |
| 106. gvS gvS gb nq Avwg tKvb KvRiB bv   | <input type="checkbox"/>     | <input type="checkbox"/> |
| nuv  bv   |                              |                          |
| 107. Avgvi Lye tekx tciUi Amyweav AvQ   | <input type="checkbox"/>     | <input type="checkbox"/> |
| nuv  bv   |                              |                          |
| 108. ewg I ewg ewg fve gvS gvS AvgvK tfvMvq   | <input type="checkbox"/>     | <input type="checkbox"/> |
| nuv  bv   |                              |                          |
| 109. tKvb KvR ev tckvq gbK wbex ivLv Avgvi cŋ KwVb nq                                       | <input type="checkbox"/>     | <input type="checkbox"/> |
| nuv  bv   |                              |                          |
| 110. gvS gvS GZ DšEwRZ nq cwo th Avgvi Rb` Nygvbv KwVb nq                                   | <input type="checkbox"/>     | <input type="checkbox"/> |
| nuv  bv   |                              |                          |

*Appendices*

111. GgbwK kx†Zi w`†bl Avwg Lye mn†RB †N†g hvB|  
nuv bv

112. gv†S gv†S kqZvb Avgvi Dci fi K†i|  
bv

nuv

113. Avgvi cÖvqB Kvwk\_v†K|  
nuv bv

114. Avwg mn†R K~všÍ nBbv|  
nuv bv



## Appendix-C

### TAILOR'S MANIFEST ANXIETY SCALE (TMAS)

The following TMAS Items were presented in written form to the literate Respondents and in oral form to the Respondents of lower academic backgrounds of the present study. They were also requested to give comprehensive response.

#### **'Now Open the Booklet and Go Ahead'**

1. I have been told that I walk during sleep.
2. I have nightmares every few nights.
3. I have very few headaches.
4. No one cares much what happens to you.
5. I am very religious (more than most people).
6. I wish I could be as happy as others.
7. Every thing tastes the same.
8. I believe in law enforcement.
9. I frequently notice my handshakes when I try to do something.
10. I cry easily.
11. Sometime I feel as if I must injure either myself or some one else.
12. I have the wanderlust and am never happy unless I am roaming or traveling about.
13. I do not often notice my heart pounding and I am seldom short of breath.
14. At times I am all full of energy.
15. I don't like to face a difficulty or make an important decision.
16. I have often felt that I faced so many difficulties I could not overcome them.
17. At times I loss sleep over worry.
18. I do not have as many fears as my friends.
19. I often dream about things I do not like to tell other people.
20. My mother was a good woman.
21. I believe I am a condemned person.
22. At one or more times in my life I felt that someone was making me do things by  
Hypnotizing me.
23. Someone has been trying to rob me.
24. I believe my sins are unpardonable.
25. My family does not like the work I have chosen (or the work I intend to choose for my life  
work).
26. There is something wrong with my mind.
27. At times I have been worried beyond reason about something that really did not matter.
28. My sleep is restless and disturbed.
29. Most of the time I would rather sit and daydream than to do anything else.
30. I am not afraid to handle money.
31. I loved my mother.
32. My parents and family found more fault with me than they should.
33. I like to visit places where I have never been before.
34. At times I am so restless that I cannot sit in a chair for very long.
35. I loved my father.
36. It does not bother me particularly to see animals suffer.
37. Life is often a strain for me.
38. I work under a great deal of strain.
39. I believe I am being plotted against.
40. I feel anxious about something or someone almost all of the time.
41. I am the kind of person who takes things hard.

## *Appendices*

42. Sometime I am strongly attracted by the personal articles of others such as shoes, gloves etc. so that I want to handle or steal them though I have on use for them.
43. I can sleep during the day but not at night.
44. I am a very nervous person.
45. I see things or animals or people around me that others do not see.
46. At times I feel that I am going to crack up.
47. I believe I am being followed.
48. My sex life is satisfactory.
49. I often find myself worrying about something.
50. My neck spots with red often.
51. When embarrassed I often break out in a sweat, which is very annoying.
52. I am not at all confident of myself.
53. My feelings are hurt easier than most people.
54. Some one has been trying to poison me.
55. I usually expect to succeed in things I do.
56. I have diarrhea once a month or more.
57. I blush as often as others.
58. I believe there is a God.
59. Some-one has been trying to influence my mind.
60. I can easily make other people afraid of me, and some-times do for the fun of it.
61. I am often sick to my stomach.
62. At times it has been impossible for me to keep from stealing or shoplifting something.
63. I have reason for feeling jealous of one or more members of my family.
64. It makes me nervous to have to wait.
65. It would be better if almost all laws were thrown away.
66. I am easily embarrassed.
67. I have diarrhea ("the runs") once a month or more.
68. I am never happier than when alone.
69. My hands and feet are usually warm enough.
70. I worry quite a bit over possible troubles.
71. My hearing is apparently as good as that of most people.
72. Any man who is able and willing to work hard has a good chance of succeeding.
73. Often my bowels do not move for several days at a time.
74. Children should be taught all the main facts of sex.
75. I have nightmares every few nights.
76. I have been afraid of things or people that I know could not hurt me.
77. When I am with people I am bothered by hearing very queer things.
78. If people had not had it in for me I would have been much more successful.
79. I certainly feel useless at times.
80. I frequently find it necessary to stand up for what I think is right.
81. I like to study and read about things that I am working at.
82. The only interesting part of newspapers is the "funnies".
83. I am about as nervous as other people.
84. I am more self-conscious than most people.
85. I commonly hear voices without knowing where they come from.
86. As s youngster I was suspended from school one or more times for cutting up.
87. I cannot keep my mind on one thing.
88. I enjoy children.
89. I have had periods in which I carried on activities without knowing later what I had been doing.
90. I get angry sometimes. Hermit Priest
91. A Minister can cure disease by praying and putting his hand on your head.
92. I am very much self-confident.
93. Some one has control over my mind.
94. I worry over money and business.

*Appendices*

95. I practically never blush.
96. My soul sometimes leaves my body.
97. There are persons who are trying to steal my thoughts and ideas.
98. I believe in a life here-after.
99. I feel hungry almost all the time.
100. I loved my mother.
101. I am happy most of the time.
102. My father was a good man.
103. I am often afraid that I am going to blush.
104. I am liked by most people who know me.
105. I have used alcohol excessively.
106. At times I think I am no good at all.
107. I have a great deal of stomach problem.
108. I am troubled by attacks of nausea and vomiting.
109. I find it hard to keep my mind on a task or job.
110. Sometimes I become so excited that I find it hard to get to sleep.
111. I sweat very easily even on cool days.
112. Evil spirits possess me at times.
113. I have a cough most of the time.
114. I do not tire quickly.

## Appendix-D

### LEGENDS:

1. **Age:** 1= Below 30 years, 2= 30 and above.
2. **Marital Status:** 1= Widow, 2= Unmarried, 3 = Married.
3. **Personal Occupation:** 1= Student, 2= Business, 3 = Service, 4 = Unemployed, 5 = Others.
4. **Personal Education:** 1= Illiterate, 2= Class I-V, 3=VI -IX, 4= X and above.
5. **Husband Occupation:** 1= Unemployed, 2= Employed
6. **No. of Children:** 1=1, 2=2, 3=more than 3.
7. **No. of Family Members:** 1=1, 2= more than 1.
8. **Location of Residence:** 1= Rural, 2= Sub-urban/slum.
9. **Region of Residence:** 1= Rajshahi, 2= Khulna, 3= Dhaka
10. **Types of Organization:** 1= NGO, 2= GO.
11. **Monthly Family Income:** 1= 1-3000, 2= 3001- 4000, 3 = 4001- 5000, 4=5001-6000, 5= above 6000

## Appendix- E

**Basic data of Happiness and Manifest Anxiety of Micro-credit recipient and Non-recipient respondents:**

Name of NGO's	Happiness-Credit	Happiness-Non-Credit	Anxiety-Credit	Anxiety-Non-Credit
GRAMEEN BANK	19	25	19	34
	22	23	23	28
	20	21	24	25
	24	19	32	23
	21	27	28	22
	21	28	16	36
	26	30	24	18
	16	32	21	18
	18	20	18	14
	19	21	24	16
	18	22	20	20
	18	19	22	20
	19	27	20	16
	16	26	18	30
	19	22	14	16
	18	18	20	30
	16	19	16	14
	20	32	14	26
	24	25	26	34
	18	26	26	8
	24	24	18	34
	18	25	22	18
	20	20	20	14
	22	23	24	8
	24	31	26	15
	28	29	24	26
	21	25	24	23
	20	28	24	12
	24	21	26	30
	21	20	20	10
	22	29	26	32
	20	21	16	14
	18	21	22	12
	15	28	26	12
	25	22	18	10
	24	20	26	14
	27	19	18	32
	29	22	18	34
	18	26	24	30
	18	24	22	30
	20	23	23	26
	17	25	14	20
	25	27	24	32
	24	24	24	32
	20	24	32	32
	17	26	20	12
	15	27	19	22

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	24	20	28	28
	25	23	20	24
	28	22	24	24
	23	25	26	24
	20	26	24	28
	22	24	14	28
	24	26	22	26
	25	27	24	26
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	35	22	28	24
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	37	24	28	32
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	24	24	32	22
	24	28	24	26
	24	22	24	22
	27	23	16	10
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	26	19	18	30
	28	27	14	10
	18	28	20	10
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	22	31	21	31
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	24	22	18	34
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	29	18	20	8
	20	19	18	12

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	23	27	18	12
	19	24	34	15
	15	21	29	28
	32	26	33	27
	21	27	30	21
<b>GRAMEEN</b>	24	30	20	24

<b>BRAC</b>	20	27	25	23
	26	25	32	30
	27	27	28	26
	28	21	28	24
	32	25	28	24
	31	24	28	30
	30	21	28	28
	35	29	24	26
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	26	21	28	28
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	21	19	22	19
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	29	26	30	30
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	21	23	19	24
	21	22	16	12
	28	25	20	34
	22	20	24	26
	20	19	25	10
	19	18	16	6
	22	29	17	30
	26	28	16	30
	20	25	36	20
	29	24	17	18
	21	21	19	15
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	28	25	20	10
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	20	25	12	34
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	20	26	31	19
	22	25	28	12
	24	30	36	16



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	20	20	22	26
	22	26	26	17
<b>BRAC</b>	24	23	22	25

<b>ASA</b>	21	25	32	26
	25	26	36	20
	31	18	24	26
	20	26	24	20
	24	19	20	28
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	18	28	26	28
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ASA	21	24	20	19

PROSHIKA	23	19	16	22
	23	33	16	13
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	24	30	12	26
<b>PROSHIKA</b>	33	24	14	24

<b>OTHERS</b>	24	24	18	22
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	29	27	10	17
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	26	20	24	28
	27	25	30	28
	23	24	24	30
	22	22	28	32
	25	24	24	28
	24	20	26	26
	24	25	26	28
	25	24	24	26
	22	17	24	32
	31	14	30	24
	25	24	28	36
<b>OTHERS</b>	23	17	30	26
<b>Average=</b>	<b>24.67</b>	<b>23.778</b>	<b>23.27</b>	<b>24.978</b>

**Chapter – I**  
**Introduction**

**Chapter –II**  
**Methods**



## **Chapter – III**

### **Results**

**Chapter – IV**  
**Discussion and Conclusion**

## References

## **Appendices**

Ph.D.  
Thesis

**EFFECT OF MICRO-CREDIT ON HAPPINESS AND  
MANIFEST ANXIETY OF THE RURAL POOR IN  
BANGLADESH**

**EFFECT OF MICRO-CREDIT ON HAPPINESS AND MANIFEST  
ANXIETY OF THE RURAL POOR IN BANGLADESH**



Rajshahi  
University

**MST. RAHIMA KHATUN**

June  
2014

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