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ลิขสิทธิ์ของจุฬาลงกรณ์มหาวิทยาลัย

**IMPACT OF MICRO-CREDIT PROGRAMS UPON ECONOMIC AND
SOCIAL CONDITIONS OF WOMEN IN RURAL AND URBAN
COMMUNITIES IN MYANMAR**



Miss May Si Si Aung

**สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย**

**A Thesis Submitted in Partial Fulfillment of the Requirements
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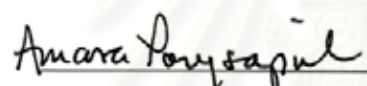
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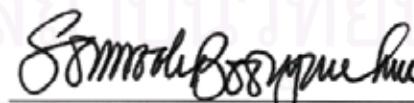
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เมย์ ซี อ่อง : ผลกระทบจากโครงการเงินกู้รายย่อยต่อเงื่อนไขทางเศรษฐกิจและสังคมของสตรีในชุมชนเมืองและชนบทในประเทศพม่า (IMPACT OF MICRO-CREDIT PROGRAMS UPON ECONOMIC AND SOCIAL CONDITIONS OF WOMEN IN RURAL AND URBAN COMMUNITIES IN MYANMAR)

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สภาพความยากจนเป็นปรากฏการณ์ทางสังคมที่พบเห็นได้ในประเทศไทยที่สาม ประเด็นความยากจนจึงเป็นที่สนใจขององค์กรพัฒนาเอกชนรวมทั้งหน่วยงานที่ให้ความช่วยเหลือโดยทั่วไป องค์กรพัฒนาเอกชนดำเนินกิจกรรมที่หลากหลายโดยจุดมุ่งหมายที่สำคัญคือการขจัดปัญหาความยากจนในชุมชนที่มีรายได้น้อย โครงการหนึ่งที่สำคัญคือ โครงการเงินกู้ขนาดเล็กและธุรกิจขนาดเล็กซึ่งได้กลายมาเป็นกลยุทธ์ที่สำคัญในการลดระดับความยากจน ตลอดจนการเสริมสร้างพลังให้ผู้หญิง

วัตถุประสงค์ของวิทยานิพนธ์นี้คือเพื่อประเมินการรับรู้ของสมาชิกในโครงการเงินกู้ขนาดเล็ก 2 โครงการคือ YWCA และ PACT/MYANMAR ที่ดำเนินการอยู่ในเขตเมืองและเขตชนบท 2 แห่งในประเทศพม่า และศึกษาถึงผลกระทบทางเศรษฐกิจและสังคมที่มีต่อครัวเรือนและชุมชนที่ได้รับความช่วยเหลือ วิจัยเชิงคุณภาพเป็นวิธีหลักในการศึกษา แต่วิธีเชิงปริมาณช่วยให้เห็นระดับการรับรู้และผลกระทบของโครงการได้ชัดเจนยิ่งขึ้น ข้อมูลพื้นฐานได้จากการสัมภาษณ์แบบเจาะลึกจากครัวเรือนหลัก 12 ครัวเรือน รวมไปถึงการสังเกตการณ์ การสัมภาษณ์ และการสนทนากลุ่มกับสมาชิกและชาวบ้านทั่วไป ข้อมูลทุติยภูมิได้มาจากแหล่งข้อมูลหลายแห่ง เช่นรายงานการศึกษา เอกสาร และหนังสือ เป็นต้น

ผลการศึกษาพบว่า การรับรู้ของสมาชิกเกี่ยวกับโครงการเงินกู้ขนาดเล็กอยู่ในระดับที่น่าพอใจ โดยสมาชิกส่วนใหญ่ของ PACT (เขตชนบท) และครึ่งหนึ่งของ YWAP (เขตเมือง) มีความพอใจสูงต่อกิจการในโครงการทั้งสอง ส่วนผลกระทบทางเศรษฐกิจพบว่า โครงการทั้งสองสามารถยกระดับฐานะทางเศรษฐกิจของครอบครัวในเรื่องต่างๆ ได้แก่รายได้ครัวเรือน การจ้างแรงงานตนเอง และความมั่นคงทางเศรษฐกิจ ส่วนการยกระดับความเป็นอยู่ทางสังคมโดยทั่วไปปรากฏให้เห็นได้ชัดเจน สมาชิกส่วนใหญ่ของทั้งสองโครงการสามารถยกระดับฐานะทางสังคมของครอบครัวและชุมชนในเรื่องการมีส่วนร่วมในกิจกรรมต่างๆเกี่ยวกับการพัฒนาชุมชน กระบวนการตัดสินใจ ความเชื่อมั่นในตนเอง การเลื่อนฐานะทางสังคม ตลอดจนความชำนาญด้านต่างๆ

สรุปผลของการศึกษาครั้งนี้ พบว่าโครงการเงินกู้ขนาดเล็กประสบความสำเร็จเป็นที่ประจักษ์ชัดในการยกระดับฐานะทางสังคมและเศรษฐกิจของครอบครัวที่มีรายได้น้อย ตลอดจนป้องกันการถดถอยทางเศรษฐกิจโดยทั่วไป โครงการทั้งสองยังก่อผลในทางบวกให้กับสมาชิกโดยการสร้างพลังและยกระดับพื้นฐานของครอบครัวสมาชิกทั่วไป การเปิดช่องทางเข้าถึงแหล่งเงินกู้ขนาดเล็กจึงก่อผลที่พึงประสงค์กับคนในหลายรุ่นอายุ และเป็นผลให้ครอบครัวสมาชิกสามารถพึ่งตนเองและหลุดพ้นจากความยากจนได้

สาขาวิชา การพัฒนาระหว่างประเทศ.....
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ลายมือชื่อนิสิต:
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##4781184924: MAJOR INTERNATIONAL DEVELOPMENT STUDIES

KEY WORD : POVERTY REDUCTION/EMPOWERMENT/DEVELOPMENT/MICRO-CREDIT/POOR COMMUNITIES/SOCIO-ECONOMIC CHANGE/ MYANMAR

MAY SI SI AUNG : IMPACT OF MICRO-CREDIT PROGRAMS UPON ECONOMIC AND SOCIAL CONDITIONS OF WOMEN IN RURAL AND URBAN COMMUNITIES IN MYANMAR : THESIS ADVISOR: ASSOC. PROF. PREECHA KUWINPANT, 119 pp. ISBN: 974-17-5458-2.

The poverty situation is visible in around the developing countries. The issue of poverty has become a matter of grave concern of the NGOs and the donor agencies as well. The NGOs have been implementing a wide range of development activities with a major goal of alleviating poverty around low-income communities. Among them micro-credit and micro enterprise has become one of the important strategies to intervene reduce poverty and empower women.

The objectives of this thesis are to examine members' perception on the micro-credit programs and the programs impacts upon economic and social changes on households and communities. The research was done at the two NGOs: YWCA and PACT/MYANMAR implementation in two areas-urban and rural in Myanmar. In this study, the qualitative method was used primarily and mainly, but also quantitative method was used to visible the member's perception on the programs. Primary data was collected for this research through 12 case studies from in-depth household survey, field observation, and several interviewing and group discussions to the members of the programs and also non-members. A variety of secondary data and information are also used.

The research observed members' perception on micro-credit programs was moderately satisfied by the majority of the PACT (rural) project members and half of the YWDP (urban) members are high in satisfied on the program performance. For the economic impact, the study findings most of the respondents from both micro-credit projects have high in uplifting of family economic condition in the factors namely household income, self-employment, and economic security. Improvement of the social well being of the household members by almost all findings is evident. Majority of two projects members have more or less increased social status among families and communities in terms of participation in community development activities, decision making, mobility, and self-confidence and skills.

The research concluded that provision of micro-credit program was effective as evidenced to help low-income families to raise their socioeconomic status and protect themselves form economic setbacks. The programs constructed positive consequences on member to become empowered and that improved individual family standard. Giving women access to micro-credit loans therefore generates many effects that benefit multiple generations and support individual families to lift themselves out of poverty.

Field of study International Development
Studies

Student's signature.....

Academic year 2005.....

Advisor's signature.....

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As a foreign student, I would like to express sincere thanks to the MAIDS program staffs and responsible persons in Chulalongkorn University for their assistance during the study, and all my classmate for sharing their knowledge and experiences during the course work was added more knowledge to me. Among all friends, I would like to single out Kanchana Yoowattana, a Thai lady, for her strong friendship, sincere care, every word of encouragement is made me comfy to stay and study in a foreign country.

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ABBREVIATION

AMDA	Association of Medical Doctors of Asia
CSG	Credit and Savings Groups
CSP	Credit and Savings Promoter (Project staff)
ECLOF	Ecumenical Church Loan Fund
FAO	Food and Agriculture Organization
GRAMEEN	Village Bank (translated in Bangladeshi)
GRET	Group De Recherche Et D'échanges Technologiques
HDI	Human Development Initiative
INGO	International Non Governmental Organization
Ks.	Kyats (Myanmar Currency)
MBC	Myanmar Baptist Convention
MCC	Myanmar Council of Churches
M-CRIL	Micro-credit Ratings International Ltd
MFIs	Micro Finance Institutes
MSE	Micro and Small Enterprise Loan
MWEA	Myanmar Women Entrepreneur Association
NFBE	Non Formal Business Education
NGO	Non Governmental Organization
PACT	Private Agencies Acting Together
PRA	Participatory Rural Appraisal
SC/US	Save the Children/United State
SHG	Self-Help Group (micro-credit model)
UNCHS	United Nations Centre for Human Settlements
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIFEM	United Nations Development Fund for Women
UNOPS	United Nations Office for Project Services
ViCO	Village Credit Organizations
WC	World Concern
WHO	World Health Organization
WV	World Vision
YMCA	Young Men's Christian Association
YWCA	Young Women's Christian Association
YWDP	YWCA Holistic Development Project

US\$ 1 = Ks. 1,000 (Approximate equivalent during research period)

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The standard of living for many people worldwide is affected by Globalization (Global capitalism). It has also driven many into deepening poverty in developing countries. Globalization creates tensions, especially within nations and companies, between those who have the skills and resources to compete in the global market and those who do not. Unable to compete with multinational firms and wealthy nations, small businesses and third world countries are forced to limit their business as locally, never growing and reaching their full potential.

Today World Bank, Asian Development Bank and other international lending and funding organizations are giving lots of emphasis to address the issue of poverty, and Micro-credit has become the fashionable idea with World Bank, Government and NGOs as a means to alleviate poverty. With a majority of the world's poor living in developing countries and having a predominantly female face. Therefore, it is observed that development concerns are getting more recognition especially in the developing world.

As contained in the United Nations Development Fund for Women (UNIFEM) Report (2000), the Micro-credit programs have the impact of increasing women's income levels and control over income, responsibility and promotion of a spirit of self-confidence, mutual trust and close co-operation which results in greater economic independence and thus help borrowers work their way out of poverty. So the World Bank has set a target to reaching 100 million of the world's poorest people with micro-credit program by 2005. (Micro-credit Summit Campaign Report, 2004) And they placed micro-credit at the centre of its global strategy for poverty reduction.

1.2 Statement of the Problem

Poverty has a stronger impact on rural poor and urban poor communities. The main problem of poor people is they do not have enough money to purchase their basic needs. They cannot start their own enterprise because they lack the amount of money need to invest in small scale informal business. They have to borrow with high interest from local money lender if they need emergency money, children education fees, health care, etc. That is why they cannot break out from poverty.

Micro-credit programs sponsored by local non-government organizations and International non-government organizations have created important influences on the economic and social lives of poor people. But the magnitude of impact is different based on the country situation. Many programs have both positive and negative impacts on borrowers. Positive impacts on borrowers are empowerment, increased income, initiate the small business, job creation, vocational skills, and so on. The negative impacts are increase work loads for women, repayment pressures and indebted because they must repay their loan on time by the program scheme. Amin (1994) stated that rural women often complain that the credit programs increase pressure for repayment and frustrations in the family for spending long time in the credit centers.

Thus, the research will be analyzed whether the micro-credit program can give more positive impact than negative to the communities.

The research questions will be

- How does the micro-credit program bring economic security and social changes on women's roles in the household and community?
- Is micro-credit program contributed to reduce poverty among low-income communities?

1.3 Objectives of the Study

The overall objective of the research is to review and discuss the impact of micro-credit program for poor households in rural and urban areas. Poverty reduction is discussed in terms of family improvement in the quality of life in economic and social status.

The specific objectives are:

- To examine micro-credit members' perception, their level of satisfaction on the micro-credit program
- To discuss economic impact of micro-credit program on women's role in households and communities (household income, self-employment, economic security)
- To discuss social impact of micro-credit program on women's role in households and communities (social participation, decision making, mobility, self-confidence and skills)

1.4 Scope and Limitations of the Study

This study deals with the impact of micro-credit program on rural and urban community based on the perceptions of the beneficiaries or borrowers. Case studies of borrowers were six from each rural and urban communities. The study discussed changes of economic and social status among the participants of the programs.

This study covers Young Women's Christian Association (YWCA) as a representative of local non-governmental organization and PACT/Myanmar as the international non-governmental organization, which is under UNDP umbrella. The other loan giving organizations including GRET, Grameen Trust, AMDA, World Vision are not included in this study because the limitation for data collection.

This study should not be considered as a direct evaluation study of the NGO programs in the selected study area. The purpose of the study is to understand the consequences

of a long NGO driven micro-credit programs on the poor people. Almost all NGO in Myanmar try to address two important questions of alleviation of poverty and women empowerment. Programs and projects are geared up to address these two questions. Questionnaires and some information are measuring the consequences demonstrate the cumulative result rather than highlighting the impacts of specific NGO activities.

However, this study does not cover the impact of micro-credit programs on technology development and environment of the study areas in Myanmar. Influence of micro-credit program on macro economic issues such as labor supply, labor demand and wage markets are not included in this study. And also male borrowers were not considered as respondents in this study.



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จุฬาลงกรณ์มหาวิทยาลัย

CHAPTER II

LITERATURE REVIEW

2.1 Development and Poverty

According to the World Bank Report (2000), across the globe one person in five lives on less than \$1 a day and one in seven suffers chronic hunger. 1.2 billion people live in extreme poverty. The Asia and Pacific region is the home for more than 800 million poor people and out of them 500 million people live in extreme poverty. Most of the poor people live in rural areas, and also urban poverty is growing faster. Women are more likely than men to lack rights to land and other assets. They also have difficult in getting access to credit. And they lack adequate employment and economic security in old age. Poverty reduction is a major concern of developing countries due to the pervasive trend in the spread of poverty observed in the recent years.

Moreover, poverty outcomes are affected by social norms, values and customary practices that in the family, the community and the market, lead to the exclusion of women, ethnic and racial groups, or the socially disadvantaged. Poverty is deepening, creating a class of hard core poor. That is why facilitating the empowerment of poor people by making state and social institutions more responsive to them. It is the key to reducing poverty. The government and non-governmental organization are emphasizing on poverty alleviation and despite their efforts and implementation of various development programs, poverty continues to be overwhelming.

2.1.1 Conceptualizing Poverty

The concept poverty is a complex term which it's various dimensions. Varied indicators are required to be considered to deal effectively with different dimensions of poverty and well-being comes to the forefront as one of the common factors. (Husain, 1998)

Poverty, the inability to attain a minimal standard of living, refers to forms of economic, social and psychological deprivation occurring among people lacking sufficient ownership, control over or access to resources to maintain or provide individual or collective minimum levels of living. In this situation, the ability to provide for minimum nutrition, health education, shelter, security, leisure or other aspects of life is impaired. Poverty, as per this definition, represents an exclusionary relation denoting the state of being excluded from or denied access to a package of resources. (Rutherford, 1995)

In addition Pinker (1999) stated that poverty has social and cultural ramifications of inadequate income which has causal links with many other forms of deprivation, including inadequate access to health care, housing, educational services and employment opportunities.

2.1.2 Measuring Poverty

There is still no internationally accepted measurement of poverty – unlike measures such as employment, unemployment, gross domestic product, consumer prices, and international trade and so on. This is not surprising, perhaps, giving the absence of an international consensus on what poverty is and how it should be measured. Such consensus preceded the development of all other international standards (Pinker, 1999; CIRDAP, 1995; World Bank, 1996). The lack of an internationally accepted definition has also reflected indecision as to whether an international standard definition should allow comparisons of well-being across countries compared to some international norm, or whether poverty lines should be established according to the norms within each country (Gordon and Spicker, 1999; Novib, 1995).

Although there is no definite measurement of poverty in internationally, the World Bank's estimate of US\$ 370 per annum is not based on the precise assessment of needs; it has been multiplied up from the arbitrary figure of US\$ 31 per month, a dollar a day. Within the poverty line there are different degree and depths of

degradation, for instance, extremely poor, moderate poor and poor in terms of their income. (World Bank, 1996)

Poverty lines are monetary cut-off points separating the poor from the non-poor. Since these lines are artificial in the sense that only a small increase in expenditures can sometimes move a whole family from being poor to being non-poor. Poverty lines are generally defined as the per capital monetary requirements an individual needs to afford the purchase of a basic needs.

The concept of poverty as powerlessness, the important of economic vulnerability, physical weakness refers to having poor health, while isolation refers to lack of education, living far away from the centers of communication and information etc and find it difficult to obtain loans. (UNDP, 1996; Dale, 2000; Siddiqui, 2000; Chambers 1983). Vulnerability refers to having little resistance against unexpected and occasionally occurring unfavorable events, which often forces them to incur more debt or to sell or mortgage assets.

The typical form of poverty is shown in figure 2.1

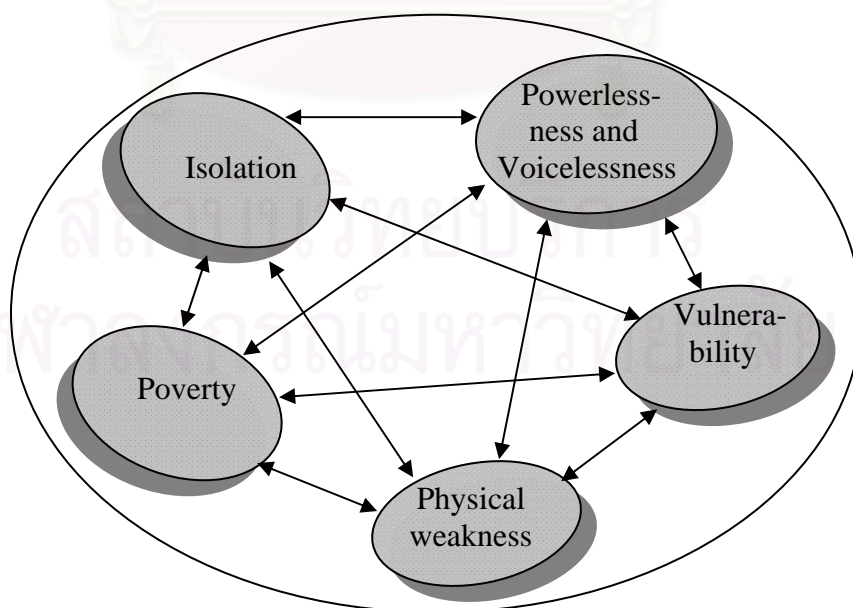


Figure 2.1 A Typical Form of Poverty

Source: World Bank, 2001; Dale, 2000; Chambers, 1983

2.2 Development and Micro-credit

Micro-credit helps overcoming poverty. It can help the poor to increase income, build viable businesses and reduce their vulnerability. It can also be a powerful instrument for self-empowerment by enabling the poor, especially women to become economic agents of change. The poor knows how to solve their own problems and if they get support from the development institutes, they can succeed their present problems.

Micro-credit can have a host of positive impacts on families that receive it. A World Bank study in 1998 reported that 5% of micro-credit borrowers move out of poverty each year. World Bank study by Shahid Khondkar (2003) shows that micro-credit programs operating in Bangladesh over a long period have produced a greater impact on extreme poverty than on moderate poverty.

As added Pischke (1997), credit can be used constructively or irresponsibly, presenting choices to all who control it as borrowers or lenders. Constructive use of credit results in innovation, productive investment, and other expenditures that improve human welfare. Credit does not only create directly income, but it has broader impact on the living of poor people more than a simple input.

The basic of micro-credit scheme is to help the poor families to help themselves to overcome poverty. It is targeted to the poor, particularly poor women. It is offered for creating self-employment for income-generating activities. It is not based on any collateral or legally enforceable contracts. It is based on trust not on legal procedures and system. The loans are to be pay back in installments by weekly or monthly. In order to obtain loans, a borrower must join a group of borrowers. Loan can be received in a continuous sequence and new loan becomes available if the borrower previous loan is repaid. The interest rate is fixed and lowers than the moneylenders' rate. Micro-credit provides service like poor people should not go to the bank but micro-credit organization (bank) should go the poor. It promotes credit as a human right. (Muhammad Yunus, 2003) Also credit gives high priority on building social capital. It is promoted through formation of groups and centers, developing leadership

quality, mutual trust in each other, interested in holistic development activities, concern on empowerment. Micro-credit programs give some relevant training for the borrowers such as leadership skill, management skill, vocational training, basic health care training, income generation trainings, and so on.

Micro-credit programs are more targeted to women as client. Women's role in society is one of the issues in development study. Women have participated in various development activities and they are treated unequally. Women have triple burden or role in liberalizing economics because of their multiple responsibilities in the home, in the workplace and in the community. Women everywhere retain the primary responsibility for housework even they have economic responsibility inside and outside the home. (Do Thithanh Huyen, 2003) The amount of work women do to support family and community is often unseen and unnoticed. They had a secondary role in a family. It is based on the local culture, tradition and beliefs.

Besides 70% of world poor are women, and many scholars stated women may find employment or become self-employed harder than men, due to relative lack of education and skills, lack of independent access to capital. Poor women are more likely to be no income earner in the household and to have a higher dependency ratio. They may be especially vulnerable and deepening in poverty. Many supporters from women's organizations worldwide have charged Microfinance Institutes (MFIs) with the responsibility of affecting change at the grassroots level. Since women represent a majority of the poorest of the poor, they have already been targeted by MFIs.

Through micro-credit, women become more confidence, increase self-esteem, improve decision making and balance development in families. Besides, women are far more effective agents of change and they used the benefits on to the household and family well-being. (World Bank, 2003) If the poor get more income, they can give their children better education, better health and take care of the environment. On the other hand, it can prevent the cycle of poverty around nation.

2.3 Background of Micro-credit

The origin of the micro-credit movement is usually attributed to the work of Muhammad Yunus' Grameen Bank. Providing credit is one way of enabling the poor to acquire assets and become productive. Targeted credit programs for the poor were first tried in 1976, when Muhammad Yunus, a Bangladeshi economics professor, introduced an experimental project to test whether the poor were creditworthy and whether credit could be provided without physical collateral. With the help of some Bangladeshi banks, Yunus conducted an innovative experiment emphasizing group delivery of credit and exploring what constituted a manageable group size for effective financial intermediation. Yunus believes that the most immediate need of the poor is credit to create and expand self-employment opportunities. In Yunus' experiment, group collateral substituted for physical collateral. The group guarantee to repay individual loans became the hallmark of micro lending. Using the mechanism, poor people with no physical collateral were able to form groups to gain access to institutional credit. The mechanism also allowed credit to reach the poor, especially poor women. (Shahidur, 2003)

Emphasis on women's membership is another dimension of the group-based social development model. Targeted credit programs promote women's participation. This emphasis reflects the programs' emphasis on equity and long term social and economic development. Also micro-credit has evolved in astounding ways, incorporating into its practice social and economic development concepts. It is led to a growing number of sustainable micro-credit institutions around the developing world.

Today micro-credit and micro enterprise programs can be found throughout South and Southeast Asia, many parts of Africa and Latin America and even in the US and other Western countries. (Jolis, 1996) The programs have been increasing in recent years and there is a lot of optimism about the capacity of micro-credit to reduce poverty. A worldwide inventory of micro-credit programs prepared by the World Bank documents more than 1,000 microfinance institutions-commercial banks, savings banks, credit unions, and NGOs providing micro-credit to women and the poor in 101

developing countries. (World Bank, 1996) In added, currently there are estimated to be about 3,000 microfinance institutions in worldwide arranged by World Bank, Asia Development Bank, Women's Associations and other donor agencies. And more than 90 percent of these institutions have more than 1,000 clients.

The United Nations Development Fund for Women (UNIFEM) said that micro-credit is one of the key strategies to help women end their own poverty and also Kofi Annan, Secretary General of the United Nations, said that micro-credit is a wise investment in human capital. (UN General Assembly, 2004) Micro-credit is not only for the increasing of income but also for human development.

2.3.1 Definitions of Micro-credit

The definition of micro-credit adopted at the Microcredit Summit (1997) was programs that provide small loans to very poor people for self-employment projects that generate income, allowing them to care for themselves and their families.

Definitions differ, from country to country. Some of the defining criteria uses is that size of the loans are small, target users are micro-entrepreneurs and low-income households, utilization of funds is for income generation and enterprise development or community development and conditions for credit loans are flexible, easy to understand and suited to the local conditions of community. (Microcredit Summit Report, 1997)

Micro-credit is the extension of small loans to entrepreneurs too poor to qualify for traditional bank loans. It has proven an effective measure in the ongoing struggle against poverty, enabling those without collateral to borrow at bank and start small businesses. Micro-credit program has now been used as an entry point in a community-organizing program and as an ingredient in larger education and training exercises.

Jonhson and Rogaly (1997) stated that micro-credit is based on the recognition that the capacity of the poor for entrepreneurship would be encouraged with the availability of small scale loans and would introduce them to the small enterprise sector. This would allow them to be more self-reliant, create employment opportunities and also engage women in economically productive activities.

Furthermore the term “Microfinance” covers a range of design features, focusing on reaching the poor by keeping loan sizes small, targeting women, adopting group based lending systems and mobilizing small and frequent savings deposits and have tended to set interest rates at higher levels than in the past. Such interventions have demonstrated that poor people can repay loans that they have the ability to save.

In micro-credit programs, different methods and forms of financial intermediation including group based and individual approaches is seen as interrelated activities for promoting the quality of life of the poor and the disadvantaged people. (Harper, 1998) Micro-credit is promoting development in economic and non-financial services such as participation in community, mobilization, empowerment of the member. Its all becomes the key words in the development discourse.

2.3.2 Micro-credit Approaches

Dale (2002) observed that the intended uses of the financial resources vary vastly. While some micro-credit providers limit their loans to directly income generating activities, other provides loans for any purposes, production and consumption. According to the Ledgewood (1999), the most well-known micro-credit approaches presented are:

- Village banking
- Individual lending
- Grameen Bank solidarity lending
- Latin American solidarity lending

2.3.2.1 Village banking

Village Banks are community-managed credit and savings associations established to provide access to financial services in rural areas, build community self-help group and help members accumulate savings. (Otero and Rhynel, 1994) The model was developed in the mid 1980s by the Foundation for International Community Assistance (FINCA). Membership in a village bank usually ranges from 30 to 50 people, most of whom are women. Membership is based on self-selection. The loan fund is generated through internal mobilization of member's funds. A village bank consists of its membership and management committee, which receives training from the sponsoring MFI. The sponsoring MFI lends seed (external account) to the bank, which then lends on the money to its members. All members sign the loan agreement to offer a collective guarantee. The loan amount to the village bank is based on an aggregate of all individual members' loan requests. Although the amount varies between countries, first loans are typically short term (four to six months) and are small amount \$50, to be repaid in weekly installments.

Members will save a minimum of 20 percent of the loan amount per cycle (internal account). Loans from the internal account (member savings, interest earnings) set their own terms, which are generally shorter, and their own interest rates, which are generally much higher. Subsequent loan amounts are linked to the aggregate amount saved by individual bank members. Village banks have a high degree of democratic control and independence. Regular weekly or monthly meetings are held to collect savings deposits, disburse loans, attend to administrative issues, and, if applicable, continue training with the MFI officer. Member's savings are tied to loan amounts and used to finance new loans or collective income-generating activities. No interest is paid on savings. However, members receive a share from the bank's relending or investment profits. The dividend distributed is directly proportional to the amount of savings each individual has contributed to the bank. Loan has commercial rates of interest (1 to 3 percent per month). Some banks have broadened service delivery to include education about agricultural innovations, nutrition, and health. Clients are usually from rural or sparsely populated but sufficiently cohesive areas. They have

very low incomes but with savings capacity, and are predominantly women, although the program is also adequate for men or mixed groups. (Ledgewood, 1999)

2.3.2.2 Individual lending

Individual lending is defined as the provision of credit to individuals who are not members of a group that is jointly responsible for the loan repayment. Individual lending requires frequent and close contact with individual clients to provide credit products tailored to the specific needs of the business. It is most successful for large urban-based, production oriented businesses and for clients who have some form of collateral or a willing cosigner. In rural areas, individual lending can also be successful with small farmers.

Loan sizes can vary from \$ 100 to \$ 3,000 with terms between six months and five years. Savings may or may not be provided depending on the institutional structure of the MFIs. Training and technical assistance may be provided by credit officers; sometime training is provided on a per-fee-basis or is mandatory. (Ledgewood, 1999)

2.3.2.3 Grameen Bank solidarity lending

This lending methodology was developed by the Grameen Bank of Bangladesh to serve rural, landless women wishing to finance income-generating activities. This model is prevalent mostly in Asia but has been replicated in other contexts. Grameen Trust has more than 40 replicates in Asia, Africa, and Latin America.

Peer groups of five unrelated members are self-formed and incorporated into village “centers” of up to eight peer groups. Attendance at weekly meetings is essential to other services, to monitor of member’s attendance each member signs in attendance register. And on the meeting weekly savings contributions, group fund contributions, and insurance payments are made as well as group appraises loan for its members.

The weekly compulsory savings must be contributed for four to eight weeks prior to receiving a loan and must continue for the duration of the loan term. There are a variety of funds savings schemes for specific functions. Every group member has to deposit small amount weekly as a personal saving. This is accumulated and account called the Group Fund Account. The group fund is managed by the group of five on a consensus basis, and may be lent out within the group.

Moreover, the members pay a group tax 5% of the loan amount, when a group member receives a loan from the bank. The group tax is also deposit in the Group fund account. This group fund is relinquished to the group and belongs to all members. Any group member can borrow from the group fund for any purpose, investment and consumption. If a member leaves a group, she/he is entitled to withdraw the personal weekly savings in the group fund.

Group members mutually guarantee each other's loans and are held legally responsible for repayment by other members. No further loans are available if all members do not repay their loans on time. No material collateral is required. Mandatory weekly meetings include self-esteem building activities and discipline enforcement. Grameen typically provides pre-credit orientation but minimal technical assistance. Initially, before getting loan the candidates are obliged to participate in training program which is minimum seven days of continuous instruction. This training program supervised by the branch manager and the bank workers are responsible to organize. Early in this training the group elects its chair person and secretary form among its five members. At the end of the training, the branch manager assesses whether or not the training is adequate. If so he gives a provisional recognition to the group. Only then the group gets a formal entity which can engage in transactions with the bank.

Loan appraisal is performed by group members and center leaders. After the loan amount is agreed upon by the group, the loan can be proposed for approval. This involves successive separate approvals which receive final sanction by the manager. Loans are made to individuals within the group by the local credit officer at the

weekly meetings. However, only two members receive loans initially. After a period of successful repayment, two more members receive loans. The final member receives her loan after another period of successful repayment. Branch staffs verify information and make periodic visits to client business. Credit officers usually carry between 200 and 300 clients.

Credit is for six months to one year and repayment are made weekly. Loan amounts are usually small up to \$300. Clients are from rural or urban (densely populated) areas and are usually women from low-income groups. Means tests are applied to ensure outreach to the very poor pursuing income-generating activities. (Ledgewood, 1999; Andreas, Fuglesang and Dale, Chandler, 1993).

2.3.2.4 Latin America Group lending

The Latin America group lending model disburses loans to individual members in a group of four or seven. Members corss-guarantee each other's loans to replace traditional collateral. Clients are commonly female market vendors who receive very small, short term working capital loans. This model was developed by ACCION¹ International in Latin America and has been adapted by many MFIs.

The method is customers are typically informal sector micro businesses, such as merchants or traders who need small amounts of working capital. Group members collectively guarantee loan repayment, and access to subsequent loans dependent on successful repayment by all group members. Payments are made weekly at the program office. The model also incorporates minimal technical assistance to the borrowers, such as training and organization building. Credit officers generally work with between 200 and 400 clients and do not normally get to know their clients very well. Loan approval is by the credit officers based on minimal economic analysis of each loan request. Loan disbursement is made to the group leader at the branch office, who immediately distributes to each individual member. Credit officers make brief, occasional visits to individual clients.

¹ ACCION International is a non profit that fights poverty through microfinance program.

Group members normally receive equal loan amounts, with some flexibility provided for subsequent loans. Loan amounts and terms are gradually increased once clients demonstrate the ability to take on larger amounts of debt. Loan applications are simple and are reviewed quickly. Savings are usually required but are often deducted from the loan amount at the time of disbursement rather than requiring the clients to save prior to receiving a loan. Savings serve primarily as a compensating balance, guaranteeing a portion of the loan amount.

Initial loan amounts are generally between \$100 and \$200. Subsequent loans have no upper limit. Interest rates are often quite high and service fees are also charged. Savings are usually required as a portion of the loan; some institutions encourage establishing intra group emergency funds to serve as a safety net. Very few voluntary savings products are offered. Clients are mostly urban and include both men and women who have small to medium: microbusinesses, merchant. (Ledgewood, 1999)

2.4 Micro Credit Programs in Myanmar

Many countries have established micro-credit programs with the explicit objective of reducing poverty by providing small amounts of credit to the poor to generate self-employment in income-earning activities. Myanmar is one of the developing countries. The population is 42 millions among them divided as urban 25% and rural 75%. (Country Profile, 2004) NGOs are doing micro-credit programs in Myanmar.

In Myanmar micro-credit programs started in 1995 and they are initiated only by the NGOs. GRET, PACT, Grameen Trust, AMDA Myanmar Project (the Association of Medical Doctors of Asia), Save the Children (SC/US), CARE Myanmar, World Vision (WV), World Concern (WC), Ecumenical Church Loan Fund (ECLOF) are the INGOs which are doing micro-credit programs in Myanmar. Among them GRET, PACT and Grameen Trust are under UNDP/UNOPS umbrella.

Local NGOs such as Young Women's Christian Association (YWCA), Young Men's Christian Association (YMCA), Myanmar Council of Churches (MCC), Myanmar

Baptist Convention (MBC), and Myanmar Women Entrepreneur Association (MWEA) are also providing the program.

All of the organizations' micro-credit programs provide financial and non-financial services to the poor with the aim to uplifting their living standard. They provide financial capital in the form of credit and savings, trainings as non-financial services. Even though the programs are working with financial poor communities, their repayment percentage is high as 95%.

2.5 The Impact of Micro Credit Programs

Most of the researches measure the impact of micro-credit program in various dimensions. For this research the impact of micro-credit program considering economic and social aspect.

2.5.1 Economic Impact

Providing the poor with access to financial services is one of many ways to help increase their incomes and productivity. In many countries, however traditional financial institutions have failed to provide this service. (Adams, Graham and von Pischke, 1997; World Bank, 1993; Hoff and Stiglitz, 1990) Micro-credit and cooperative programs have been developed to fill this gap. Their purpose is to help the poor become self-employed and thus escape poverty. Many of these programs provide credit using social mechanisms, such as group-based lending to reach the poor and other clients, including women, who lack access to formal financial institutions. (Huppi and Feder, 1990; Holt and Ribe, 1991; Stiglitz, 1990) With increasing assistance from the World Bank and other donors, microfinance is emerging as an instrument for reducing poverty and improving the Poor's access to financial services in low-income countries. (World Bank, 1990; Binswanger and Landell-Mills, 1995)

In addition evaluations of micro enterprise lending projects indicate that such programs can improve poor people's incomes and productivity considerably. In the small-scale enterprise credit program in Calcutta, for example, incomes have increased an average 82%. (Kahnert, 1989) Similarly, studies of the Small-business scheme of the National Council of Churches in Kenya (NCCCK) reported 10 percent to 14 percent increases in the net incomes of program participants, most of them women. (Otero, 1989)

Most of the studies demonstrate that providing poor people, especially women, with financial services can raise household incomes. The main objective of the micro-credit providers is to create self-employment opportunities for the rural unemployed and under employed people especially for women. A survey of Grameen bank shows that micro-credit program had generated new employment for about one third of its members. (Hossain, 1988)

2.5.2 Social Impact

According to Zaman (1999), micro-credit program helps poor women to be more empowered. Empowerment is characterized as the mobility of women, economic security, ability to purchase, involvement in major household decisions, self confidence, participate in community development activities. Participation in such program increased their mobility to visit places for buying or selling products, medical center for medication, attending program group meetings and trainings, cinema or cinema hall for watching movies, other houses in their surrounding and outside places to interact and develop relation. It also helps them to know more knowledge for their income generation activities and themselves.

Shahidur (2003) mentioned micro-credit programs are an effective instrument for reducing poverty among poor people with the skills to become self-employed. It also shows that such programs are more cost-effective than some other types of antipoverty programs. Women who participated in these programs also increased their

net wealth and their status within the household, and improved the lives of their children as well.

Some studies have indicated that members tend to use credit as a bargaining chip to allow them access to other opportunities provided by credit organizations such as social network with women groups, access to functional literacy, skill training and health education.

Additionally women's independent income through credit programs has led women to exercise voice in the household decision making process. (Kabeer, 1998) He again states that having a voice in household decision making within the household is a reflection of enhance power at the household level resulting in greater choice in household resource allocation especially for those who were previously disenfranchised. Also they become raise their voice in front of peoples and their understanding about themselves becomes different. They don't feel shy to come forward and give their comment in the meetings. They value positive side of their life.

2.6 Conceptual Framework

According to Muhammad Yunus, founder of the Grameen Bank, "Women have plan for themselves, for their children, for their home, and the meals. They have a Vision. Women's World Banking has found that women are reinvesting 92% of their earning into their families. MFIs also believe that women are less likely to default on loans. Given their credit to women, it seems the logical place to focus on poverty reduction. This, then, begs the question of whether poverty reduction is the result of providing with access to credit.

The research conceptual framework is shown in figure 2.2.

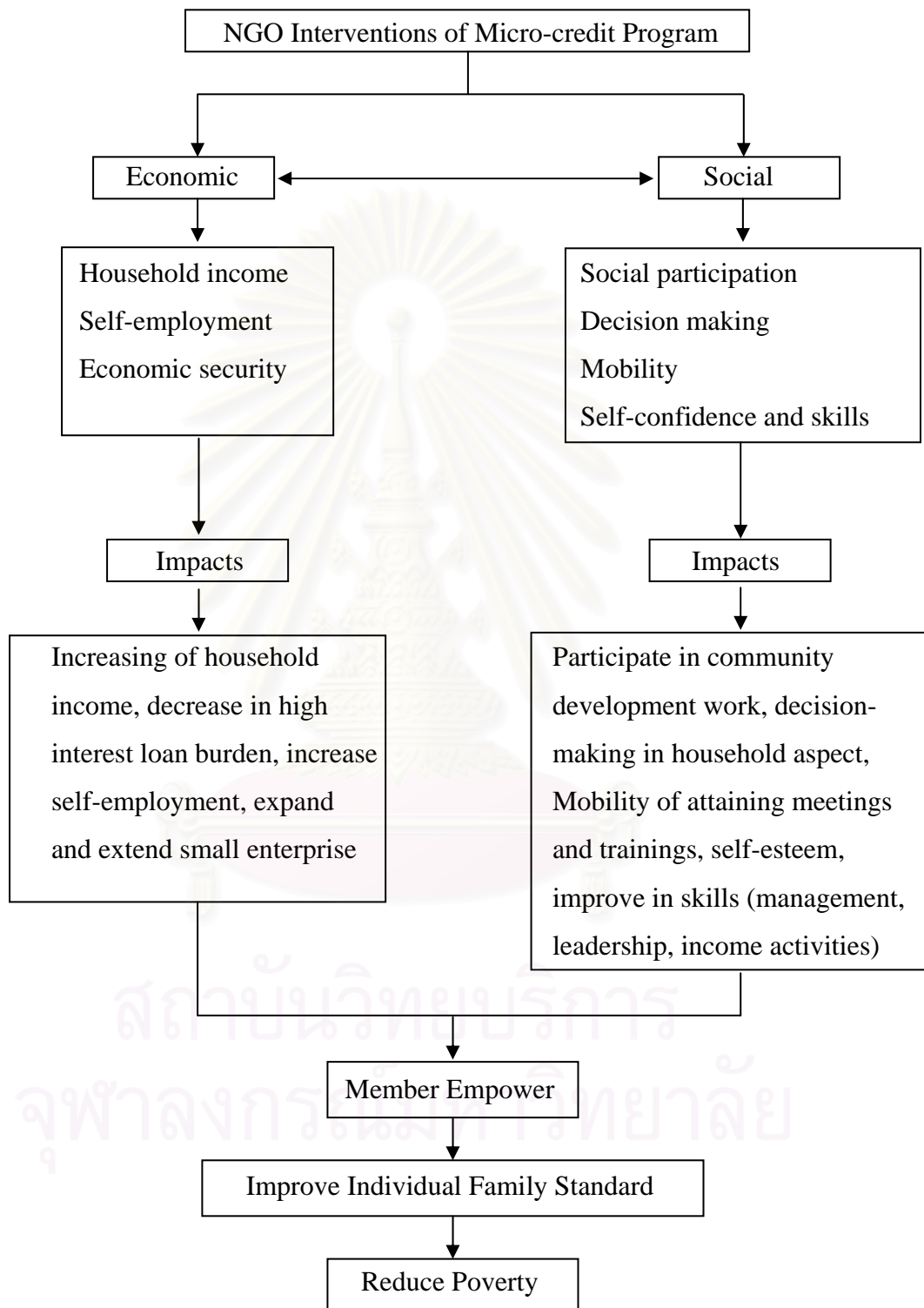


Figure 2.2 Conceptual Framework of the Study

CHAPTER III

RESEARCH DESIGN AND METHODOLOGY

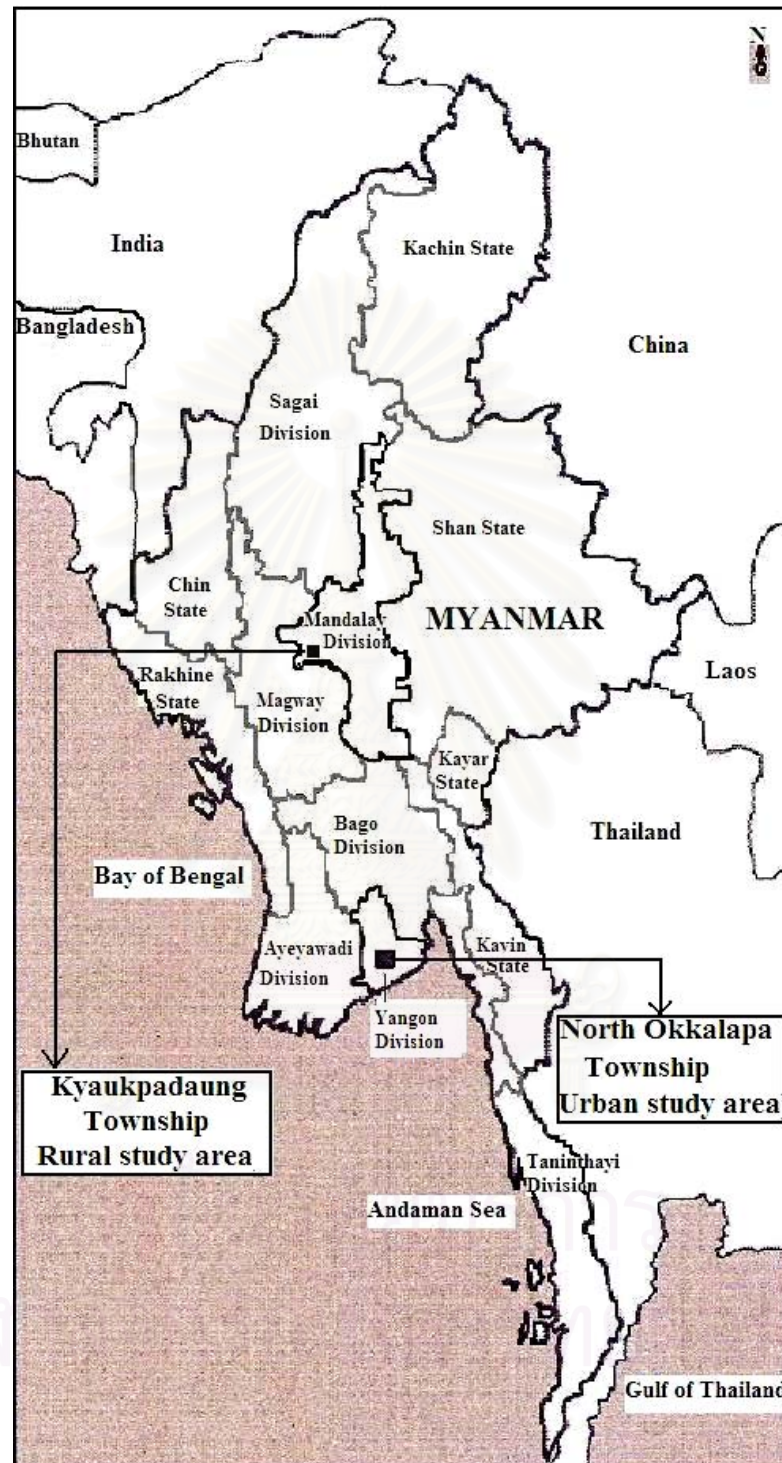
3.1 Types of Research

The qualitative method was used primarily and mainly in the study. But also quantitative method was used to substantiate the finding of study. The research was first exploring the existing socio-economic conditions of the target areas; North Okkalapa Township of Yangon City and Kyaukpadaung Township of Mandalay Division. It is an effort to analyse the impact and effect of the two NGOs' initiated micro-credit programs on the selected communities and households. Few case studies were done to support the findings and to attain in-depth information.

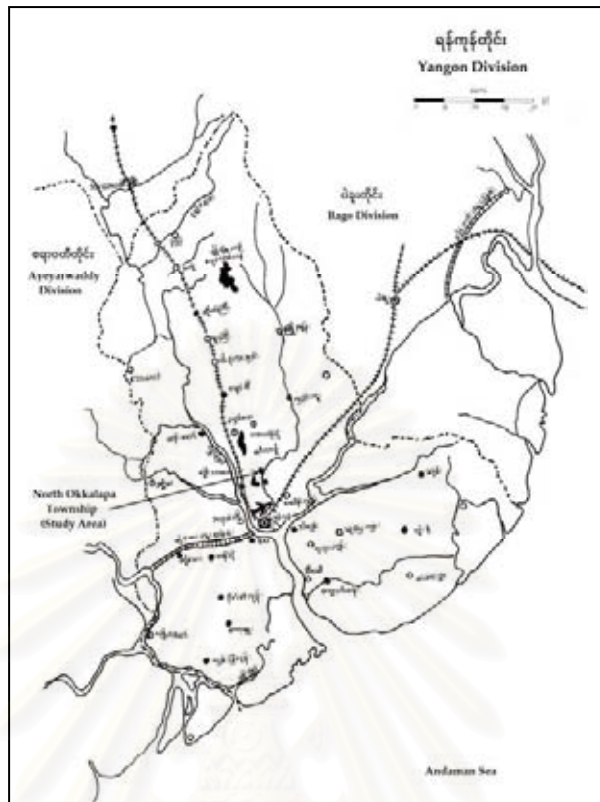
3.2 Selection of Study Areas

The research was conducted in two areas; rural area and urban area. For urban study area, Young Women's Christian Association (YWCA) operates micro-credit as a Holistic Development Program in Htawonbe Ward, North Okkalapa Township, Yangon Division. (Map 3.3) There were 12 wards in North Okkalapa Township. Among them Htawonbe ward is the area where YWCA has implemented the micro-credit program.

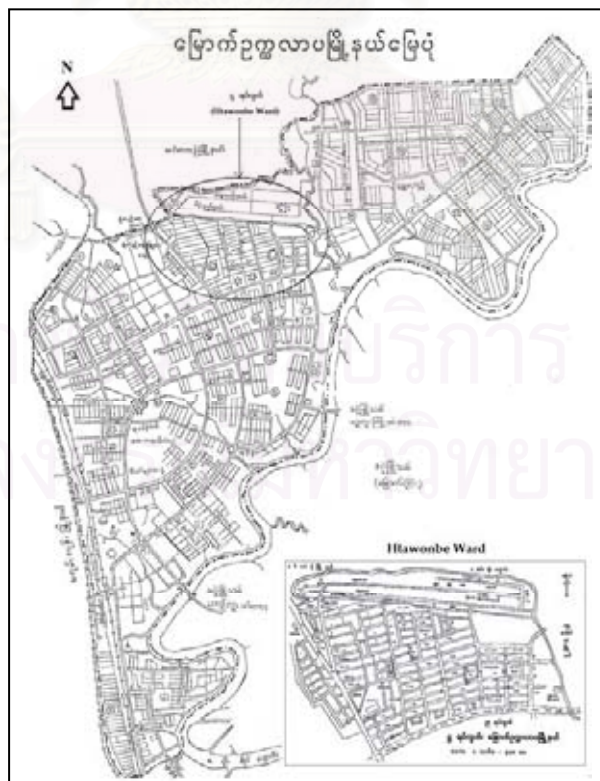
For rural study area, Dry Zone (middle of Myanmar), Pact/Myanmar conducted Micro-credit Program in Kyaukpadaung Township, Mandalay Division. (Map 3.4) The office is based in Kyaukpadaung Township but most of the beneficiaries are from different villages around Township. There are 336 villages in the Township. Among them Pact/Myanmar micro-credit program covered 302 villages but in view of time limit only 6 villages were selected to represent the whole area.



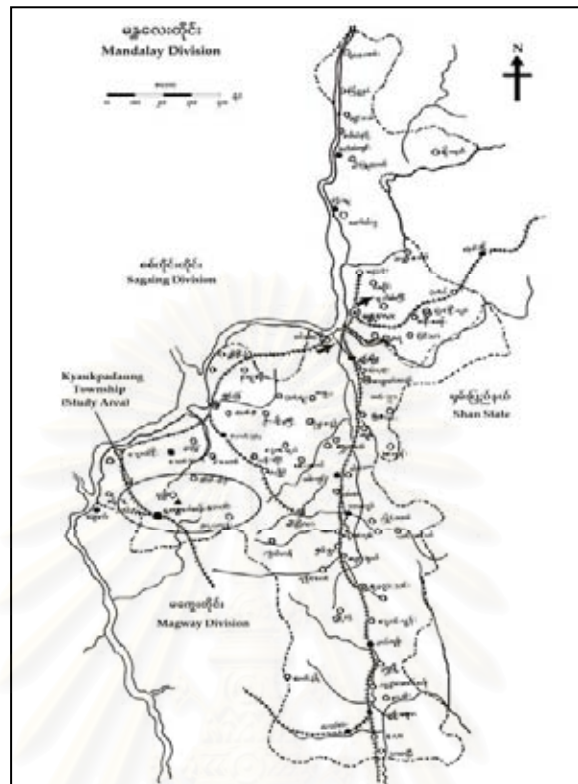
Map 3.1 Map of Myanmar and Selected Areas



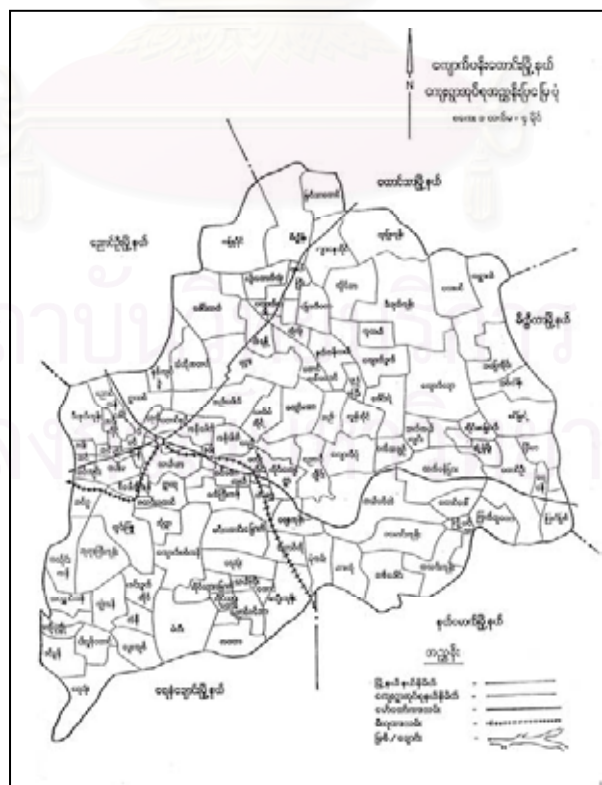
Map 3.2 Map of Yangon Division Showing Study Area



Map 3.3 Map of North Okkalapa Township Showing Study Ward



Map 3.4 Map of Mandalay Division Showing Study Area



Map 3.5 Map of Kyaukpadaung Township

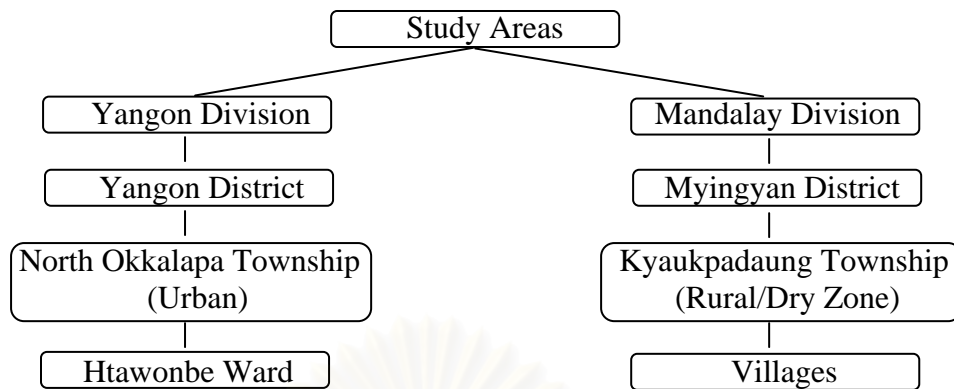


Figure 3.1 Indication of Study Areas

3.3 Selection of Respondents and sample size

In the study, 12 members were selected from the two target areas and the ages were between 25 and 50 for the in-depth interviews. The length of time of the membership required in this study is three years and all have at least two times in their loan turned. These selected cases represent each different kinds of work such as cultivation, animal husbandry, vending, home-based industry, daily or monthly based wages, and seasonal fruits selling. Each selected women represents each household in terms of income activities. The selection of the twelve cases was based on the information from the two studied organizations.

As for interview on perception of the members about their satisfaction and benefits, 50 members from YWCA Holistic Development Project (YWDP) and 77 from Pact/Myanmar Project. Since the borrowers should not be expected to have realized any benefits from the micro-credit loan within a year time, only those who had membership for more than three years had been taken into consideration.

3.4 Selection of Micro Credit Organizations

Many NGOs have been working in Myanmar for the socioeconomic development of community people especially disadvantaged women in difference places such as urban, rural, dry zone, delta, and hills regions. This study is designed to analyse the economic and social impact of micro-credit programs on urban and rural dry zone

women borrowers. The research was conducted among the borrowers from two organizations: Local NGO - YWCA and INGO – PACT/MYANMAR micro-credit providing organizations.

YWCA Holistic Development Project (YWDP) initiated micro-credit program as a pilot project in 1996. The actual project started in 1998 with tangible methodology. Project objectives are not only to improve their income but also to have holistic development of the community. YWDP operates in one Satellite Township, three peri-urban areas and a rural tract in Yangon District. The number of members operated by YWDP is less than other micro-credit promoting organizations because of the aim to promote holistic development by integrating with financial services.

Pact/Myanmar is selected from the international non-government organizations for the research. This project is executed by UNOPS and is performed by the American Organization. Pact/Myanmar implemented the micro-credit program since 1997, which aims to help the poor to come out from the poverty trap. Project is responsible for the Dry Zone, middle of Myanmar, covering Kyaukpadaung Township, Magway Township and Chaung U Township. And it is the only organization providing micro-credit to the rural women in the dry zone area.

According to M-CRIL (2004) classification of the age of the microfinance program of the organization, YWDP and Pact/Myanmar are in the mature institutions group because both of the organizations are operating micro-credit program more than seven years.

3.5 Methods of Data Collection

The study is based on primary data. Judicious use of secondary data formed part of the research.

3.5.1 Collection of Primary Data

First hand data collection can be summarized in the Table 3.1 below:

Table 3.1 Methods of Primary Data Collection

Methods	Purpose and Specification
In-depth Interview	The research was done on 12 selected members for elaborating the impacts of the micro-credit program.
Focus Group Discussion	This activity was conducted with 127 credit members (each group discussion only 5-7 members were participates) and 20 community or group leaders and micro-credit program staff. This was engaged to gain general view of the credit operating system and perception of credit member on the program as well as problems, constraints, potential and recommendations.
Field Observation	Observation was applied to gain a general situation of the area, credit program operating system, relationship of the program and credit members, women's daily life, changes of their livelihood, assets of households, community activities. Also it was useful for the cross checking of the information given by the informants to acquire the impact of the program on the community.
Semi-structure Interview	Interviews were applied to 10 respondents who are credit borrowers' family members and their neighbors about their views on the effects of credit program to the members and community.

All the interviews and discussions were conducted as informally. YWDP project staff had volunteered to accompany the researcher to conduct the field work both in urban and rural areas.

3.5.2 Collection of Secondary Data

Secondary data was collected from the different sources including evaluation reports of international and local non government organizations, research reports, books, journals and websites.

3.6 Data Processing and Analysis

The study analyses the impact of micro-credit programs of YWDP and Pact/Myanmar on women borrowers in Myanmar. Detailed questionnaire was designed based on the objective of this study. To avoid any possible errors on collected data, the completed questionnaires were checked right after the completion of the interviews and corrections were made whenever possible.

3.7 Framework for the Research Design

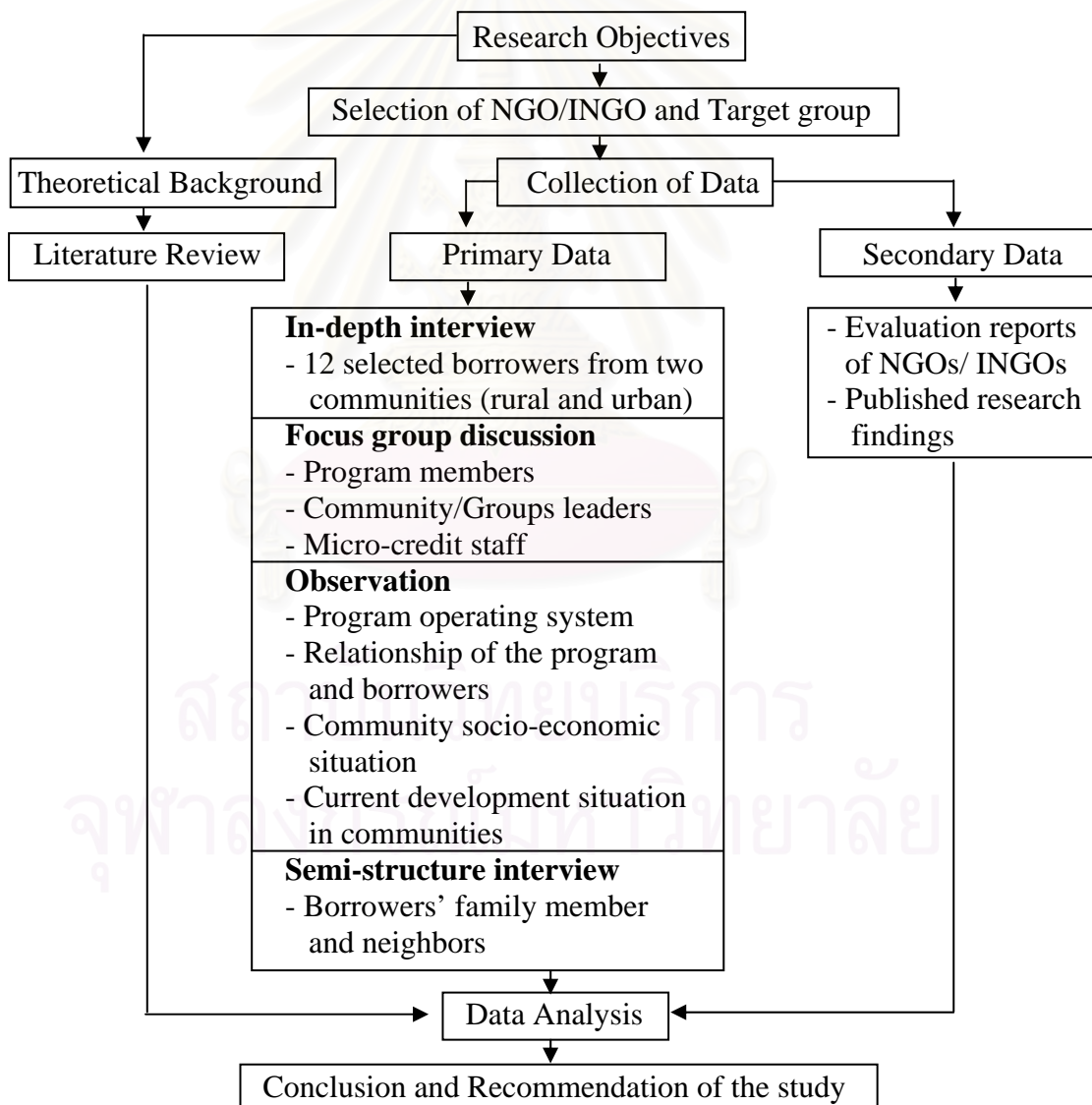


Figure 3.2 Framework of the Research Design

CHAPTER IV

PROFILE OF THE STUDY AREAS AND RESPONDENTS

4.1 Profile of the Study Areas

4.1.1 Htawonbe Ward, North Okkalapa Township in Yangon Division (Urban Area)

4.1.1.1 Topography

Htawonbe Ward is located at North edge of North Okkalapa Township, in the Yangon District. The total area of Htawonbe Ward is 1.59 square miles with 31,000 populations. The ward was established in 1958 by the care taker government for the displaced communities living in development projects areas such as construction of buildings and bridges. Some residences were displaced from squatters in the Yangon City and some were illegal tenants from the monasteries and office compounds, and some from the lands razed by fire. This is indeed the poorest ward, out of 19 wards in North Okkalapa Township. The average family size is 5 persons.

4.1.1.2 Socio-economic Conditions

Htawonbe Ward has four primary schools, two middle schools and a monastery school that teaches up to the middle level. For the health care, the area has one government health care centre and twelve private clinics. The visible changes in the area are installation of electricity in year 1999 and construction of tar paved streets in end of year 2003. There are two bazaars, one government gas station, one plantation area and six community halls for religious purposes in the study area.

In the study commune there are many types of income generating activities such as vegetables farming, animal husbandry, trading, home industries, home shops, small food shops, vending, wage earning, and odd jobs. Some are in government services.

Htawonbe Ward has good and easy communication. People can use buses and local trains for the transportation.

However, Htawonbe Ward is the poorest ward in North Okkalapa Township because most of them are displaced communities from the squatter areas of the city. And they have low income, lack of education, less knowledge and skills, lack of capitals for their income generation activities, have to borrow from moneylenders with high interests, poor health problem. Among them high interest loan from moneylenders is common for every household.

4.1.2 Kyaukpadaung Township in Mandalay Division (Rural Area)

4.1.2.1 Topography

Kyaukpadaung is located in Myingyan District, Mandalay Division, 246 km away from Mandalay and 637 km from Yangon. It is the Central Part of Myanmar in Dry Zone. The total land area is 758 square miles with 267309 acres agriculture land, 143162 acres forest land and 1,772 acres Kyaukpadaung urban region. The total population is 298,958 persons with 52% female and 48% male. In urban region the population is 13% out of total population and average family size is 4.9 persons. The population of rural region is 87% and average family size is 5.4 persons. Kyaukpadaung Township has 12 Wards, 109 village tracts and 336 villages. The size of the villages is minimum 100 and maximum 250-300 households.

4.1.2.2 Socio-economic Conditions

Kyaukpadaung has always been one of the major trade centers of the region, as it is located in route to Meikhtila, the gateway to Shan State. It is also close to the ancient city of Bagan, a major tourist attraction. It is the only one place where we can find typical Bamar (Myanmar) is staying. Kyaukpadaung is famous for its palm jaggery, produced from its large groves of toddy palms trees, also tamarind fruit and its pulp trading is another commercial business township. Major crops sown in that area are

paddy, maize, sunflower, niger, pigeon pea, chickpea/gram, tomato, cotton, sorghum, millet, sesame, groundnut, green gram and onion.

In Kyaukpadaung Township, there are four high schools, eleven middle schools and two hundred and fifty one primary schools. For the health facilities, it has one township hospital, two station hospitals, seven rural health centres and thirty six rural health sub-centres.

Rural people in Kyaukpadaung Township are faced with problems related to low income and poverty, lack of water, lack of seed money and means of generating income. In rural area, 60% of the villagers are working on their land and livestock breeding, 10% are toddy-palm climbers and 5% are the traders. The rest 25% are the casual labors.

The final point, causes of poverty are least social services, high loan interest rate, the cultivated land is not good (bad soil condition), difficult to get water to cultivate, and transportation problems to communicate with nearest town. The villagers have to walk 10-14 miles to reach the main road (vehicle road).

Most of the villages have initiated access to social services, as footpaths and cart-tracks are the only means of communication. The principle mode of transportation between the town proper and villages are Lorry trucks, Farm tractors and Trailer jeeps. These are being used as village buses and also villagers used Bullock carts and Pony carts as transportation.

4.2 Profile of the Respondents

For the studying the age of respondents from both areas were between 25 to 50 for in-depth research and focus group discussion. The rest of the study respondents were various age including youths and older persons. Also they have enough experience in micro-credit program.

4.2.1 Economic Characteristic of Respondents

Most of the interviewed members in both areas are involved in income generating activities. In Htawonbe ward (urban), household incomes are from cottage industry, cultivation of vegetables and flowers, animal husbandry, tailoring, bookstore, beetle shop, fruits and vegetable vending, tea/snacks shop, repairing of hard ware, odd jobs, micro trading, wages, and services. In Kyaukpadaung Township (rural), incomes consist of agricultural, livestock breeding, off-farm income such as grocery shops, firewood depot, sapling, trading, and other sources of earnings.

Most of the rural respondents are owner of their houses and lands. According to the respondents' opinion, most of households in the study area had enough land to cultivate but the problem is they did not get enough water for cultivation. The urban respondents are staying in hired houses or parents own house. Therefore one of their reasons to participate in the program is to buy a house for their own in the area.

In Htawonbe ward (urban), assets of household consist of productive assets such as trishaw, vender carts, sewing machine, water pump with motor and consumptive assets are bicycle, TV, radio, cassette, battery box for electricity. In Kyaukpadaung (rural), they have productive assets such as plough, chemical sprayers, storage of beans bags, raw materials for production, animal carts, tractors, etc and consumptive assets such as motorbike, bicycle, TV, radio and cassette. The value of assets shows the living standard, level of savings and credit of respondents.

The income level of people in the study area is low, so the respondents who had the personal savings were in small amounts. In Htawonbe ward (urban), most of the respondents save in YWDP project and a few are also saving in bazaar saving groups. Their average saving is Ks. 200 per month per person. All the interviewed members save voluntary saving. In Kyaukpadaung (rural), respondents save their money in Pact/Myanmar project only. At the time of research, the average of saving is Ks. 200 bi-weekly per person.

Both of the study respondents have many types of loan sources. They have credit from micro-credit organizations, local moneylenders, close relatives and friends. Normally, interest of loan from close relatives and friends are lower than organization loan and moneylenders. Sometime they do not need to pay interest but they did not get enough amounts for their needs. Some of the respondents in both areas still have to contact with moneylenders. The common reason for rural people was to expand business and in the same way urban people was to buy a house for their own.

In Htawonbe ward (urban), credit interest is 120% (with collateral) and 240% (without collateral) from local moneylenders and 48% from YWDP project. In Kyaukpadaung (rural), annual loan interests rate from local moneylenders are 60-84% (with collateral) and 120-144% (without collateral), and 43% per annum from Pact micro-credit organization. Types of collateral are land, house, gold, bicycle, sewing machine, bullock-cart, vending cart, Toddy-palm tree, seasonal crops and labor service.

4.2.2 Social Characteristic of Respondents

In consider of gender of household heads, it was found out that most of households' heads were male. This is very common in Myanmar society. The main bread earners were responsible for men and women were for controlling household finance. The research respondents took three roles such as productive (income earners), reproductive and community activities. In participation of community activities, both projects members were contribute their labor as well as donation.

In the study area, almost households are extended families comprising more than two generations i.e. grand parents, parents and children. The majority of households containing five members in a family. The education levels of the respondents were low. They had only primary or secondary school level. But a few got high school education and University graduation. Among them some learn from monastery school. However, most of the respondents had understanding of value of education. They were not able to continue their education for various socio-economic

difficulties. Therefore the prioritized thing that respondents do when their income raises is to send their children to school.

Training is important means to transfer knowledge, information, management, skill to every household. The study areas were poor and they cannot support to get skills from that kind of training and people have not been familiar with operation of training courses by other sources. However, all of the study respondents attended micro-credit training which was giving by credit organizations.

For the Kyaukpadaung (rural) respondents, all the members have to attend Non-Formal Business Education (NFBE) Training² and Village Credit Organizations (ViCO) EC members³ Training when project was initiated in that area. For Htawonbe ward (urban) respondents, all the members attend micro-credit concept and rules/regulation training giving by YWDP project in weekly group meeting. Apart from the financial training, respondents also attended leadership training, management training, income generation training, vocational and skill trainings, basic health education training giving by the project. Now both project members are familiar with the organizations trainings.

² NFBE Training has five modules: 1) Priority/eligibility and introduction to microenterprise; 2) Selecting a microenterprise and the 5 fingers approach; 3) Savings; 4) Bi-weekly repayment and interest rate; 5) Use of profit and future of the project. All members must complete this training before getting full membership and receiving loan.

³ ViCO EC members are the representative of each credit and savings groups in a village. ViCO EC had to attend Institution Development Training and Record Keeping Training for knowing key concepts of the project, and functions, roles and responsibility of ViCO EC committee.

CHAPTER V

MICRO-CREDIT MEMBERS' PERCEPTION AND SATISFACTION ON THE PROGRAM

This chapter presents micro-credit members' perception on the program performance in various aspects. The micro-credit projects provide other service at the same time with financial services, for example training program, different kind of grant aids, and community development activities. The following tables showed the respondents opinion on the program during the field survey.

5.1 Members' Perception on Performance of Micro-credit Services

Activities of Micro-credit institutions including group based system, loan disbursed rules, disbursement procedure, interest rate, credit amount, loan repayment period, loan monitoring, saving, and trainings. Households had different perceptions on the performance of these activities of the credit institutions that they were their members.

5.1.1 Perception of YWDP Project Members

All the members have reason to participate in the YWDP project such as to get loan with low interest; to save their money in safe place; to widen their business, to participate in women groups work. The interviews of 50 project members that the perception on the performance of the micro-credit varied in each service items as shown in table 5.1.

Table 5.1 Members' Perception on Performance of Micro-credit Services (Urban)

Item	1	2	3	4	5
Operation of Credit Institute (group)		40 (80%)	5 (10%)	5 (10%)	
Loan disbursed rules		41 (82%)	7 (14%)	2 (4%)	
Loan disbursement procedure		25 (50%)	20 (40%)	5 (10%)	

Interest rate		13 (26%)	36 (72%)	1 (2%)	
Amount of credit		16 (32%)	26 (52%)	8 (16%)	
Duration of credit repayment		14 (28%)	30 (60%)	6 (12%)	
Loan monitoring		43 (86%)	7 (14%)		
Saving (regularly/withdraw/interest)	16 (32%)	19 (38%)	12 (24%)	3 (6%)	
Training	4 (8%)	18 (36%)	28 (56%)		

Remarks: levels of satisfaction from the highest (no. 1) to the lowest (no.5)

Source: *Field Survey, June 2005*

The operation of credit institute was considered highly satisfied by most members. Household who were members of credit groups had good opportunities to access to credit source, exchange marketing information and experiences through groups meetings, increased managerial skill and gained knowledge. Most of members of the credit groups recognized the benefits gained from them. Besides, the credit group created commitments with their groups. It was the reason why the operation of credit group was consider highly for the members.

The loan disbursed rules included group guarantee, penalty, without collateral. Most of the members, 82% were content for the loan disbursed rules. Each credit had group guarantee, penalty for repayment delinquency. For example, one group had many delinquent members, project set penalty to the group such as temporary suspend for borrowing or do not allowed to increase credit amount for next loan.

For the loan disbursement procedure, 50% of the interviewed members had high satisfaction and 40% had moderate level but 10% were not happy because even groups agreed her loan application she had to wait until the authorized officer approval. Normally the procedure took one week to get approval. Besides, in a group meeting if group fund has not enough for all credit applied members, they had to wait to be full from members saving and repayments. At that meeting, they gave loan to more urgent needy member and they could apply the rest amount from YWDP project.

Most of the interviewed members were satisfied with the existing loan interest rate. Among them only 2% mentioned interest rate for credit was higher for them. The interest rate applied by the project in the study area was lower than the interest rate in a free market. Moreover all the loan interest was revolved in the client groups' fund. However, it is not a good policy for sustainability of credit institution in a long-term period, because the credit institution will not be able to cover its operational cost.

For the credit amount, 32% were content for the maximum amount disbursed for each loan term, 52% were stated amount was reasonable, but 16% of the interviewed members suggested that they need more amount of loan for their expended business. Besides some of the members planed to buy a plot of land for their own. Currently project maximum loan is Ks. 200,000.

Respondents of 28% were happy for the credit repayment periods and 60% considered as moderate level, but 12% were raised their voices wanted to extend the repayment period for big loan amount. The maximum repayment period for maximum loan amount was 10 months. But they prefer to extend 12-15 months.

Almost all of the respondents, 86%, had highly satisfied on loan monitoring by the program officers. After two or three weeks of loan disbursed, program field supervisor monitoring to each borrowers' business. However, the frangibility, used loan to different purpose aside applied purpose) still happened.

Most of the members satisfied on saving because their savings were safe, they could withdraw voluntary saving whenever they need and they got annual saving interest, but 6% were wanted to save more than permitted amount, when they got more income during summer. Some of the members mentioned they were very gratified with saving because their first prior to be a member was to save for their children education.

For the training which the project giving as a non financial service: 8% mentioned they were gained a lot of skill and knowledge from training and they practiced in their income activities and daily life; 36% were shared their gained experiences from the

training within their families, friends; and the rest were happy to attend trainings; 56% stated their satisfaction as moderate level.

5.1.2 Perception of PACT Project Members

In the rural area, the research study with 77 Pact credit project members. Table 5.2 shows that the perception on the performance of the micro-credit with various aspects.

Table 5.2 Members' Perception on Performance on Credit Services (Rural)

Item	1	2	3	4	5
Operation of Credit Institute (group)		35 (45.5%)	42 (54.5%)		
Loan disbursed rules	6 (7.8%)	3 (3.9%)	66 (85.7%)	2 (2.6%)	
Loan disbursement procedure		12 (15.6%)	62 (80.5%)	3 (3.9%)	
Interest rate		2 (2.6%)	73 (94.8%)	2 (2.6%)	
Amount of credit		11 (14.3%)	61 (79.2%)	5 (6.5%)	
Duration of credit repayment			72 (93.5%)	5 (6.5%)	
Loan monitoring	4 (5.2%)	8 (10.4%)	65 (84.4%)		
Saving (regularly/withdraw/interest)	1 (1.3%)	65 (84.4%)	11 (14.3%)		
Training	5 (6.5%)	30 (39%)	42 (54.5%)		

Remarks: levels of satisfaction from the highest (no. 1) to the lowest (no.5)

Source: Field Survey, June 2005

Based on the survey table 5.2, the operation of credit project was considered moderately satisfied by 54.5% of the respondents. The rest of 45.5% had high

satisfaction on that. Members had opportunities to access credit without collateral as well they could borrow at their village. It was save their time and money for transportation.

For the loan disbursed rules, all the group members had to attend meeting. If one member was missing, credit would not disburse at that week. Also all group members of 5 people had to guarantee for each other. If a member is late in repayment, further loan disbursement for her group will be suspended till amount overdue is settled. Majority, 85.7% were moderately satisfied, with 7.8% were very high, 3.9% were high, and 2.6% were low in satisfaction.

For the loan disbursement procedure, 15.6% of the interviewed members had high satisfaction and 80.5% had moderate level but 3.9% had low level. Members set the priority of borrowers themselves. After their repayment fulfilled, they got new loans.

Most of the interviewed members perceived the interest rate as a moderate level with only 2.6% had high satisfied. In the rural area, they could borrow from close relative and friends without interest but could not get enough amounts they need. All the credits were disbursed from project budget and the interest belong to the credit institute. It is a good method because credit institute would able to cover its operational cost and sustain by themselves.

For the loan amount, 14.3% were happy with the maximum amount disbursed for each loan term, 79.2% were stated amounts were sensible, but 6.5% of the interviewed members considered for increase the credit amount. They mentioned the maximum credit amount was not covered their expended business. Presently, the maximum amount for MSE loan was Ks. 500,000. They notified the credit amount to increase in near future.

Most of the respondents, 93.5% evaluated repayment period as a moderate level for them, with only 6.5% had low satisfaction on it. Interestingly no one mentioned their satisfaction was high. The maximum repayment period for credit was 12 months

except MSE loan, which was 18 months. Almost all of the respondents, 84.4%, had moderately satisfied on loan monitoring by the project responsible person. 5.2% had highly satisfied with 10.4% had high level.

Most of the members satisfied on saving because their savings were safe, they could withdraw, got annual saving interest. For saving, 1.3% had very high level with 84.4% had high and 14.3% had moderate level.

For the training which the project giving as a non financial service includes Non Financial Business Education (NFBE), ViCo EC training: 6.5% mentioned they were highly gained a lot of skill and knowledge from training. 39% had high satisfaction and 54.5% had moderate level. The respondents explained they never forget NFBE training modules and lessons.



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CHAPTER VI

IMPACT OF MICRO-CREDIT PROGRAMS ON COMMUNITY

This chapter describes the economic and social impact of micro-credit program in the study areas. Economic impact covers three factors i.e. increasing of income, self-employment and economic security. For the social impact, it includes four topics including social participation, decision making, mobility, and self-confidence and skills.

6.1 Economic Impact

The economic changes of projects members included household income, self employment, and economic security. Even YWDP and PACT provided micro-credit program in different places and different model, the impacts of the programs on economic has nearly the same on both projects members.

6.1.1 Income Increase

Micro-credit program has impact on household income. The data found in Table 6.1 indicate that, status of member income increased. Some of the indicators proved the condition on household income such as business circulation, reduced the moneylender loan, increase household assets, children school enrollment, access to health care, housing. Among them reduced to depend on local moneylender was very positive impact of micro-credit program.

The reason of increasing their income to the respondents from both projects, they expresses as they had expanded their existing enterprise, undertook new enterprise, and their household member start doing own business. People expand their income generating activities that means they have more jobs to do and earn more. People use loans for different purposes, but the predominant loan uses has generally been for income generating activities, for production, for their own businesses and trading. This increases their household income.

Table 6.1 Percentage of Income Increased in Household

Level of achievement	Very high	High	Moderate	Low	Very low
YWDP members	14%	58%	28%	0%	0%
PACT members	4%	89%	7%	0%	0%

Source: Field survey, June 2005

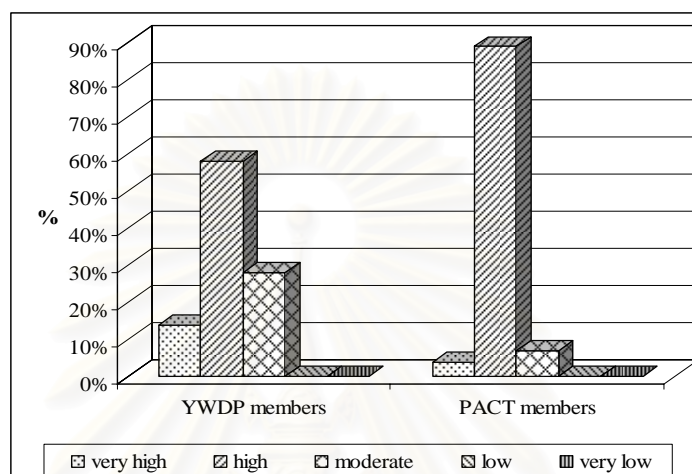


Figure 6.1 Income increased in household

Table 6.2 Percentage of Decreased in High Interest Loan Tension

Level of achievement	Very high	High	Moderate	Low	Very low
YWDP members	18%	38%	40%	4%	0%
PACT members	0%	21%	74%	5%	0%

Source: Field survey, June 2005

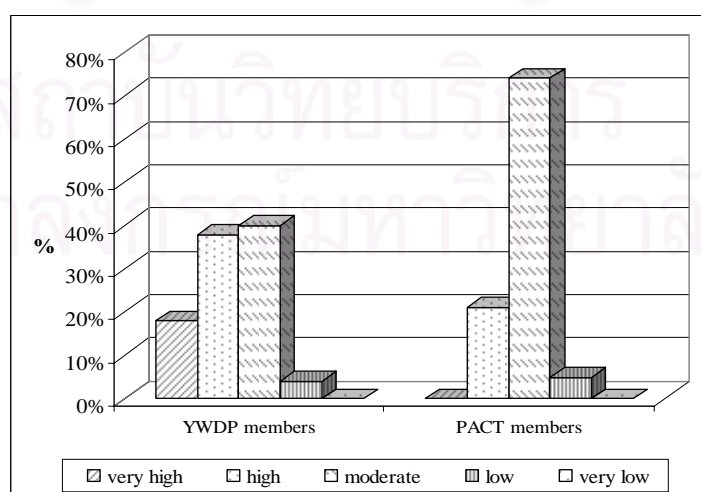


Figure 6.2 Decreased in High Interest Loan Tension

6.1.1.1 Htawonbe Commune (Urban)

Micro-credit gave loan to women and with this money, the poor women generate income. The project members' income was around Ks. 1,000 per day before the member of the project. Presently, their income increased to Ks. 2,000 and Ks. 5,000 per day. From Table 6.1, 58% of respondents had high increased in their household income with 28% had fairly increased and 14% had greatly increased but none of the respondents were decreased their income after joining the project.

Members are very much aware of the fact that interest rate of loans from informal source is much higher than credit organization. Therefore they were very conscious about borrowing from either informal moneylenders, or neighbors and friends. In addition, members extend their business also reduced burden of moneylender loan tension.

One of the respondents mentioned that: *“Before the project came to our community, I had to borrowed money from the moneylenders. They charged us 20% per month. Most of our benefit had to pay as an interest. I left very small amount to reinvest in my business again. I tried to pay interest every month because if I could not pay, that interest was put in the capital so I had to pay more interest. Now I rarely borrow from moneylenders because I got loan from the project and I could save my benefit for my family.”*

In addition, the research found out 18% of respondents were highly released to depend on moneylender with 38% were high and 40% were fairly out of tension but 4% of them were still had to borrowed from moneylender because they bought a house for their own. (Table 6.2)

Similarly one respondent stated the impact of micro-credit on their household income was: *“From my business income, I could manage to get a plot of land for my own, one bicycle and extend my fruits shop. My husband quit his previous job, driving, and we work hand together. We could support our elder son to get University education and*

enrolled younger son to nursery school. I am very happy for that. Now I can give all these expenses.”

Many of the borrowers’ family could not save money before joining the project group. Some of them had difficult to save Ks. 25 per week at the time of project started but now they could save at least Ks. 100-200 per week because their income were increased.

6.1.1.2 Kyaukpadaung Township (Rural)

Most of the members had two or more income activities such as cultivation, livestock breed, house shop, trading. On the average, household income ranged between Ks. 3,500-Ks. 7,000 per day. From Table 6.1, 90% of members fairly increased their income after joining the project with 6% had not much changed but 4% of the respondents’ income increased very high. And there was not a single member of the Pact group, expressed as their income less than before joining the project.

One villager stated: *“When UNDP started to inform groups in my village, I was eager to know what they would do for our village. I became a member and I took loan to invest in family business. My income gradually increased during these years. I could take back five acres of mortgaged cultivation land, rebuild my old house, purchased some useful assets for the house, and enrolled to continue children education. I could not calculate how much income increased but I could do all the above matters. It shows family earning increased actually.”*

However, increase in family income was no doubt a significant achievement for the village people. It might possible as many of them invested their loan money in expanding their existing business. But as the result of field discussion, some of them did borrow from other source; hence, it was clear sometimes they depend on the other source of borrowing money such as close relatives, friends and local money lender because their expanding business cost was much higher than credit organization maximum disbursed loan amount.

The research found that a majority of respondents do not need totally depend on local money lenders with 74% had more or less decreased and 5 % had a little decreased, but 21% had highly decreased money lender loan tension (Table 6.2). It shows, through micro-credit has developed a positive impact on the income of the borrowers.

6.1.2 Self-employment

The impact of micro-credit program in creating self-employment opportunities is important. It was found from the research, both of the projects clients had expand their existing business and many of them had started new business apart from previous income activity.

Table 6.3 Percentage of Small Business Extension

Level of achievement	Very high	High	Moderate	Low	Very low
YWDP members	8%	50%	42%	0%	0%
PACT members	8%	79%	13%	0%	0%

Source: Field survey, June 2005

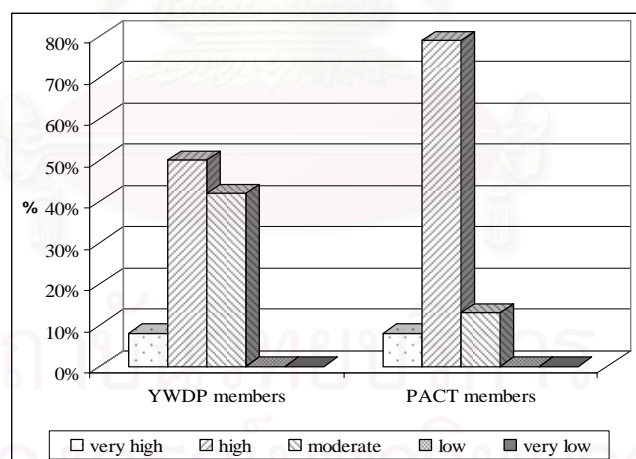


Figure 6.3 Extension of Small Business

6.1.2.1 Htawonbe Commune (Urban)

After getting loan from the project more people from urban area involve in small selling income activities at the market and near their place. It was also observed many of the clients' household members had started their own business only after getting

loan from the micro-credit project. The study found 8% of respondents had highly extend their small business with 50% had high and 42% had more or less extend. But no one mentioned their enterprise were draw back. (Table 6.3)

To support the research of improved in self enterprise, one respondent illustrated that: *“I joined this project because I wanted to do my own business. Previously I had no regular income, only washing clothes for others with small pay when I was hired. I could not repay my first loan on time because I used that loan for basic food. I had got penalty and I could not borrow higher amount for next loan. I tried hard to repay my loan every week. After I received a credit of Ks. 10,000 I opened a small fruit stand. Then I received another loan of Ks. 25,000 I expand my shop. Now I could do my own business, selling seasonal fruits. Furthermore, my family income increased and it was brought about better condition. I could repair my collapsing house and could repay my debts to the moneylenders. Meals are no longer a worry to feed my children.”*

The research finding of borrowing for income generating activities loan was much higher other purpose of borrowing (Table 6.4), although YWDP project allowed members to borrow any function. Group members were encouraged each others to borrow loan for business. They shared their experiences and gave some advices within group meetings.

In one case member mentioned: *“I was very shy to sell things. I have two children and totally depend on my husband earning by driving. During the member of the project, I benefited form the economic sense because the support of fellow members and encouragement by the project staff, I started a small business of selling sweet ice packets and water melon. After I got enough loans I opened rice noodles and maize coconut noodles shop. Later I expanded my business by selling variety of noodle and vermicelli in the morning at my house, also another shop of roasted beef in the evening at the corner of my lane. Now I can earn my own income and run my own business.”*

Table 6.4 Percentage in Purpose of Loan Disbursed

Loan disbursed	Percentage
Income generation	72%
Housing	11%
Education	10%
Health care	2%
Repay for high interest loan	3.5%
Social	1.5%

Source: YWDP monthly report of loan disbursed, June 2005

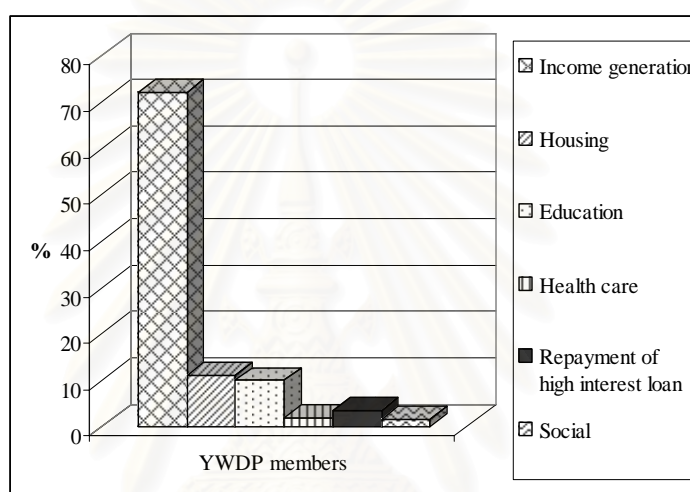


Figure 6.4 Purposed of Loan Disbursed

6.1.2.2 Kyaukpadaung Township (Rural)

Once joining the group many people have learned how to start small business and contributed to the income of the families. Most of the interviewed members' households have at least 1 or 2 small income activities. All of the village households were engaged with traditional agricultural production.

For on-farm production, households spent the credit for agricultural activities: crop cultivation, livestock rearing and other on-farm activities (repairing of machines, oil, etc) and for off-farm production they spent the credit mainly on inputs, capital in order to maintain and expand the current off-farm activities, and starting new business. And some of the members had hired laborers for their expansion of small

home industry. When the business grows, not only does the individual receiving the loan get a job or secure her job, but she also brings others to work for them.

One respondent explained: “Before I joined this project, I am a hawker selling preserved Mangoes. After I took loans and I expand this small selling work to become whole sale and home made stocking of the preserved mangoes. At present I could not handle alone with all my family members, I hired five workers to assist my job.”

Borrowing for business was much higher in both projects areas. In rural, except education and consumer loan, the rest are related to income generation loan. In Figure 6.5, Pact project disbursed loan for income generation is much higher than others purpose. It show members expend their existing business and also extend new business. Based on the field survey, most of the members they used the credit jointly with their partner. Some of them were used for her own microenterprise such as grocery shop, betel stand, and Myanmar snacks.

Table 6.5 Percentage of Loan Disbursed Amount

Loan disbursed	Percentage
Regular loan	77.43%
Extra loan	2.75%
Small Enterprise loan	8.23%
Agriculture loan	11.27%
Education loan	0.30%
Consumer loan	0.02%

Source: Pact/Myanmar Project Yearly MIS Statement, May 2005

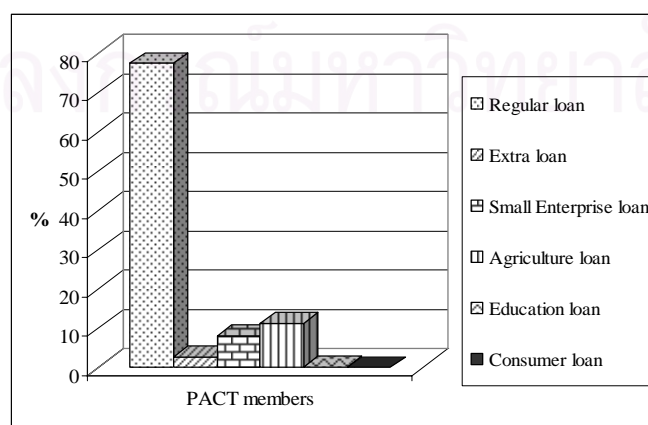


Figure 6.5 Amount of Loan Disbursed

6.1.3 Economic Security

Economic security included increase in production, market demand, investment, skills, and low risk. Members' investments in their income activities were higher. Even raw materials cost were high, they can invest at least the minimum amount to run their small business. They can produce more and expand market places. Their income generation activities skill improved and can pass up the future business risk.

Table 6.6 Percentage of Increased in Household Economic Security

Level of achievement	Very high	High	Moderate	Low	Very low
YWDP members	0%	54%	44%	2%	0%
PACT members	0%	66%	34%	0%	0%

Source: Field survey, June 2005

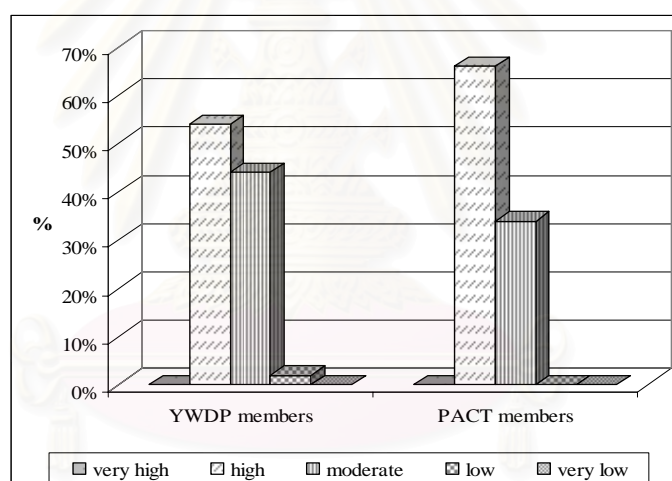


Figure 6.6 Increased in Household Economic Security

6.1.3.1 Htawonbe Commune (Urban)

Urban peoples are gradually increased their microenterprise and some can extend subordinate jobs within a family. Before they joined to the program, most of the members are not secure on their current business because they had to depend on middlemen loan, owner of their income activity, and low opportunity to expand their business. From the micro-credit program, they can access credit with low interest rate when ever they want to expand their business. Also they got the business information

from groups' members and could secure their business. In some cases, members also help to introduce business market places.

One of the respondents explained one member became secure her family income activity. *“One of our group members wanted to buy a trishaw. Her husband used to ride a trishaw with borrowing from the owner. That was her family main income activity. Each day, they had to pay borrowing fees to owner and left only a little amount of money for her family. If she owned a trishaw, her family would get full benefit of her husband labor. That was the reason she wanted to buy but she did not know where to buy with reasonable price and how to get an official licence. Some of the members inspected for her and gave information. At last she bought a trishaw and set family own business.”*

Furthermore, the survey finds over half of the respondents, 54% were high in secure their family economy and 44% were moderately secure their business. But 2% mentioned their views on the economic secure was low because of the seasonal difficulties and high cost for the raw materials.

6.1.3.2 Kyaukpadaung Township (Rural)

Many respondents from the rural area have land and natural resources to cultivate, animal husbandry, and off-farm activities. Although before the project came, members have some skill on their current small enterprises. After they access credit from the project, they could do their job with impetus. They can reselect their mortgaged lands and do their own cultivation; and they got the opportunity to expand their small enterprise to become medium size enterprise.

The research finds that 66% of the villagers respondents were high in secure their family business and 34% were moderately secure. Some respondents mentioned that they were assured their current business because they had skill on that and they do not need to worry about capital. They can invest with the loan from the micro-credit project and from their income.

A respondent stated her experience on family business and vision on that. *“After I got loan form the project, I set up the poultry farming with 200 pullets. I sold the eggs everyday and I sold out the chicken when it was the right time. I bought another pullet with borrowed money form the project, and then I gradually increased the numbers. Now I had two poultry farms and around 700 chickens. I know how to take care of chicken diseases. My vision is to expand the poultry farming up to 10,000 numbers and I am sure I can do it.”*

6.2 Social Impact

Micro-credit programs have its positive impact on social changes of members. The target group of both projects is women who are usually considered to be a subordinated in the household in Myanmar. Social participation in community and the decision making responsibility in the household is one of the strong determinants of members’ status at society and at home. Borrower mobility also improved their economic skill and knowledge. Member self-confidence and skills increases greatly through micro-credit services.

6.2.1 Social Participation in Community

In Myanmar community, participate in community activities is one of their job to do in this life time. Both of the projects group members had involved in community activities such as social occasions, development activities, and community physical maintenance.

Table 6.7 Percentage of Improved Participation in Community Activities

Level of achievement	Very high	High	Moderate	Low	Very low
YWDP members	6%	28%	62%	4%	0%
PACT members	8%	19%	73%	0%	0%

Source: Field survey, June 2005

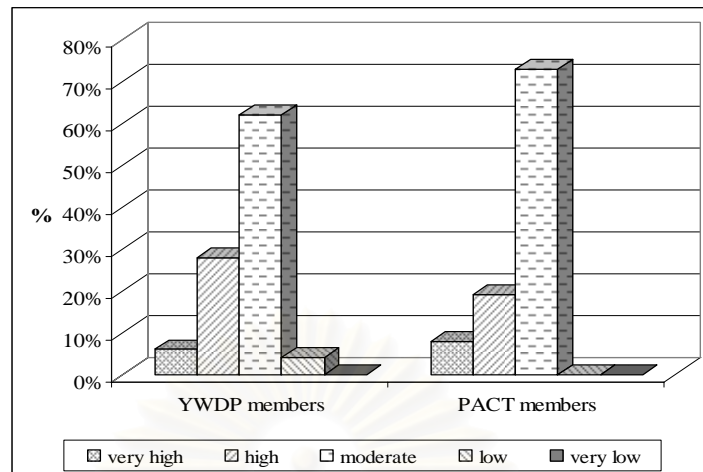


Figure 6.7 Improved Participation in Community Activities

6.2.1.1 Htawonbe Commune (Urban)

Members in the YWDP project had the great sense of community awareness among them selves. They earnestly participate in community social movement and also individual groups' development activities. They participated in street repaired activity, setting water hand pump for each sub street, support the poorest of the poor children to enroll the school, health care for needy people and social occasions. (In photo session, photo 5, 6)

The study found that 62% of the urban respondents were fairly involved in community activities, 28% were high and 8% were very high to participate in social development activities. But 2% mentioned low in that, because they had to struggle for their family business and could not join the activities like before.

Before joining the project, most of the members are involved in community development activities but cannot donate much for that. Now they were more concern on their community development and actively participated in both labor and donation. Most of the donations were used from group loan interest.

One member from Htawonbe ward told her view on various involvements in the community activities. *“My family is very poor and before member of the project, I*

cannot participate in community development activities like social occasion, repairing the streets, joining the electric light for the street, etc. Now even I still cannot contribute my labor in those activities because I am very busy with my income business but I can donate some money to develop my community. Donation is a good habit and we will get merit for that.”

6.2.1.2 Kyaukpadaung Township (Rural)

Since the earlier time, rural people were actively involved with villager spirit in village development activities, for example social occasion, helping to build a village school. Usually all the household members support women in participating in the social activities. Now they can more participate in both labor and donation. When they give donation, members were donating individually with the family money.

The research result showed that 73% of respondents were not much increased in participation, 19% were highly participating and 8% were very high involved in village development movements. From the finding of study, rural people involvement in social community participation is not much changed by the micro-credit program.

6.2.2 Decision Making

Micro-credit program has its positive impact on decision making ability of member. The decision making responsibility in the household is one of the storm determinants of the woman’s status at home and at society. In Myanmar, many of women can give advices on household assets, children education, and family business. But most of the final decision makers were husband or parents. The research result illustrated borrowers decision making is stronger in family business as well family matter.

Table 6.8 Percentage of Improved Decision Making in Household

Level of achievement	Very high	High	Moderate	Low	Very low
YWDP members	2%	40%	52%	6%	0%
PACT members	1%	39%	60%	0%	0%

Source: Field survey, June 2005

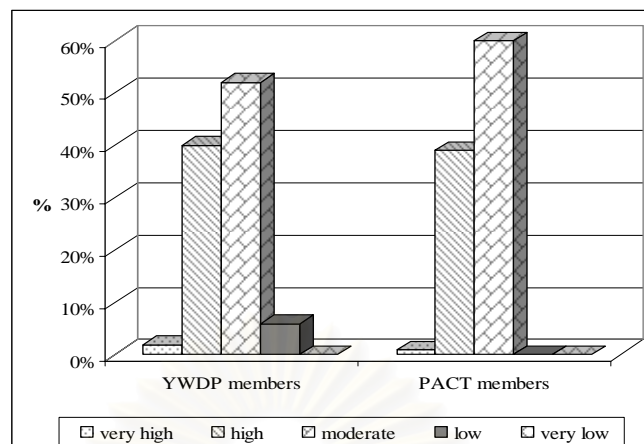


Figure 6.8 Improved Decision Making in Household

6.2.2.1 Htawonbe Commune (Urban)

Decision regarding expenses on food and cooking were generally with the women, even before membership. But earning by women has helped to augment family incomes substantially. It was found that many of the women member of the project developed a joint decision making power in their respective household matter which should be consider as a positive indicator.

The research found 52% of the respondents were more or less improved in household decision making, 40% were high and 2% were highly improved. But 6% of the members were small improved in decision making. In most cases it was seen that the member who has their own business and contributing more to the family income have more say in all aspects have greater control. However in Myanmar commune men are head of the household and people prioritized their decision.

6.2.2.2 Kyaukpadaung Township (Rural)

Also in the rural areas, women members were happy in joint negotiation with their husband. From Table 6.8, 60% of respondents were quite improved in decision making power, 39% were high and 1% was greatly improved. However, it was also observed in a family, people thinking women can mange the household matter. Most of the family members give all their hard earned money to the women, respondents,

and they were the holder of the household money. It was also found, if they had to dispose or a major asset or incur a capital expenditure on equipment or undertake house improvement it was a joint decision.

One of the respondents mentioned her jointly decision on family issues. *“Me and my husband always discussed in doing family business and children issues. Some time I made the final decision but most of the decisions were by my husband. We discussed, negotiate and decide together. I can buy assets by myself. Only for the high price things I discuss with my husband. For my family, it is not a big problem.”*

6.2.3 Mobility

One issue of the members gained by the micro-credit program is increase member mobility. Mobility means members go out their familiar surrounding. They go places for buying and selling products, attending group meetings and trainings, outside places to interact and develop relation. All these geographical mobility helps them to know more knowledge for themselves and for their family enterprise.

Table 6.9 Percentage of Increased Mobility of Members

Level of achievement	Very high	High	Moderate	Low	Very low
YWDP members	18%	42%	40%	0%	0%
PACT members	0%	10%	90%	0%	0%

Source: Field survey, June 2005

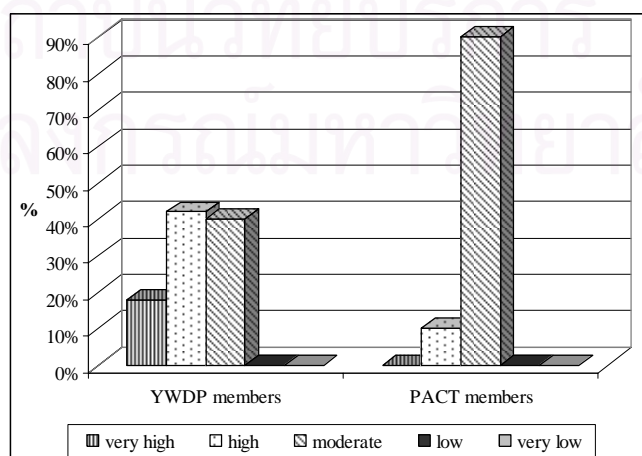


Figure 6.9 Increased Mobility of Members

6.2.3.1 Htawonbe Commune (Urban)

YWDP project implement financial and non financial services. For the financial services, members had to attend weekly group meeting within their community but for the non financial services such as knowledge and skills training, members had to attend in the YWDP office at downtown. As a project member they were increased in mobility. Besides they traveled and searched new market places because of their expand business.

From the research finding, 40% of respondents fairly gained mobility, 42% had high and 18% had greatly benefited. Members explained they are happy to attend group meetings and trainings because from the meetings they could save and borrow money, share information and experiences, and working as a group. Moreover, from the training attending at the downtown - they could see new sight, more free time for her, and gained the outer knowledge.

One respondent explained: *“I stayed in this community for over twenty years but I never been to the center of Yangon city. I had no reason to go there. When I became a member of the project, I attend leadership training giving by the project at the Yangon city. I was afraid to go there and I did not know how to go. I went with other groups members who were going to attend that training. I saw many new things and I was wondering during the travel time. When I went back to my house I shared my new experiences to my family. Now I had been attended many trainings giving by the project and never afraid to go and attend by my self.”*

6.2.3.2 Kyaukpadaung Township (Rural)

Pact micro-credit project gives financial service at the villages. Project does not want to use borrowers' time to come to the project office for saving, borrowing and training. All the trainings related to the micro-credit program were implemented at the villages. The survey finds the majority of the respondents, 90% were more or less improved mobility and 10% were improved high.

Usually rural people worked in farming activities, non-farming and trading. They purchased their raw materials from other places and dispatched their product to the market places. Some of the respondents mentioned they extend the places of purchasing whole sale raw materials.

The Sae Pauk villager stated that *“My main family income comes from sapling including ferns, flowers, fruits, and trees. Before I joined to the project, my seedling business was small; the investment was around Ks. 20,000-30,000 and I bought some seeds for seedling from nearby places and Kyaukpadaung Township. Now my business is expanding to invest Ks. 300,000-400,000 and I extended the seeds purchase market to Mandalay city and Yangon city. Also the buyers were from the capital cities.”*

6.2.4 Increase in Self-confidence and Skill

Borrowers self esteem and self-confidence increases greatly through micro-credit. During the group discussion with the researcher some member shared how they felt confident to decide on whether to take loan, invest in new business, and talk in front of other peoples. This was made possible by the fact that they had become productive in their knowledge, contributing to family income and was entitled to participate in family development activities.

Table 6.10 Percentage of Increased in Self Confidence and Skills

Level of achievement	Very high	High	Moderate	Low	Very low
YWDP members	24%	62%	14%	0%	0%
PACT members	8%	60%	32%	0%	0%

Source: Field survey, June 2005

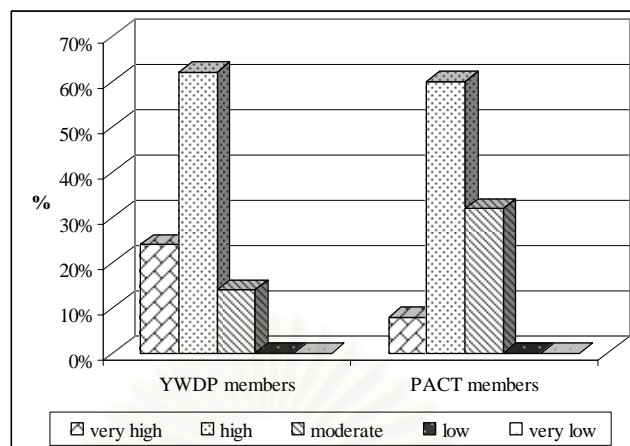


Figure 6.10 Increased in Self-confidence and Skills

6.2.4.1 Htawonbe Commune (Urban)

Members access credit and skill and knowledge training by YWDP micro-credit project. Women members were numerically larger in terms of attaining skill training and expressing the desire to receive training. They satisfied financial service and training for their livelihood. Moreover the system of micro-credit, self help group, made them team spirit and encourage and give advices each other in the difficult times. Family economic change, increased in own earning, improved knowledge and skills imposed borrowers to have self confidence and skills.

Members improved self-confidence in both economic and social life. They managed in their family business small enterprises, problem solving, decision making, and gave advices to other members. The total respondents of 14% were moderately fulfilled on self confidence, 62% were high and 24% were greatly improved in self-confidence.

One member explained that *“When I first joined to this project, I was shy and afraid to talk in front of other people. I stayed behind the group meeting discussion. After attending many trainings and expanding business, now I was not afraid anymore. I involved in group discussion, decide in my family business, participate in YWCA essay competition, and sharing my experiences in YWDP project annual meetings. I am now assured that I can manage my own business and family matters.”*

6.2.4.2 Kyaukpadaung Township (Rural)

Micro-credit program required that applicants undergo mandatory training prior to granting loans such as non formal business education. From this training modules, members gained knowledge and skills of doing business. They explained they applied these lessons in their daily life.

Furthermore, during the discussion with some of the women beneficiaries, it was found that 32% of the respondents were more or less increased their self-confidence on their own business management, 60% were high increased and 8% were greatly increased in self-confidence. Borrowers explicated their involvement and management in family business, new business. They were not worry on repayment of loan because they assured their ability in doing microenterprise.



สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

CHAPTER VII

INDIVIDUAL CASES

Twelve cases from two study areas show visual changes of members' families socio-economic conditions by the micro-credit programs.

7.1 YWDP Project Members (Urban)

Urban Case I (Photo: 8)

Daw Su Su Tin, 35 years old is the member of Gandamar group, and was married with two children. Her family income stood on selling of boiled quill eggs, supplied fresh quill eggs to whole sale depot and venturing seasonal fruits and vegetables. Before she was a member, she sold only boiled quill eggs at the bus stands with her son. Her husband was a motor vehicle driver when on at charter. So with the above condition they had difficult to find saving for the rainy days. After joining, she received a 1st loan of Ks. 5,000 which she invested in her business. The followed up successive loans were also put on the same business. Now she became the status of whole seller. Thus she could provide special tuition to her children for the academic education and now one of them being attending at University for higher education. Recently she took a loan of Ks. 100,000 and the amount was fully used on expansion on her previous business and in doing so her husband had forfeited his driving job so as to enable him to stress in full time on family business. She also established a stationary stall for selling of seasonal varieties of fruits and vegetables plus quill eggs. The said business capital is so far worth Ks. 200,000. The total average daily income now reached to the ear mark of Ks. 4,000. From her gradual and regular saving she could purchase a moderate sized house of her own. Above all she was so satisfied on the capacity of enabling her son to proceed for higher education together with the escape from the bondage of money lenders. Her second son also attended the regular school and in no need of their hands to lend for her business like before. She never failed to attend the regular group meetings. Hence she had gained some fresh ideas and knowledge from the respective group members. Her future plan is to establish a stall in which the various kinds of merchandized goods can be put on sale.

Urban Case II (Photo: 9)

Daw Aye Aye Khine is a married house wife of 27 years old. She had a family member of 4 in number and her native locality was from delta region of lower Myanmar. As their family situation was turned from bad to worst, she and her family came up to settle in North Okkalapa, satellite town of Yangon. Since the time of arrival the family depended on the single earning of the husband who worked in the tyre repairing shop as a daily waged worker.

She had joined the group of micro credit program called Padauk Khine in 2000 just after one year of the group founded. At the turn of her 2nd loan she could square up both the interest and capital of the former debt of high interest rate of 20%. On her 5th loan amounted to Ks. 50,000 her husband could quit his employment and did start up of their own second hand tyre sale shop. With her followed up loans she invested not only in their own shop but also purchased a moderate and modest house from the profit and saving. On her 9th and 10th loan of total Ks. 200,000, she purchased the necessity item of carrier push-cart for tyres, establishing the 2nd tyre selling shop in the vicinity of her house and a merchandized convenience store at her own house.

Now she opened her own grocery and snack shop at her house. Actually the management of store was put under her supervision and the overall asset of the said store might worth more than Ks. 100,000 and she earns Ks. 5,000-8,000 per day. Anyway in the case of the social and economic matter came in, both husband and wife worked on hand in hand manner. Currently they had a debt of Ks. 400,000 cause of buying a new house. But both of them shown full of confidence in clearing up the said in the very near future with the outcome profits from their business. Now they had already built another small house in their own compound and engaged a tenant for additional income. Thus they because the status of land lord. Her next step of intention being to rebuild a brick house and a modest convenience store which would be stocked with the utilities of house hold needs for the customers.

Urban Case III (Photo: 10)

Daw Nu Nu Aye is one of an active member of the group named May Thazin, comprising of 20 memberships. She was a divorcee and had two off spring. She stayed with her mother and looking after the family by sewing the ladies purses, sling bags and carrier bags, in tariff according to her finished numbers. At that time of interval the financial problem was seemed to be a common complement. When she first joined to the program, she was the wage earner from the sewing bags small industry.

After she joined the group formed by micro credit project she had the continuous loans over the prescribed frequency of time upon screening her skill business. Later taken subsequent loan from the project, she cleverly and specifically invested in her skill business of sewing as a share holder. She continued put in all the accepted loans. Thus made her way from the wage earner to the status of owner cumulatively employer in making bags business. With the current 10th loan she became the owner in possession of 3 sewing machines and engaging the seamstress of 4 workers.

By doing so she was become the supplier of her own; thus also made a saving for the brokerage cost. She had run the business both in the sectors of management and operation with her single headed and she came up to the present level of ownership in the field of bag making business. Her responsibilities comprised of finding materials, maintenance of machine, quality controlling and workers manage including welfare, supply and demand of goods, redesigning of goods. Her expectation is to see her two children get a degree from University.

Urban Case IV (Photo: 11)

Ma Ohnmar Myint, a 25 year old spinster, is being living with her parents and two brothers. She belongs to Nguwa group, a 23 member group formed on February, 1999. However, she joined the group in December, 1999. Her anticipation to join the program was to buy a house for her family. When she started to join the group she was selling hand made fans, hand made water filter, and hoods as a hawker. She had a limp leg and had to struggle hard going on foot to sell her fans. Her daily income was Ks. 500 per day.

She invested her first loan, Ks. 5,000 and second loan Ks. 10,000 in her preceding income activity. On her fourth loan she involved in joint venture with her brother to open a shop and start selling plastic and steel utensils instead of going around selling fans. She continued to expand her business and in April, 2004 she borrowed Ks. 200,000 from group fund and bought a plot of land with a house of Ks. 580,000. Payment of the house was from the micro-credit project borrowed money, with family own accumulated savings Ks. 230,000 and moneylender loan of Ks. 150,000. She assured she can repay all the debts and loans from both project and moneylender in near future with her family members' great effort and hard work. Now her father continue to sell hand made fan, one of her brother and she sells steel utensils and the other brother sells cloths.

Ma Ohnmar Myint feels happy being in the group because this is the platform where she is getting an opportunity to interact with other women and access to get loan with low interest. She can buy other assets such as a sewing machine and a bicycle for her own. Her great expectation to join the project was fulfilled because she can manage to buy own house.

Urban Case V (Photo: 12)

Daw Win Win Aye, aged 32 years and has one off spring, is a member of May Kwa Nyo group. The group was formed June, 1999 whereas she joined the group in July, 1999 with the saving of Ks. 50 per week. She lives with 9 of the extended family members. Before she joined to the project, her income activity was selling hand made fans and seasonal fruits.

When she got first loan of Ks. 5,000 she initiated in the business of selling the ready made clothing with previous activity, hand made fan, in the around the nearby market together with her husband and two nephews. She could also manage to repay her loan punctually within the repayment period. She has duly saved Ks. 200 per week and now accumulated to the amount of more than Ks. 20,000. Upon completion of her 8th loan, she was favoured for a special amount of Ks. 50,000 based on her capability. At that time she switched over her merchandise to household used steel utensils, clothing material and sewing plastic bags. In addition, she could invest an advance payment for a plot of land. On her subsequent loans she could repay all the debts of moneylender loan and now own a plot of land. After receiving loan of Ks. 100,000 she used the money to build a house with a roof of corrugated sheets.

She is very keen to attend group meetings and never miss the meetings. She and her husband always jointly decide on family business and issues. Her husband is now supervising their kitchen utensils shop and she is also generating additional income by running a sewing business of ready made clothes and plastic bags.

Urban Case VI (Photo: 13, 14)

Daw Tin Tin Hline, aged 31 years, belonged to the group named Pa Dauk Khine, North Okkalapa Township. She lived with her husband and three daughters. Prior to joining the micro credit program her family was unable to engage a moderate house for retirement at night fall due to lack of deposit amount and monthly lending rate. So they had stayed in a house made of roofing straw mats and hanging plastic arranged around a dirt floor and disgusting environment. Her husband worked as a spared attendant but not a grade of conductor to motor vehicle and his job could be accounted as an errand worker. The said job was a situational employment and could not bring the regular earning back to his family. Also most of the neighbors did not talk to them. Upon this kind of situation, they were stayed isolated with the community.

It was hard to decide the group members whether she could be a member or not. After she became a member, she took loan of Ks. 5,000 and used for basic food. She could not repay on time so she got penalty of not to increase the amount of next loan. Most of the group members afraid to borrow her but the project staff encourage them to give her a chance. This time she and her husband tried hard to repay the loan on time. Along with subsequent loan, she managed her husband to sell the government lottery tickets with the hired three wheeler push cart by forfeiting the previous job. With all her consecutive loans she invested full in the very same business and the situation of it was gradually doing well. On present loan of Ks. 80,000 they had their own cart with countable number of tickets which could display in full to the customers for pick and choose of their own numerical taste. Both of the children went to school with no late or absent in roll call as before. Although she is poor and illiterate, she managed her husband business and children education. Now her family attained the status of tenant who could shoulder in equal with most of the inhabitants of her quarter and they were no longer out of community. She never lost her expectation for the owner of the grand house. She explained that they were sure to find a way out of poverty and these words translated into real hope.

7.2 Pact/Myanmar Members (Rural)

Rural Case I (Photo: 20)

Daw Nyo Nyo who is 47 years old and living in Tawza Village belonged to the group of Kankaw. When UNDP introduced the program of Microfinance in dry zone, middle of Myanmar, she joined and became a member since the time of 11th July 2000. She could be so-called as a native of the said village cause of her 29 years of living and struggling in the very same place. She lived with eleven family members. She has living both parents, her own off-springs of 6 members, one nephew and her husband. She is supposed to extend her helping hand to the sole bread earner, the husband.

Prior the days of joining the group, she sold the typical Myanmar side dish called preserved Mangoes which can go along with main staple food of rice. By that time she is just a status of hawker. Her husband professional is being a mason. Upon the earnings of two the large family was surviving in scarcely. After her joining she was favored the first loan amounted to Ks. 12,000. With her Ks. 1,000 saving the added sum was utilized in purchasing the sewing machine for her daughter who knew well in sewing. On her second loan of Ks. 40,000 was invested to her Mango preservation business. Whilst the business was gearing with acceleration, the misfortune came in to the health of her husband. Most of her profits and some capitals had to be spared for the physical well being of her husband. Only upon her 3rd loan Ks. 60,000 she took risk in her well known business of mango preservation by buying ceramic large earthen pots of 45 in numbers as long term storage. With the view of selling the year round she had taken that risk which worthy benefited and attained the status of whole sale.

Micro finance program provided the regular loan of KS. 60,000 on her fifth interval together with MSE loan amount of KS. 100,000 upon screening her industry. This time she not only extended her preservation business but also the business of bottled champak flower. This business is innovative and selling only in that area.

At present her business could not handle alone with all the hands of family members. She had to engage 5 workers to assist for the said job. The working days lasted about 15 to 18 days at a time and this sort of employment had been taken annually for 3 times. She used to invest her loans in her business and also with no fail in repayment and with the profit of turned over she could give academic education to her children. Moreover the inherited house of their living was currently renovated with corrugated sheets with higher new foundation posts and bamboo meshed walling and paneling. Some luxury goods like TV and Cassette were also seen in vividly.

Finally she has a vision of her children to attain a higher degree of education and also she liked to expand her current business to the sky as the limit. She did not satisfy with her present house and liked to rebuild the brick-knocking house. As she mentioned, her family made good use of her loan with an energetic industry they had enjoyed the fruits of the turned over with in a short period of five years time.

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Rural Case II (Photo: 21)

Ma Thein Thein Wai is a member of Shwe Sabai group of Da Whar Village. Her substantive profession was a government employed mid wife. Though she had a character of business mind, she was no where to go for a source of capital like a dead reckoning. When UNDP initiated micro credit in her area, she promptly enlisted as a member in the year 2000 for she had some knowledge and hear-say about the program of upgrading the poor. Her family comprised of 5 in member living in a very typical village house built in thatch roofing and walling on the natural ground flooring.

With her first loan she dispensed on poultry farming and this produced a good yield of battery hen eggs. Upon getting MSE loan of Ks. 80,000 she bought one milch cow which also paid well on her product of diary. As her eco mechanism shaped smooth, she sold out some of her poultry to exchange for the mortgaged farm land of 5 acres worth Ks. 46,000. On her MSE loan of Ks. 150,000 she could provide a moderate stall of selling household and kitchen merchandized goods. Currently the capital of the said stall valued Ks. 600,000 and the average profit pay off was 10 percent. So they had reached a considerable room of livelihood to breath for the family. On her fourth time she got a regular loan of Ks. 60,000 plus MSE loan of Ks. 200,000 then she stepped on the business of the cottage sized oil extracting machine. She was now counting on the turned over from various investment like the sesame farming, convenience goods stall and her professional midwife special services. This tall counted over Ks. 100,000 monthly with no deduction of house hold expenses. So their condition was so far escaped from poor category.

As her oil extraction business was recently established, the said case counted as marginalized in her own right. Though she was the member of the group, she got along with her husband in doing business of the above by saying “Two heads is better than one”. Her farm land is also gaining momentum for she had to hire seasonal farm workers of 50 members in the peak time on the 5 acres of land. But

seasonal farm workers of 50 members in the peak time on the 5 acres of land. But in her home business the 3 persons was employed as a regular basis. She had a already built a house of two storied and fly free toilet of brick built which could be listed as top in the village against to normal fly free water closet of the rest in that area. The family also seemed to be uplifted in all the sectors like economy, management, health and education upon the assistance of micro credit project of UNDP.

Her expectation is seemed to be never ending for she wanted to become a big whole sale dealer of dry zone products in the major town of Kyaukpadaung and buying an estate over there for the said goods ware house. Besides she was trying on the track to buy a trailer jeep which being very applicable in muddy terrain for carrying goods. She mentioned her family will own that jeep in near future.



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Rural Case III (Photo: 22)

Daw Khin Poe, a 41 years old spinster who being living with her both parents and two of her sisters. In accordance to her parents' profession of black smith, they all could do well with the said skill and insisting in the earning for the family. The women force in the worksite of black smith was a common feature in this dry zone and it was not a big deal for these genders. Since the time of introduction of micro credit by UNDP she had joined the group as a member. Out of her first loan Ks. 12,000 she bought a pig, the rest she invested in the ruining business, buying raw steel materials to make products and corrugated sheets for her tattered thatch roofing.

On her next second loan of Ks. 15,000 she could bring her shelter with corrugated iron sheets and the remnants was utilized on the needs of materials for black smith work. With her third loan amounted Ks. 40,000 the unfinished sections of the house repair had been done. So also she bought two more pigs together with raw steel materials for making various tools. Prior to these provisions of loan she had to turn at every hard time to the private money lenders with a high interest rate of 10 to 20 percent. In the trade of black smith the steel raw materials were the prime and fundamental essential for finished products. On account of lack of capital the said requirement could not be met and used to buy on piece basis when on at procurement. However upon getting the fourth loan she accumulated the needed materials for the blacksmith in bulk form. The dealers usually sold out in weight unit of vies. When on buying bulk the tagged price was drastically lower than a price basis.

By doing so they, all the family members could produce various kinds of house hold tools as well as farmland tools as stock for ready sale during the free interval of procurement orders. So the fire place of black smith was in commission with succession. Besides the traditional Myanmar free snack stall was also engaged within the house compound. She seemed to be so decisive and strong for the asking of loans, repayment and investment were done by her self.

Rural Case IV (Photo: 23)

Daw Khin San Kyi, 42 years old, is a native of Sae Pauk village living with her husband and having two children. As she had a talent of making business, the UNDP micro credit program was become the taste of her choice. She joined to the project in 2000.

In accordance with the formal norms she had received the first loan of Ks. 12,000 and she spent on buying of one pig and 500 in heads of quill. She is more interested in poultry farming but the investment is much higher than quill farming. On her followed up loans she invested on the quill farm to reach 1,000 in number and also bought one more pig. At the present time family owned the above number of quills and pig, and also 3 milch cows for milking. Over all these investment she could market quill eggs, milk and piglets. Now she was freed form the entanglement of private money lenders.

Hence she was a member of micro credit she had a chance to enjoy the provision of loan money; any how in utilizing the said amount she used to go in unison with her husband in business field. During discussion she explained micro-credit program impact on her was they were out of depend on middlemen loan. With the gratitude of micro credit she could provide the education for the children and her house was also renovated in fairly shape. She also content to attend group meetings and she can participate and discuss in a group meeting better than the earlier times.

After joining as a member, she was more and more interested in doing micro-enterprise. As a next step she had an intention of extending a poultry farm stocked with 1,000 heads of battery hens. She has confident that one day she can run poultry farming business.

Rural Case V (Photo: 24)

Daw Hla Lay lives in Kan Phyu village known as Myanmar Queen Pwa Saw village. She is a spinster of 43 years old and living with her parents. Since the date of joining micro credit program to update, she came across a membership service of seven years. Prior to joining the groups she used to sell local made sheep fur woven blankets with daily basis loan money and alternative jobs of selling edible oil in twin containers carried on shoulder with bamboo pole. These two trades became the prime source of survival for her family.

After getting successive loans from micro credit program she could gradually extend her business without the help of private money lenders. From the hawker status she could transformed herself to sedentary oil merchant in her own house. Besides when she got MSE loan of Ks. 100,000, she also established an oil extraction machine of moderate cottage size over the idea of her mother. From the trades of oil production as well as from retail and the stocking of peanuts business were also supplemented incomes.

The said machine for oil extraction could also use in charging of portable batteries which being used in every household of the villages. Electricity was not available in the area remote to the big towns. So these necessities of the household illumination batteries were needed to charge again in the interval of 3 and 5 days which depended on the life expectancy of the batteries. The battery charging fees was Ks. 80 per battery and average 30 numbers of battery boxes were charged daily. Thus is also made another financial credit to Daw Hla Htay. She got some business advices from her parent but the main decision maker is her self.

At present she owned a motorcycle for errand business duties and also TV with VCD for recreation. The front portion of the existing house was already extended and furnished with brick building. She confided her next dream as to become the owner of passenger bus which will run up and down from village to town.

Rural Case VI (Photo: 25)

Daw Aye Kyi of 40 years in age belonged to her native village of Kan Phyu. Her family comprised of seven in members. With her husband she weaved woolen blankets for selling and also worked in their farmland of 5 acres on various kinds of beans. Prior to join the program of micro credit she had to rely on the private money lenders to buy raw wools for weaving due to lack of capital. Her farm land also needed to feed fertilizers and insecticide; thus also needed money. When UNDP micro credit introduced into her area, she did not fail to join as a member. After having so regulated service she was provided for the first loan of Ks. 12,000. The whole cash was invested on her woven blanket business which being so accustomed in processing. She continued invest all the following loans into the same business. Now she has a current loan of Ks. 100,000.

By doing so she could raise her production in two types of blankets. The first type was for human use in cold climate hilly region like Shan state of upper Myanmar. The second inferior ones were meant for adhesion in filtering with these blankets at the individual private gold mining sites. When the powders of gold had been saturated on these blankets, the said ones were burnt down to ashes for separation with the blankets and finally the lumps of gold were easily collected. At present her woven unit was expended to 4 in numbers from the initial of 2 units. Though she had experience, skill and some considerable assets of units she was still anxious on the trade regarding with the income and expenditure for her children were all in the ages of schooling.

With the assistance of micro credit she could purchase a batting machine for wool and motorcycle of true necessity of transport together with the recreational items like TV and VCD for the family. In future she had an intention of stock piling for the raw material to get regular supply of her products; thus she could collect these wools when on the quoted prices were at ebb.

CHAPTER VIII

SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATION

8.1 Summary of Findings

The group based micro-credit project, which mobilizes and organizes women in the low-income level, is becoming a leading mechanism of planned intervention for poverty alleviation. Because of the flexibility and grass root level organizing ability, non governmental organizations (NGOs) are entrusted with the task of administering micro level developmental program to mitigate poverty and to enhance project members' empowerment.

In Myanmar, YWDP and PACT/Myanmar micro-credit projects providing collateral free small loans to the low-income families for the improvement of their livelihoods, economic and social status. Again it is the NGOs who are pioneer in dealing with the integrated approach of savings and credit concept. Micro-credit loan cycles are usually shorter than traditional commercial loans, and payments plus interest are due weekly. Shorter loan cycles and weekly payments help the borrowers stay current and not become overwhelmed by large payments.

Micro-credit projects utilize social collateral in the form of peer groups to ensure loan repayment. This peer pressure encourages borrowers to repay loans in full and on time, resulting in the higher than 95 percent repayment rates. Among the few who default, the most common reason is health problem in the family, which disrupts their lives, rendering them unable to continue their business and repay their loans, and the another reason is unanticipated issues.

The two study projects officially started almost at the same time, but PACT/Myanmar mobilized the members more than YWDP. Moreover, loan term in PACT is 12 to 18 months, while YWDP loan term is 5 to 10 months. Therefore, loan disbursed cycle were different. Furthermore, the financial services of the two projects are differently

designed, but there is no significant difference in satisfaction of the members between them.

Overall for the members' perception on micro-credit programs constraining factors including program operating system, loan disbursed rules, loan disbursement procedure, interest rate, credit amount, loan repayment, saving, and trainings. In both projects, the majority of the members are moderately satisfied with the provided financial services. However, satisfaction different on saving amount because urban project members want to save voluntary saving more than permitted amount. The reason is saving for children education, religious festivals, and the emergency needs.

For the economic impacts, the study considers three factors – household income, self-employment and economic security. The result shows that there is a positive impact of micro-credit on the both projects borrowers. Micro-credit do increases income and cash saving for the women borrowers and even they are able to posses more assets for their house. The majority of PACT borrowers and half of YWDP members are elevated in their family income. Along with increase income, borrowers increase cash savings for further extension of their business, children education, and emergency health care.

Micro-credit program increases the self-employment opportunities for the borrowers themselves and the other members of their families. The borrowers of both credit projects believe that the micro-credit has increased the employment in their families substantially as they use credit for the income generating activities in their homestead. In urban area, half of the interviewees are high in extending of self-employ activities and rests are fairly increased. In rural area, the majority of respondents are high in expanding of income activities. They initiate new business with the credit, which requires new employment either from the family members or from the locality.

In many cases micro-credit brings economic security of the borrowers. They are able to revolve or circulate their money, some become land owners, trishaw owners, and some can buy and save valuable things or increase their assets at home. Some expand

business and most of them are free from money lenders who stamped high interest rates. Majority of respondents from both projects mentioned they are high in assured of their current income activities. They have capital to invest in current business, demand and supply of their production, and have skilled in current business.

Micro-credit members are empowered socially through increase of involvement in community development activities, decision making in family matter, mobility, self confidence and skills. As women are an important part of the community, building their capabilities to manage communities and community activities should be enhanced. Most of the respondents are originally active in participation of community activities. Therefore micro-credit programs affect to members on that factor is not much change in both study areas.

The research finds in the two study areas, micro-credit did not much change members' decision making in household. Borrowers are already discussed and jointly made decision with their husband or family members since previous times. Both husband and wife frequently discuss and negotiate on household matter and in loan aspects. But probably when members earning are increased, their role in family also change. The research finds that half of the respondents from both projects had moderately increased decision making in household. But in their own micro-credit women groups, they have highly decision making level because every issue were decided by member themselves.

Micro-credit did increase the mobility of women. Women's participation in regular group meeting and training giving by the project had broadened their social network outside the family and contributed to lessen their fear of public exposure. Also members' expand business imposed member mobility. YWDP project gives extra trainings for borrowers holistic development, therefore increased in mobility of two projects respondents are different. Majority of the members form PACT project are fairly increased borrower mobility along with nearly half of the YWDP members are increased high on mobility.

The credit and savings scheme plays the most significant role in increasing women's confidence. It gives the opportunity for women to meet regularly, build solidarity and create atmosphere to share their ideas. Important benefits have been observed in that women participating in these programs tend to develop an improved sense of self worth and self esteem. Most of the members from two micro-credit projects accepted as a high increased in self-confidence among themselves. Many members from YWDP expressed their opinion as how they felt nervous talking in front of the people and now they feel free to share their idea in the group meetings.

The women, who had their own business, become more ambitious for themselves and their children. They desire to expand their business and diversify. Once they have started earning more, they wanted to keep it up. Others who have already taken and repaid, desired larger loans. Larger loan size was a repeated demand since they sought to expand and diversify. Almost all women involved in the micro-credit programs have also started wanting a better life for their generations.

8.2 Conclusions

Micro-credit has come a long way. The strength of micro-credit lies in its ability to organize idle women into a productive workforce with their proven creditworthiness. According to the some researcher, 25 million people worldwide are now using micro-credit to undertake income-generating or self-employment activities. Micro-credit has not only made women more productive, it has also empowered them. As a result women are now integrated into socio-economic activities, contributing to family and community.

By the literature review, experience in many parts of the world has shown that with the right types of support, micro-credit, low-income people have potential to become viable entrepreneurs with high repayment rates as well research finds repayment rates are above 95% in both study areas. Micro-credit programs are based on a group approach and it is create a community based structure that builds mutual support and trust among the members and encourages the most vulnerable and marginalized,

especially women. Members conclusively show that the borrowers' capacity has increased, and the women are empowered in economic and social matters.

From the study findings, not only did the borrowers expand their business and increase their incomes, but their high repayment rates demonstrated that the working poor are capable of transforming their own lives given a chance to get access credit. Also female clients of the programs can learn how to become economically independent. In comparing two study areas - urban and rural, members economic changes such as increased income, improved housing condition, increased household assets, built up own micro-business, assurance in existing income activities and reduced in moneylender loans are more or less the same. It is effective as evidenced to help low-income families to raise their standards of living and protect themselves from economic setbacks. Members status are changed from small retailer to whole seller, employee to employer, bear earner to regular earner, and one business to more than one.

Moreover the research finds the program promotes social wellbeing of the borrowers. Urban and rural members social changes are different in their mobility because of the micro-credit project non financial services, trainings. Urban members have more geographical mobile thus improve their activities outside the household, opportunities for interaction and for building up practical and social skills. But other social changes factors, both the study areas have not outstanding differences.

Besides micro-credit operating system of peer group members to put support and pressure on borrowers repayments, rather than promoting collective responsibility and mutual accountability. Micro-credit members decide their own group affairs, borrowing and prioritize loan by group themselves, give advices to others members, and raise their participation in community activities. It seems in the group they have their own free space for each member. Addition, member decision making power is improved and their self-esteem and confidence are developed. Under such conditions members improved their empowerment. This is the important step to change the poverty situation in families and communities.

According to the research, micro-credit is playing a strong role in poor community development. Although program generates benefits for the poor, it seems to benefit more that of the poor who are able to use loans productively. Some eligible poor (the poorest of the poor) do not join micro-credit programs because they lack ability to use loans productively and their emergency need is basic food.

The research is not to suggest that every poor person is a potential entrepreneur or that micro-credit is a solution able to reduce poverty everywhere and in all circumstances. Reducing poverty requires many factors, including food, shelter, employment, health and family planning services, financial services, education, infrastructure, market, and communication. Micro-credit institutions help to meet the family basic needs. The first thing that many poor families do when their income rises is improve their nutrition and send their children to school. So it means improve in family health and educate next generations.

Members' capacity increases when adversity is overcome, when women become respected members of the household and the community, when the household can keep its children in school and launch them in careers, when the family is well nourished, when medicines can be bought, when savings can be accumulated. The programs help their borrowers to overcome obstacles, achieve their goals, improve their enterprises, and increase their incomes and quality of life.

Women are usually the primary or only sole family caretakers in many developing countries. Helping the poor women to gain additional daily income improves the socioeconomic condition of their entire household. Women members are often the most efficient way to improve an entire family, as they typically put their children's needs before their own. Children are more likely to complete their education and escape the poverty trap than their parents. In addition, it supports individual families to lift themselves out of poverty.

To conclude giving women access to micro-credit loans therefore generates many effects that members' perception and ability of their lives, their living environment, in

non financial relations within the household, and their local community. Thus the micro-credit programs directly improving the quality of life of individual member; benefit multiple generations; the prospects of long term development of households; communities; and contribute to reduce poverty.

8.3 Recommendations

This study made some recommendations for the micro-credit projects to improve their operational efficiency in order to contribute more for the socioeconomic development of the poor women. Recommendations are also made for the YWDP as well as for the Pact/Myanmar.

Poverty lending approach focuses on reducing poverty through credit and other services provided by in institutions. A primary goal is to reach the poor, especially the poorest of the poor with credit. Therefore micro-credit organizations should consider how to reach the credit program to the ultra poor families within the project areas. In addition, both the projects are in the age of mature organizations. The impact assessment of the borrowers is an important fact to continue the project with better result. If the organizations put more attempt to evaluate the beneficiaries impacts, it will assist to the project mission and to the further study of micro-credit programs.

8.4 Recommendation for Further Study

Time was limited to conduct the research and therefore the researcher only had chosen three main factors of economic changes and four factors of social changes by micro-credit programs. As the projects encompass numerous socio-economic activities some very crucial factors like project impact on beneficiary's nutrition, health, sanitary habits, family interaction, family planning practice, psychological and behavioral changes provide ample scope for study.

The present study was conducted to see the impact of micro-credit through program members. Another study of compares between program members and non members in the same background and situation can be conducted to see the effects of micro-credit programs.

A study can be conducted to analyse the constraining factors of credit accessibility, and overall problems and potentials of credit institutions in providing credit to the poor communities.

A further study could be very interesting by considering the length of membership of the micro-credit program and different its impact on the improvement in the family standard and the sustainability of the micro-credit program.



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APPENDICES

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APPENDIX - A

AN OVERVIEW OF MICRO-CREDIT PROGRAMS OF YWDP

AND PACT/MYANMAR

A.1 Introduction

This appendix illustrates the two micro-credit projects profile and the credit methods they used in the study areas. YWDP project working for the development of urban women and Pact/Myanmar has the largest micro-credit activities in rural dry zone area. Although, they have some differences in implementing the activities in communities, they have some common characteristics. These are:

- Provide credit without collateral so poor member can borrow it.
- Most of the members are women as high as 95%.
- To get loan, poor members are mobilized in groups ranging from 5 to 30 members by the particular loan giving organization.
- Group members are organized by themselves to select their own group leaders and taking loan procedure.
- Members are usually meet weekly or bi-weekly and compose small savings deposit, withdraw, take loan and repaying credit. After certain period, members receive loan and taking collective responsibility for repaying the loan.
- Procedure for getting loan has been greatly simplified making the program attractive to the poor and illiterate people.
- Group members are guarantee to each other to take loan and peer group support to pressure to maintain the repayment.
- Loans are recovered in weekly installments.
- All the financial services are working out only in a group or village meeting time by organizations staffs.
- Loan is usually provided for petty trades, micro-business and other homestead activities.

A.2 Profile of YWCA Holistic Development Project

YWDP project is one of the outreach programs of Yangon YWCA. The World YWCA as a pioneer in volunteerism and leadership for women and girls started at England in 1855. They work as a prayer and services. By prayer for all standards of people in the country and services for women and girls who needed shelter and a vision for their development. It has empowered women and girls to lead change and now has expanded to 122 countries around the world including Myanmar.

The YWCA of Myanmar was established in 1990 as a Christian service organization to help and empower the life of women, girls and children. Its services are rendered irrespective of age, creed, culture, race, religion and socio-economic status, with a Motto of “By Love Serve One Another”. The organization vision is “Empowerment of women to their full potentials” and the mission is “Train a Women Build a Nation”.

A.2.1 Background

YWCA Holistic Development Project is an outreach program for the disadvantaged communities especially women, to uplift their standards of living by providing financial services, and creates all round sustainable development for an individual family and community. The project started in 1996 as a pilot project in a satellite town with 30 women. In 1997, new areas were surveyed for the program and the actual project of micro-credit started in 1998 with EED (Germany) partnership. Project operates in one Satellite Township, three peri-urban areas and a rural tract in Yangon District. There are no other projects in the study area implemented by other organizations and the micro-credit project is so far the only credit source for them.

Project gives both financial and non financial services to its members. Giving credit and saving services as a financial and giving knowledge and skill trainings such as leadership, management, micro-credit basic account training, sewing, local food cooking, income generating activities, general health education, etc as a non-financial services. Project extend their non financial services in family planning, health and

hygiene, mobile clinic, scholarship program, youth development programs for members' children.

A.2.2 Goal and Objectives

“Alleviate poverty among communities” is the vision of YWDP project. The project goal is “Uplifting the living standard of the poor community through micro finance services integrated with health and education services”. The development objectives are not only to improve their income but also to build the capacity of the members' leadership skills, management skills in business as well as family, health, education to all round holistic development for an individual family and community. Thus, the project title: “YWCA Holistic Development Project”.

The specific objectives of the project are:

- To promote savings habit
- To provide credit when needed
- To encourage greater participation of women in income generation activities among the family
- To increase general knowledge
- To develop team spirit through interaction in group participation

A.2.3 Target Group

Project targeted to the women headed households, family household income is under poverty line (approximately Ks. 1,000/USD 1), people who have skill but no capital to start their income activities or to extend their small business, people who live in that community for permanent resident.

A.2.4 Functions of the Project

YWDP organized urban poor women and explain the project vision, mission, goals, objectives, rules and regulations. Project staffs are organized to form groups, women

who are interested and agree to participate in the project. Community women choose their group name, members, leader, account holder themselves and each group has to include 8-30 people. Groups are created based on their location and knowing each other. Groups can add some rules for their own groups according to all members' agreement. Each member has their own responsibility in the group such as leader, record keeper, minute taker, attendance caller, group accountant.

The project methodology is Self Help Group system (SHG). Members are deposit compulsory and voluntary savings. Credits are revolving from the members' own savings. Organization obtains project loan funds in the time of proposed credit amount is larger than groups' financial balance. SHG method using peer group pressure and supporting each other is to sustain the project performance and maintain repayment rate.

The saving and credit activities are carrying out during weekly group meetings. All members received a credit and savings passbook after the group is set up. Members have to save at least Ks. 50 and maximum Ks. 1,000 per week. Interest on saving is 12% per annum. Every group has their own bank book opened in the government bank by two members' name. After 3 months saving period, members can apply credit in the group. Members are decided each loan applications themselves and guarantee each other. The priorities of borrowers are set by the group itself and also they have the checking indicators for the member performance, for example, borrower must have 80% meeting attendance. Then project staff approves loan applications and disburses loan to individual through group.

Loans are subsequently raised to from Ks. 10,000 to Ks. 200,000. Each loan turn has the maximum limit. Group members are decided individual loan amount based on applied purpose. Interest on loan is 4% per month with declining rate. Repayment period is 5-10 months. Next loan can apply after previous loan was fully repaid. All the loan interest are revolved in group account for using saving interest, group or community development activities, stationeries and petty cost for group. After two

weeks on loan disbursed, project staffs are monitoring borrowers' activities. They are closely supervised the loan utilization.

Project gives different names on loans. They are Income generating loan, social loan and short time loan. Income generating loan conferred for all kinds of income activities, social loan include for education, housing, health care, repay of high interest loan, and social occasions, short time loan which is disbursed only for the religious festival time. Among them income generation loan has higher percentage in amount disbursed.

Project composed annual meeting every year and invited all the project members to participate, share their experiences, fellowship, and encourage each other. In addition, project shaped rotation of group members' responsibilities per year, so all the members have to take leadership role, secretary role and so on. Each year, project gives trainings and other non financial services to gain outer knowledge and holistic development for members' families.

A.2.5 Outreach and Coverage

Table A.1 Outreach and Coverage of YWDP project

Particular	Program Data	Study Area Data
Number of Savings and Credit Groups	60	40
Number of clients	1334 with female 98% and male 2%	926 with female 98% and male 2%
Amount of member savings	Ks. 21,329,332	Ks. 14,615,225
Average saving per member	Ks. 15,989	Ks. 15,783
Current number of loan turn	15th loan	15th loan
Number of loan disbursed	9,063	7,125
Amount of loan disbursed	Ks. 216,678,700	Ks. 171,286,300
Repayment rate	99.6%	98.4%

Source: YWDP Micro-credit Monthly Report, June 2005.

A.2.6 Organization Structure

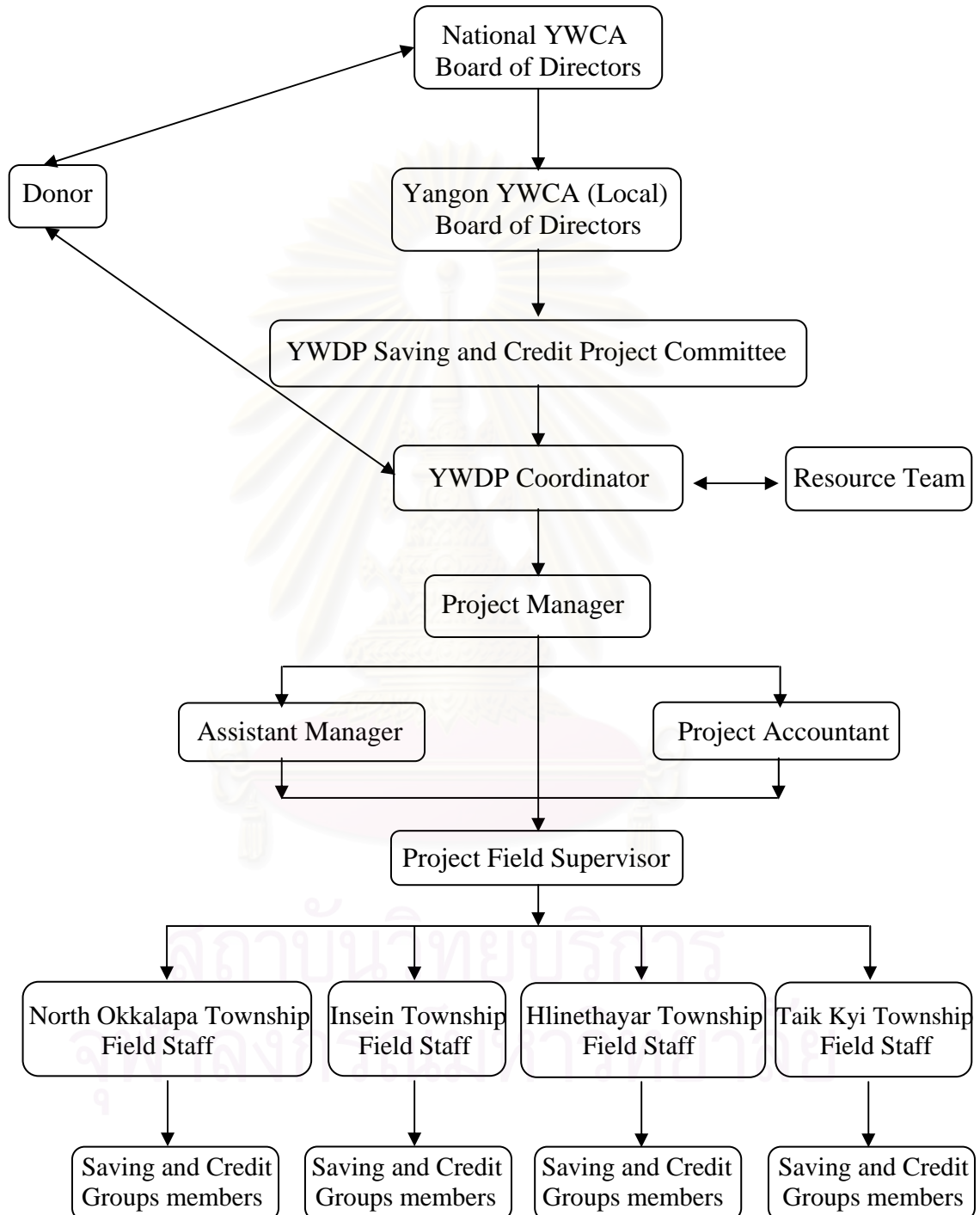


Figure A.1 Organizational Structure of YWDP project

A.3 Profile of PACT/MYANMAR Project

In Myanmar, the United Nations Development Program (UNDP) set up the Human Development Initiative (HDI) in 1993. HDI covers projects in the areas of Primary Health Care, Education and Training, Environment, HIV/AIDS, and Food Security with an object to improve the living conditions of people at the grassroots level. The executing agencies of these HDI projects were WHO, FAO, UNESCO, UNCHS and UNOPS.

Kyaukpadaung Township was selected as one of the townships covered under HDI Projects. HDI stresses human development and humanitarian needs, and calls for the design of interventions to be strongly based on beneficiary participation. Activities are targeted at local and community levels, rather than at the central and departmental levels as in traditional UNDP programs. HDI sited 6 projects in Kyaukpadaung Township and this Micro-Credit Project is one of human development project at the community level.

A.3.1 Background

Private Agencies Collaborating Together (Pact) was founded in 1971 and is a U.S. registered non-profit corporation headquartered in Washington D.C. As an International Development Agency, Pact has been working in developing countries for more than 25 years and has projects in more than 19 developing countries. Pact's mission is to improve the living standard of the poor through out the world and its goal is to build the capacity within the country to implement their own community development project.

Pact has been working in Myanmar since late 1996 under UNDP'S HDI project. In 1997, Pact, as an implementing partner of UNOPS, started introducing the Micro-credit Project "Sustainable Livelihoods through Micro-Credit for the Poor" (MYA/96/005) to three townships in Dry Zone. Pact began the project in July 1997.

Project provides financial services to the member in the form of credit and savings services. As for non-financial services, Pact builds the capacity of the members by providing necessary training and encourages them to participate in the project activities.

A.3.2 Goal and Objectives

Project goal is to uplift the living standard of the poor in the Dry Zone through implementation of the microfinance program along with the creation of sustainable institution. Pact/Myanmar offers credit without collateral as financial service. Project objectives are:

- To provide credit and related services for the poor that enables them to set up their own microenterprises and increase their income contributing towards uplifting their living standard.
- To create a sustainable microfinance institution that is self-reliant and self-managed.

A.3.3 Target Group

Pact is providing micro-credit to four disadvantage target groups that include female headed household, landless laborers, subsistence farmers, and the aged and disabled.

A.3.4 Functions of the Project

Pact invites villagers and makes presentation on project goals and objectives, rules and regulations. By using PRA tools and base line data collection, project identifies the eligibility of the village poor by co-operating with the community. After that the villagers who are committed to the project are invited to participate in the project and convinced to adhere by project rules and regulations.

In providing loan to the clients, they have to form Credit and Savings Groups (CSGs) consist of five members, practicing a method known as Solidarity Group Lending

Methodology. The methodology using loan staggering and group guarantee ensures that the peer group support and pressure is maintained for the implementation of the project. Group members in a CSG have to stand and guarantee for each other. The group members are organized by themselves and selected their own group leader and Secretary by their majority vote.

Village Credit Organizations (ViCO) are formed with the members of the CSG in villages. The appropriate number of members to form a ViCO is between 40 to 60. ViCO executive committee is selected by the majority vote of the members. That village level organization is the most basic of the institutional hierarchy. They scrutinize and supervise CSGs activities while maintaining credit discipline and solidarity.

Group member first save small amounts, including membership fee of Ks. 50. After saving 5% of the proposed loan in 5 bi-weekly installments fill out loan application that list their credit needs. During 5 saving collection meetings, all members attend Non Formal Education micro-credit modules training. All members received a credit and savings passbook after completion of Non Formal Business Education (NFBE) training. Project staff approves loan applications and disburses loan to individual within the group on 2:2:1 ratio and priority is set by the group itself. The individuals can use the credit for their own microenterprise.

Project disburses 6 types of loan. They are Regular loan, Extra loan/Seasonal loan, Micro and Small Enterprise loan (MSE), Agriculture loan, Education loan, Consumer loan. Among them Agriculture loan is the biggest loan amount in disbursement.

Credit amount for regular loan, the first loan is up to Ks. 10,000. Loans are subsequently raised to from Ks. 10,000 to Ks. 20,000 to Ks. 30,000 to Ks. 40,000 to Ks. 50,000 to Ks. 60,000 for first to sixth loans. The sixth loan and above are only Ks. 60,000. Currently the highest amount for regular loan is Ks. 60,000 with Ks. 500,000 for MSE loan, Ks. 15,000 for extra loan, Ks. 2,500 for education loan. The second disbursements to the group members will occur after 2 installments of

repayment by the first members who have received loans. Seasonal loan/extra loan are available for second loan borrowers. Interest on loan is 0.9% biweekly in flat rate. Repayment period is in 25 (12 months) equal installments (principal and interest) and collected biweekly. For MSE loan, the repayment is 18 months.

Members must save additional 5% of the proposed credit before borrowing. Interest rate on savings is 25% per annum. Members have the choice to receive larger loans after fully repaying previous loans. After the disbursement of loan, credit specialist visited to these villages and monitors the utilization of the loan, living standard, economical situation, education of the borrowers.

A.3.5 Outreach and Coverage

Table A.2 Outreach and Coverage of Pact/Myanmar Project

Particular	Program Data	Study Area Data
Village tracts covered	191 out of 196 total village tracts (97%)	104 out of 109 total village tracts (95%)
Villages covered	554 out of 625 total villages (88%)	302 out of 336 total villages (89%)
ViCO formed	1,129	496
Number of Credit and Savings Groups	13,099	5419
Number of clients	68,991 with female 98.57% and male 1.43%	28664 with female 98.05% and male 1.95%
Amount of member savings	Ks. 233,779,741	Ks. 114,627,054
Average saving per member	Ks. 3,379	Ks. 4,000
Current number of loan turn	8 th loan (regular loan)	8 th loan (regular loan)
Number of loan disbursed	354,559	151,186
Amount of loan disbursed	Ks. 9,884,414,000	Ks. 4,179,747,500
Repayment rate	97.46%	95.79%

Source: Pact/Myanmar Project Yearly MIS Statement, May 2005.

A.3.6 Organization Structure

Pact develops organizational structure of the project which can be fitted into either MFI or NGO or Cooperative organizations. The structure is an institution model that will be flexible enough to fit into any above-mentioned organizations.

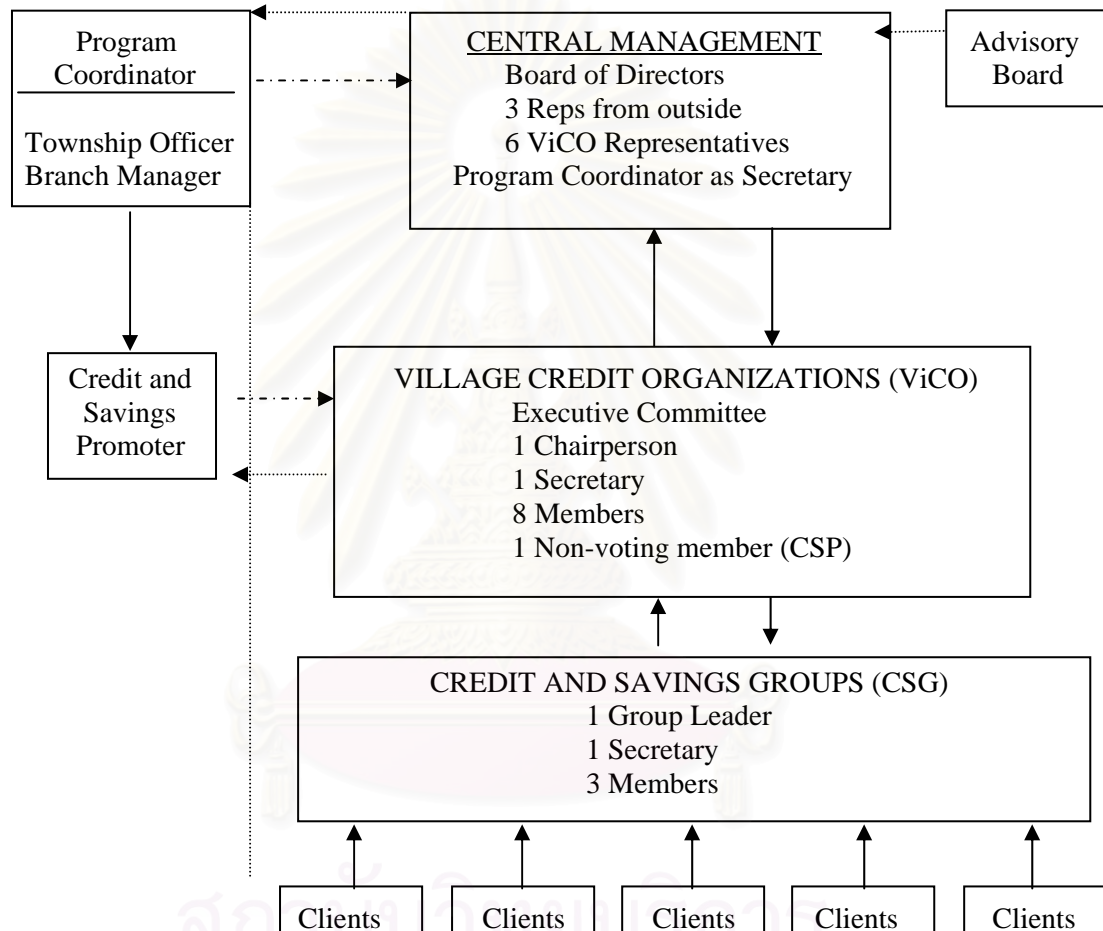


Figure A.2 Organizational Structure of Pact Model MFI

APPENDIX – B

Check List for Socio-economic Condition of Target Areas and Household

Target Area:

- Situation (Physical)
- Population
- Condition of the area (housing, livelihood, seasonal agriculture, school, primary health care, government offices, community activities, social organizations, etc.)
- Main Income Activities/Supportive Activities
- Problems and Potentials of the Study Area

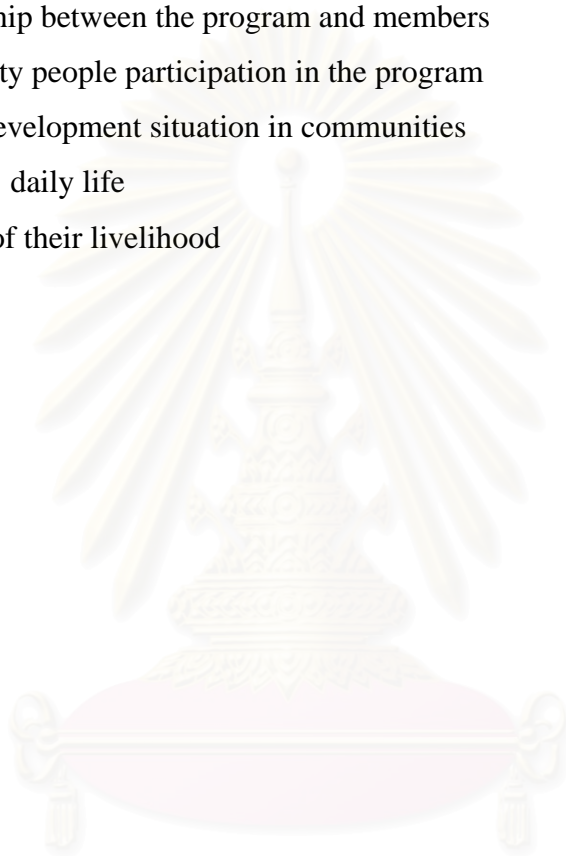
Target Household:

- Location of target household
- Area of land own and owing properties
- Condition of household
- Family size
- Head of the family
- Social statuses in the community
- Family main income activity and supportive activities
- Number of income earner in a family
- Current socio and economic condition of a family

APPENDIX – C

Check List for Observation of the Study Areas and Organizations

- Program operation system
- Relationship between the program and members
- Community people participation in the program
- Current development situation in communities
- Members' daily life
- Changes of their livelihood



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APPENDIX – D

Check list for Key Informants Interview of Each Organization

1. When did the program start in the study area?
2. How to select the target area?
3. Who are the target members?
4. What are the criteria to select potential members?
5. How many credit groups and members are participating in the program?
6. What are the requirements for obtaining a loan? (Collateral, Group guarantee, Others)
7. How many kinds of loans are distributed to members?
8. What are the durations of loans?
9. How much is the interest rate? (both savings and credit)
10. What is the rate of recovery?
11. What are the priorities for the poor in accessing credit?
12. How do the credit organizations disburse loan to members?
13. How to monitor borrowers' activities after giving loan?
14. What are the punishments of the credit institution for unpaid debts? (individual/group)
15. How many percentages the organization cover the target area?
16. How many branches of the credit institution are there in the district?
17. How to operate the program in the field?
18. What are the problems, constraints, potentials, challenges of operating the program?
19. What are the solutions and/or suggestions for challenges?
20. How does the organization view on the study area?

APPENDIX – E

Check list for Focus Group Discussion

Name of the Area: _____

Name of the Project: _____

Date of Interview: _____

Name	Age	Education	Relationship with the program	Duration of involvement/ concern to the program

1. What is your opinion of the program initiated in your community?
2. What is your perception of participating in the micro-credit program?
3. What are the credit resources in the community?
4. How do you understand about women's empowerment?
5. What are the factors encourage and discourage you for your active participation?
6. Decision making process (household and community level) considering the situation before you join the program and present situation?
7. What is the general situation in your house or study commune regarding access and control over household resources?
8. Does the project provide you any specify training for skill development?
9. How it is effect to your current situation/livelihood?
10. Why did some people not participate in the program?
11. What are the differences between members and non members?
12. What are the general changes (positive and negative) of your life and community by the program?
13. What are the important activities/situations change in the family and community by the program?

APPENDIX – F

Questionnaire for Survey of Household

Date: _____

Respondent's Information

Name: _____

Marital Status: Married ___ Single ___ Widow ___ Other ___

Age: _____

Educational Status: Illiterate ___ Primary ___ Secondary ___ High school ___ degree ___

Occupation: _____

Group name: _____

Number of members: _____

Group Issue date: _____

Member date: _____

Family Member

Name	Age	Relationship	Education	Occupation	Income

1. How long have you been in this place?
2. Before that where did you live?
3. Why are you migrating to this place?

Group Information

1. How did you know about the program? Form whom?

2. Why did you decide to be a member of the group?
3. What were your expectations joining the project?
4. Are your expectations being met? Please explain?
5. How often do you attend the organization meeting?
6. How often do you express your opinion in the group meetings?
7. What are benefits you get from the group meetings?

Family Information

1. How many earning member are there in your family?
2. How many dependants in your family?
3. What do you think your duties and work are now overloaded after you joined the program? Please explain?
4. Do you think the society and your family accept your activities and mobility?
5. Can you purchase your household essentials on your own without the permission of your husband? If yes, what do you consider to be the main reason for that?
6. Who is the main decision maker in your family?
7. Do you think your respect has increased in the family and in the society? If yes, how?
8. Explain the contribution of your partner on your participation in the group.

Savings

1. Do you have any savings before you joined to the program? (personal or in the bank) Why and how much?
2. Do you have any savings after you joined to the program? (personal or in the bank) Why and how much?
3. Weekly savings and total savings?
4. What benefit you get from your savings/

Income

1. What are the sources of your family income?
2. Have your income increased? Please explain why and how much?

Expenditure

1. Type of family expenditure.
2. Ratio of income and expenditure.

Credit

1. Did you discuss with anyone to obtain credit? With whom?
2. Who initiated the idea of taking the credit?
3. Who decided to take the credit and how much to borrow?
4. Who had the last to say in the household?
5. Who decide how to use the profit and repayment of loan?
6. When did you take the last loan from the program? How much and for what purpose?
7. Have you ever been late or missed with any loan repayment during the membership? (either from the credit organization or traditional money lender)
8. How do you generally solve this problem?
9. Do you still have to take loan apart from credit organization? (moneylender, close friend, relatives)
10. What do you think about the process of loan disbursement?
11. Please give your opinions on organization loan interest rate?
12. Are you satisfied with existing type of loans provided by the program?
13. Please explain your experiences from the first loan to present loan. (income activities, pro and con of your life, household, livelihood)

Income generation

1. Please name the income generating activities you are presently involved in?
2. How much you have to invest your income activity?
3. Is your investment gradually increased? Why? (expand the activity or high cost of raw materials)
4. How many family members are participated in your income generating activity?
5. Who lead the family income generating activity?
6. What do you think your position in that activity?

7. Who initiated the idea of investing how much money to which income generation activities and manage the investment procedures?
8. Who sell your product in the market?
9. How many employments created due to your income generating activity?
10. Is your profit sufficient to meet your needs?

Housing

1. Are you the owner of the house? If not, who own the house?
2. What is the condition of your house before and after the program?
3. Have your household asset increased after you joined the program? How?
4. Who decide to purchase household items?

Relation with program and community

1. What major problems you presently face in the program?
2. What strategy you adopt to overcome these problems?
3. Participation in community development activities?
 - To take part in the activity initiation
 - To contribute labor for the implemented development activities
 - To take part in design and implementation of the plan for development
 - To take part in the evaluation of their performance
 - Participate in the decision making of any development activities
4. What is your level of participation in development activities in your community?

Trainings

1. Did you get any training from the credit program?
2. If yes, what type of training do you think it was helpful for your skill building or increased income?
3. How these trainings effect to your family?
4. How often do you attend trainings from the credit program?
5. Did you have any difficulties and problem to attend the training giving by credit organization?

Impacts

1. What are your difficulties to participate in the project? (attending meeting, repayment, training)
2. How did you overcome all these difficulties?
3. What are the changes in your personal life after the program intervention? (knowledge, skill, income earner,...)
4. What are the changes in your family after the program intervention? (education, health, housing, relationship, loan burden, small business, ...)
5. What are the changes in your village or community after the program intervention? (road, electricity, social activities, group works, people livelihood)
6. What are the major successes of your social status consider you have achieved through the program?
7. What are the major economic changes in your family consider you have achieved through the program?
8. What do you see yourself in your next 5 years time?
9. Do you think your vision is translated into action through the project activities?
10. What are your experiences as a member in the project?

APPENDIX – G

Check List for Semi-structure Interview

Name of the Area: _____

Name of the Project: _____

Date of Interview: _____

Name	Age	No. of family member	Relationship with the program

1. How long have you stay in this place?
2. What is the condition of your community/village?
3. Did you know about credit program? Can you explain?
4. What is your view on the credit program carry out in your community/village?
5. What do you think people are participating in the program?
6. Why don't you join the program?
7. What are the sources of credit in your community/village?
8. What are the changes of credit members in your community/village?
9. What are the changes of your community after credit program set up?
10. Are these changes affected to you or your family? Why and how?

APPENDIX – H

Members' Perception on Performance of Micro-credit Services

Remarks: levels of satisfaction from the highest (no. 1) to the lowest (no.5)

Item	1	2	3	4	5	Remarks
Operation of Credit Institute (group)						
Loan disbursed rules						
Loan disbursement procedure						
Interest rate						
Amount of credit						
Duration of credit repayment						
Loan monitoring						
Saving (regularly/withdraw/interest)						
Training						

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**YWCA Holistic Development Project, Yangon YWCA
(Urban Study Area)**



Photo 1

Study area of
Htawonbe Ward,
North Okkalapa
Township,
Yangon



Photo 2

Study area of
Htawonbe Ward,
North Okkalapa
Township,
Yangon



Photo 3

Weekly Group
Meeting of
Micro-credit
members



Photo 4
Basic Sewing
Training for
Income
Generation



Photo 5
Project members
are making sand
bags for
repairing ruin
lane in their
community



Photo 6
Members
working together
to cover up the
muddy lane with
sand bags



Photo 7

The researcher with the micro-credit program members at a group discussion



Photo 8

Daw Su Su Tin and her husband are selling boiled quill egg and seasonal fruits at the bus stop (Urban Case I)



Photo 9

Daw Aye Aye Khine with her small shop at home (Urban Case II)



Photo 10
Home-based
small factory of
making bags
(Urban Case III)



Photo 11
Ma Ohnmar
Myint, owner of
a new house,
with her steel
utensil goods
(Urban Case IV)



Photo 12
Sewing ready
made clothes and
plastic bags for
family income
(Urban Case V)



Photo 13
Ma Tin Tin Hline's family situation before joining the program (Urban Case VI)



Photo 14
Recent situation of Ma Tin Tin Hline with her daughters in front of her hire home (Urban Case VI)

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**Pact/Myanmar Credit and Savings Project, UNDP
(Rural Study Area)**



Photo 15
Village View of
Kyaukpadaung
Township,
Pact/Myanmar
Project Area

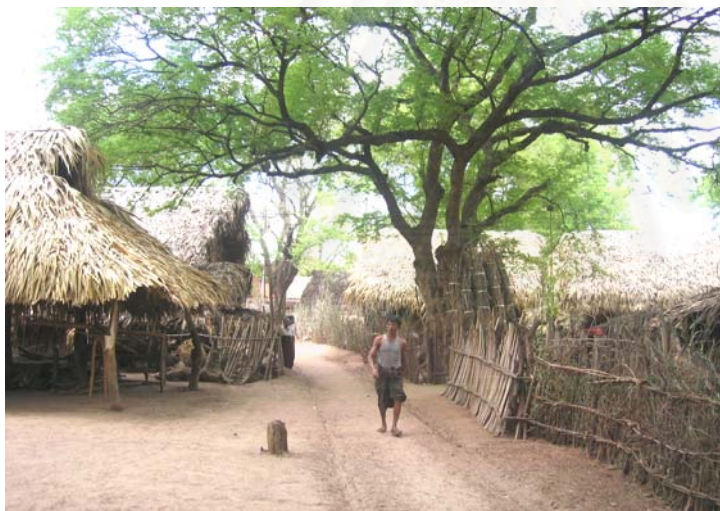


Photo 16
Da Whar Village
View in
Kyaukpadaung
Township,
Pact/Myanmar
Project Area



Photo 17
Sae Pauk Village
View in
Kyaukpadaung
Township,
Pact/Myanmar
Project Area



Photo 18
Loan disbursement during village group meeting



Photo 19
The researcher is seen interviewing Daw Nyo Nyo, during research data collection



Photo 20
Mangoes are preserved in big glazed earthen jars for months (Rural Case I)



Photo 21

Daw Thein
Thein Wai with
her previous
house (right) and
new house (left)
(Rural Case II)



Photo 22

Daw Khin Poe is
a black smithy,
seen making
farming tools
(Rural Case III)



Photo 23

Daw Khin San
Kyi and her
husband struggle
for their
livelihood
(Rural Case IV)



Photo 24

Stocking of
peanuts bags and
oil merchant in
her own house
(Rural Case V)



Photo 25

Daw Aye Kyi
and the woolen
blankets which
are ready to
dispatch
(Rural Case VI)

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BIOGRAPHY

The author of this research is May Si Si Aung, and was born in Yangon, Myanmar on November 12, 1974. She holds the degree of Bachelor of Science in Physics with honor from University of Yangon, Myanmar since 1997. During University days she was actively participated in University Christian Fellowship as a volunteer youth organizer.

After graduation she joined the Young Women's Christian Association as a project assistant manager. The Association is helping and empowering the life of women, girls and children through giving trainings, development projects and activities. At the same time she is the core member of Gender Concern Group in Myanmar Council of Churches. She has worked extensively in urban poor and among rural areas in Myanmar where she served for many years.



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