

Microcredit and Indigenous people: A Study of Selected Areas in Bangladesh

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Abstract - The study was conducted with the objective of analyzing the impact of microcredit on the development of the indigenous people in three upazilas under three districts of Bangladesh. Data were collected both from secondary as well as primary sources. A multi stage sampling technique was used to select the district and the upazilas. On the whole three hundred respondents were selected from three upazilas namely Modhupur, Birampur & t on the basis of convenience of the researchers. The study revealed that microcredit interventions created a great positive impact as compared to their former position. In the areas of employment, education, living standard, indebtedness related issues etc. The study recommended that the indigenous people should give economic opportunities in the local economy to develop themselves in every sphere of their life. Local administration should give them social protection of their tangible & intangible assets.

1. Introduction

1.1 Background of the study

The development of indigenous people poses a challenge to the policy makers, social workers, administrators, ends NGO's activists throughout the globalized world. Even after more than three decades of planned development since liberation, the indigenous people have not been able to get the benefits of development equally with the other segment of the society. As a result, the remained backward in the development process and become poor. The Government of Bangladesh has tried to bring these people as per with the other segment of the society through various development programmes vis-a-vis projects, but still there exist great variations in the living standard.

The microcredit organizations have emerged as catalytic agent in providing financial services to the indigenous people for their socioeconomic upliftment but the level of utilization of credit by this community is meagre and uneven in most of the areas. It is thus, a matter of vital concern to the administrative authority to bring this community under an institutional framework to make optimum utilization of credit for their economic betterment. Further operational performance of microcredit organizations, the borrowing pattern and repaying capacity of the borrowers and impact of microcredit on their socioeconomic development, all are different from one region to another and even within the same region due to ageold, social, economic and cultural handicaps coupled with environmental factors. The main objective of credit institutions operating in remote areas is, therefore, to enable the schedule Tribes and other weaker sections to adopt modern technology and improve their agricultural practices for increasing production as well as productivity. The various sources from which the indigenous people procure loans can be classified into non-institutional sources and institutional sources. Among the former are the village moneylenders, trade agents, commission agents, shopkeepers, friends, big farmers and landlords. The latter includes cooperatives societies' commercial Bank, regional rural Banks, land development banks, farmers service societies, NGOs and so on. The establishment of large size indigenous peoples organization from national to the grass roots level have ensured the flow of microcredit for undertaking different self employment schemes and the effectiveness of such schemes can be gauged by their attempts to provide indigenous production as well as consumption credit, undertake marketing of agricultural and minor forest produce and distribute consumer goods and agricultural inputs so that they can secure all faculties under the same roof. The financial institution like Grameen Bank, NCBs, BKB, RAKUB, micro finance institution at private level are giving due importance in extending financial assistance to the groups with a view to providing an alternative credit channel to enhances the efforts of the credit institution to reach the poorest of the poor normally outside the formal credit system. It is a sad commentary on our rural credit that the non-institutional agencies have traditionally provided the bulk of the loans acquired by the village community. But the institutional agencies have lately made a dent in the agricultural finance situation despite many problems and defects that have crept in.

Indebtedness has been considered as one of the most vicious causes of the exploitation of indigenous people in the country. In fact, this community is essentially non-monetary with little cash surplus being generated. One debt has been incurred; it is very difficult to be repaid by the poor indigenous people even over generation due to exorbitant interest rates and lack of knowledge of repayment terms and rates of interest etc; and at times absence of documents. This is because of the usurious rates of interest being charged by non-institutional agencies in the remote areas in which the indigenous people live in spite of various acts and laws passed by the government. Further, charging usurious rates of land and alienation of lands are not legally allowed. However, inequitable loan terms and pernicious conditions of lands have resulted in either land alienation or subjecting indigenous people to bonded slavery for many generations. The laws passed to check the problem of usury were totally inadequate and largely ineffective.

Thus, the institutional credit agencies have come to play a pivotal role in providing microcredit to indigenous people for their economic upliftment. Impact, the supply of adequate and timely credit through different agencies, is considered as a sine-qua non for balanced development of the economy of indigenous people, while the developmental efforts of the government appear to be substantial, it is necessary to examine to what extent these efforts through the institutional framework for the development of indigenous people, have yielded results, therefore, an attempt has been made in this study to analyze the impact of micro-credit on development of the indigenous people.

1.2 Review of Literature

There are few studies available on the impact of micro-credit in socio-economic development of the poor. But it is difficult to find any acceptable study on the impact of micro-credit for the development of indigenous people.

The study entitled, *Impact of TMSS Micro-credit on Women Development. A study of Bogra Sadar Upazila in Bangladesh* is an empirical study based on an integrated methodology of sample survey, data collection through structured questionnaire and case studies of beneficiaries covering both qualitative and quantitative information regarding socio-economic as well as socio-demographic conditions of the beneficiaries. The central concern of this study is the analytical description of impact analysis of micro-credit program on women development in relation to its socio-economic impact. Thus, this research furnishes a wealth of information for learning about the aspects of life of the households and at the same time, however, the beneficiaries from the selected branches. In fact, this study is an attempt to explore the impact of TMSS micro-credit with a focus on its socio-economic impact on women development of the selected six branches in Bogra Sadar Upazila, the northern part of the country. It is, however, a description as well as an analytical study of TMSS micro-credit and its impact on women development.

This study seeks to assess the impact of micro-credit program on women development though it requires a long term process. This study reveals that this program has a considerable number of positive impacts in reducing poverty and empowering the rural women. In fact, there has been an exaggeration of impact of this program on women development in Bangladeshi society.

Ashrai. A promising organization for financial security and wellbeing of indigenous and the very poor people in Bangladesh, in their recent *annual report* focused an integrated development approach in bringing in multifaceted development efforts for the disadvantaged women, particularly in the rural areas of tribal habitats in the North-Western Region of Bangladesh. Ashrai is currently working with more than 1 lakh members who are mostly the indigenous poor people of greater Rajshahi division. Ashrai is committed to promote the financial security and well-being of the people. To upgrade their life and imbue them with the spirit and tools of social and economic empowerment, it is running several programs, which are complementary to each other. These include poverty eradication programs with microfinance and micro-enterprise activities, education and skill training etc. Ashrai cherishes in investing more in children's education of this community to build them as future assets. Of late, the organization has carried out substantive reforms to streamline its functions without impairing its vision mission. Ashrai has decided to make a strategic review of its programs to spot the implications of the reforms that were carried out so far. A study commissioned in 2005 indicates that the programs have produced positive impact in the life of the indigenous community. Their income has gone up. Financial assets have kept growing. Owning homesteads has dramatically increased. Housing expansion and renovation has also remarkably upped. Poultry and livestock rearing have spurred their interest and are taking off. All these developments have kindled a new hope and a better tomorrow for this community.

It may be mentioned that working with hard-core people is a pretty uphill task and a costly venture. The first and foremost reason is that their loan absorption capacity is low. Initially they take loans from their own savings and then from Ashrai to meet up the shortfalls. Indigenous community is largely scattered and thinly populated. This leads to increased cost of supervision. Ashrai

like other NGOs do not use the members' savings as loan thus do not earn anything. The objective is to make them the manager of their own resources so that in future they can build their own institutions to become self-reliant. This is the crux of Ashrai's approach. This strategy has been denting Ashrai's ability deadily in achieving the sustainability and is taking a long time. The project has different services like financial services development program, Human Resources Development Program, Training, Action Research, Monitoring Evaluation etc. A study was carried out during March –May, 2005 in 10 area offices. The age of the programme was considered in selecting the area office. Data were collected from 1218 households in 68 sanities that included 50 from indigenous and 18 from non-indigenous community. The indigenous communities represented santal, oraon and pahan community. The major findings indicated that the propprammes of Ashari produced positive impact in the livelihood of its members. Before joining the programme most of them had somehow managed two meals but now they have three meals a day. They now go to qualified doctors and spend money form Medicare which was unthinkable way back.

About 70 percent people have their own homesteads at present as opposed to 64 percent tow years from now which was 30% in 1990 (Ali A. 1994, santal of Bangladesa), eighty percent families have bought land an 41% families have now more than two-roomed house compared to 100% own-roomed house in 1990. Thirty five families have own cultivable land that was 34% two years back. One percent families have acquired own land during tow years. Overall, the livestock rearing house stand at 74% now as opposed to 68% showing an increase of 6%. The families with cows and buffalos have been rise to 54% from 49%. The families with goals, sheep and pigs climbed to 61% from 55%. The highest loan utilization of IGA loan was found in poultry, fisheries and livestock (32%) with an average loan of Tk. 3224 followed by agriculture (27%) with average loan of Tk 3326, small trade (20%) with average loan of Tk 4239 and land lease/purchase (8) with average loan of Tk. 5307. about 77% of the total loans was disbursed in the aforesaid there sub-sectors while 12% was disbursed for land purchase/lease. About 15% families have been involved in rickshaw van driving, grocery business, green grocery, masonry, working as laboures in brick fields, black smith, hairdressing, tea stall, tailoring, sweet meat shops, drivers, noted boys, etc. The study stated that sowings management should be revised, microenterprise promise potential, reorganization Financial services Development programme yielded results, participatory approach in education needed, monogenetic partner groups found effective, etc.

Rathman (2004) in another a study on “*Impact of Institutional Credit on Socio-Economic Development of Tribals* found that most of the families were medium in size (4-5 persons) extended to individual families, women have always played an important role in labour market int he tribal areas. In the sample population 32.61 percent were literate of which 40.30 percent males and 23.20 percent females. Out of the 260 sample households, 61 fall in the category of marginal farmers end 123 households were small farmers. They study showed that the land tenure status of tribal households was uncertain and they had been struggling hard for existence for several decades. Impact, the poor indigenous people had been exploited by a handful of wealthy families for long time due to ignorance and innocence. On the contrary, the continuous failure to repay loans made the indigenous people fell into the traps of a vicious circle of low earnings, poverty and indebtedness.

The institutional credit for the indigenous people was influenced by various factors like size of loan, purpose of loan and subsidies, repayment behavior of the loan recipients and majority of the household borrowed loan mainly from institutional sources, still they had live at the mercy of the private traders, professional money lenders and commission agents for consumption credit. The study made some suggestions such as (i) the government schemes be implemented with proper effect; (ii) while preparing the tribal sub-plan, the needs and skills of the tribal should be taken into consideration; (iii) there is a need to launch an awareness campaign among the targeted borrowers; (iv) it was necessary to improve the opera in the tribal district of existing credit institutions in the tribal district and wean away the tribal people from the clutches of money lenders and the non-institutional agencies by offering specialized services and finally (v) the concept of self-help groups (SHGs) through specialized NGOs with tribal animators should be popularised in tribal areas.

From the review of literature it is not possible to arrive at a conclusion regarding the actual role of micro credit on the development of indigenous peoples. These studies do not often provide adequate analysis of historical pattern and conclusive evidence an diversified role o micro credit in employment as well as in income growth. Furthermore, these studies do not raise many of the questions and issues, which are required to explore the dynamics of change. However, they remain the point of departure for a more specific and contemporary look at the issues.

2. Microcredit Impact Studies

Study	Coverage	Results
Rushidan Islam	Partner	Positive impact both on income and other aspects of lives observed.
1994 BIDS	Organisations of PKSF	
Alamgir, PKSF, 1994	Partner Organisations of PKSF	Strong positive impact on income observed
Hulme and Mosely (1996)		Generally, a positive impact is found on borrower income of the poor with on average an increase to around 30% over the non-borrower
Khandaker (1998)	Grameen Bank and BRAC	5% of participant households removed from poverty annually. Additional consumption of 18 taka for every 100 taka of loan taken out by women
Pitt and Khandaker (1998)	BRAC, BRDB, Grameen Bank	Positive impact of program participants on total weekly expenditure per capita, women's non-land assets and women's labor supply. Strong effect of female participation in Grameen Bank on schooling of girls. Credit programs can change village attitudes and other village characteristics.
BIDS, Study (2001)	Partner Organisations of PKSF	Positive impact on income of microcredit program participant in comparison to non-program participants. Other social indicators also revealed positive impact.
Amin et al. (2003)	Grameen Bank BRAC, ASA	Members are poorer than nonmembers. Programs are more successful at reaching poor, but less successful at reaching vulnerable are effectively excluded from membership
Khandker (2003)	Grameen Bank BRAC, BRDB	Households who are poor in landholding and formal education tend to participate more Microfinance helps to reduce extreme poverty much more than moderate poverty (18 percentage points as compared with 8.5 percentage points as compared with 8.5 percentage points over 7 years). Welfare impact is also positive for all households, including non-participants, as there are spillover effects.
Pitt et al. (2003)	BRAC, BRDB Grameen Bank	Significantly positive effect of female credit on height-for-age and arm circumference of both boys and girls. Borrowing by men has either negative or non-significant impact on health of children
PKSF	Partner Organisations of PKSF	Absolute poverty declined by nine percent points between 1991/92 and 2000 and moderate poverty declined by five percentage point between 2000 and 2004. Mobility of women in male dominated public places has increased remarkably

Source: ADB, 2003 and PKSF (various publications)

3. Objective of the study

The specific objectives of the study are:

- i) To study the socio-economic profile of the sample households in the study area;
- ii) To assess the impact of microcredit on the development of the indigenous people;
- iii) To suggest policy implications arising out of the study;

4. Methodology of the Study

4.1 Sources of Data

The data for the study were collected both from the secondary and primary sources.

4.1.1 Secondary Sources: The data collected from secondary sources were required to fulfill the objective of policies and programmes of microcredit with special reference to the indigenous people. The data were collected by way of consulting various documents of PKSF, Bangladesh Bank, CDF, statistical year Book of Bangladesh etc. Questions are usually raised about the reliability of the statistical provided by the govt. departments on microcredit. But since this is the only source of information, there is no choice but to use it keeping in view the limitation of such data.

4.1.2 Primary sources: Because of various constraints imposed by time and money available the study could not but the confined to only limited areas of three districts of Bangladesh.

4.2 Sample Design

4.2.1 Selection of the Study Area: Before selecting the district, the step taken was the consideration of the coverage/population of indigenous people of different districts of Bangladesh. It was thought that the districts with the highest coverage of indigenous people should be included in the study “Accordingly” Tangail, Dinajpur, and Rajshahi District were chosen for the study.

4.2.2 Selection of Upazila: Next step was to select a number for upazilas from those Chosen districts where the concentration of indigenous people were more. There were as many as twenty five Upazilas in these there districts and it was decided to select a few upazilas for field work because it was neither possible nor manageable to cover all upazilas for an indepth field study under the constraints of limited time, fund and other logistic facilities. Accordingly, Modhupur Upazila to Tangial district, Birampur Upazila of Dinajpur district and Tanare Upazila of Rajshahi district were selected for the study.

4.2.3 Selection of the study samples: For the purpose of collecting data through survey method, one hundred households from each upazila were purposively selected. Thus the total.

4.2.4 Organization of fieldwork: Field work is an important aspect where much effort was made for collecting valuable data related to the objectives of the study. The work schedule was prepared as the approved research proposal as well as the availability of the field investigators for data collection. the researcher depended mainly interview schedule for quantitative data and case study as well as observation for qualitative data. Before finalizing the schedule, it was protested by interviewing some farmers and a few households to judge the suitability of the schedule in real life situation. All protesting aimed at providing some ideas about the length of time required for interview, feedback on the suitability of the questions and the show of the sequence of the questions. Necessary rectification modification and change in the interview schedule were made on the basis of findings of the presetting the modified schedule was then printed for use in the collection of data. Field interview in the study area was carried out by the researchers as well as two field investigators of BARD. It took a period of five months to complete the survey.

5. Data Analysis and Processing

After completing the field work and receiving all schedules in hand, efforts were made or processing and analyzing the collect data. The technique of analysis of data was adopted in keeping with the objectives of the study. The researcher used simple arithmetic main and percentages in most of the tables in the study. Moreover simple correlation co-efficient was credit out. It was neither possible nor desirable to convert all the qualitative data except for some that were important, into quantitative form to support analysis of facts. The researcher’s observations as well as impressions were helpful for analyzing the true picture of the study area.

6. Limitations of the study

In spite of all efforts made, there are still some limitations of the study which are discussed below:

- i) The study was confined to only there upazilas of three different regions of Bangladesh and the results obtained might not be adequate to make generalization on the other regions of the country.

- ii) The researchers could not cover the entire population; rather a purposive sampling method was adopted to select samples, which might not be fully representative for the entire population of the study area.
- iii) In spite of all limitations, the study has, hopefully fulfilled its objectives and indicated some important of policy in statements.

7. Socio-Economic Characteristics of the study Areas the Study Sample

Information on different socio-economic aspects of the households under study like age, education, occupation, household size, land holding etc, are discussed in this chapter. The purpose of describing socio-economic characteristics of the sample households are to know their existing position in the society and evaluate the influence of socio-economic parameters on employment generation and income growth through micro credit operation in the study areas.

7.1 Study Areas

Tanore upazila is located 30 kilometer northeast of Rajshahi, district headquarter. Its geographical area is 293.37 SQ. kilometers. It has 2 municipalities, 7 Unions, 233 villages, 211 mouzas and inhabited by 1,68,361 population Out of that population 14,616 (8.68%) are indigenous people. The rate of literacy in the upazila is 64% because of the presence of 122 primary schools, 62 secondary schools, 18 colleges, 30 Madrasahs etc. It is treated as the remote area within the Barind Tracts. In recent years, the communication systems of the upazila has undergone tremendous changes because of the construction of roads by the govt. department like Roads and Highways, LGED, BMDA, and Local Municipal Authority. At present 264.4 k.m. pucca Roads, 78.5 k.m Semi Pucca Road, 4,534.3 k.m Metalled Road and 2.5 km. Railways have been constructed. Total agricultural land in the Upazila is 22665 hectare and 21,295 hectare is suitable for crop cultivation. The Production of major crops within the upazila are rice 112782.29 Metric Ton, Wheat 3599.88 Metric Ton, Pulses 292.35 Metric Ton, Potato 62 328 Metric Ton, Mustard 364 metric Ton etc.

Modhupur Upazila is situated in the North eastern part of Tangail district headquarters. It has one municipality and five unions in which two unions i.e. Aranqala and sholakuri are heavily concentrated area is by the indigenous people. Its geographical area is 201.37 s.q. kolometer. The rate of literacy in the upazila is 57% and inhabited by 1.02,503 populations with 7.97% indigenous people. Modhuper Gar is the most prominent figure in the whole upazila. The road communication system has undergone tremendous changes because of the initiation of different projects by LGED in remote areas of the upazila. Total agricultural land in the upazila a 16,725 hectare and out of this 13,675 hectare is suitable for crop production. The indigenous people in the upazila specially concentrated on Banana cultivation in the hilly areas of the Modhupur Gar. Besides, jinger, termacric, union, garlic paya etc. are some of the important cash crops of the indigenous people. Many of the national government and non-government organizations are working in the locality for development and poverty alleviations.

Birampur Uapzila is situated in southern part of Dinajpur district. Its geographical area is 215.93 sq. kilometers. It has one municipality, 9 unions, 210 villages and inhabited by 1,46,410 population of which 7.45% are indigenous people. The rate of literacy in the upazial is 49% and there are 94 primary schools, 20 secondary school, 3 colleges, to foster educational performance of the upazila. The rural road communication has improved because of the schemes undertaken by LGED in remote villages, various modes of transport and communicate prevailed in the study area which has a total length of 299 km pucca roads, 100 Km semi pucca roads, 542 km of Katcha roads and 15 km of water ways. The economy of the study area is depended on crop cultivation under different systems. The corps mixture includes rice, maize, cucumber, pumpkin, cowpea, ginger and turmeric. Agricultural implements constitute important assets of the farmers. The average number of ploughs per farm was 1.19 for 1.44 draft animals which includes cattle and buffalos. The most important implement include plough, yoke, ladder, spade, sickle, niranis and sprayer.

7.2 Socio-Economic characteristics of the Study Sample

7.2.1 Distribution of Population According to Age and Religion

Table-1: Shows Distribution of Population of the respondent's households according to the study areas and religion. It is observed that in Tanore Upazila, out of 100 households, there are 436 populations and the average size of household is 4.36. Out of the total households, 31 are hindues and 69 are Christians. In Modhupur Upazila, out of 100 households, there are 5.04 populations and the average size of household is 5.04. Out of the total households, 02 are hindues and 98 are Christians. In Birampur Upazila, out of 100 households, there are 46 populations and the average size of households is 4.60. Out of the total

households, 04 hindues and 96 Christians. In all out of the total 300 households under study, there are 1400 population and the average size of households is 4.67. Out of the total households, 37 are hindues and 263 are Christians.

Table-1: Distribution of Population According to Religion and Study Area

Study Area	Total HHs	Total Population	Average Size of HHs	Religion		
				Hindues	Christian	Moslim
Tanore (Rajshahi)	100	436	4.36	31	69	--
Modhupur (Tangail)	100	504	5.04	02	98	--
Birampur (Dinajpur)	100	460	4.60	04	96	--
Total	300	1400	4.67	37	263	

Source: Field Survey

Table-2 Shows Distribution of Population According to Age and Sex. It is observed that out of the total population, 894(63.85%) belongs to the economic age category irrespective of different upazilas, within this economic age, 31.35% are male and 30.35% are female. The upazialwise statistics show that there 130 male and 125 female in Tanore, 154 male and 31 female in Modhupur and 155 male and 156 female in Birampur upazial. Thus, the concentration of economic age indigenous people is more in Birampur upazila as compared to Tanore and Modhupur Upazila.

Table-2: Distribution of Population According to Age and Sex

Age Intervals (Years)	Population Distribution According to Sex and Study Ares						Total	
	Tanore		Modhupur		Birampur		Male	Female
	Male	Female	Male	Female	Male	Female		
0-5	28	37	26	37	19	24	35	98
06-10	24	28	27	25	15	27	66	80
11-14	26	20	34	35	27	18	87	73
15-40	92	94	114	117	117	110	323	321
41-65	38	31	40	27	38	46	116	104
65+	09	05	14	04	13	06	36	15
Total	217	219	255	249	229	231	701	699

Source: Field Survey

7.2.2 Educational level of the Household Members

Table-3: Shows distribution of population according to education and study areas. It reveals that out of the total population 396 (32.11%) are illiterate of which female illiteracy is more (211) as compared to male (185). The literate indigenous population is only 105 (85%) form SSC to Master’s degree. This indicates that the indigenous people are for behind in achieving higher education as compared to the other sections of people in the country.

Table-3: Distribution of Population According to Education and Study areas

Educational Intervals	Population Distribution According to Sex and Study Ares						Total	
	Tanore		Modhupur		Birampur		Male	Female
	Male	Female	Male	Female	Male	Female		
Illiterate	86	85	55	58	44	68	185	211
I-V	56	62	74	66	63	51	193	179
VI-X	39	32	83	71	75	60	197	163
SSC	05	03	12	12	14	13	31	28
HSC	03	00	07	05	09	09	19	14
Graduate	00	00	01	00	07	01	08	01
Master+	00	00	00	01	02	01	02	02
Total	189	182	232	213	214	203	685	598

Source: Field Survey

Note: The total population was recorded 1233. And in the calculation infants under 1-5 years of age are not included in assessing educational level.

7.2.3 Major Occupation of the household members

Table-4: Shows distribution of Population according to occupation and study area. It reveals that 32.09 percent of the population is involved in day labour were as 16.32 percent is involved in agriculture and 2.74 percent involved in Business activities. Only 0.24, 0.08 and 0.32 percent are involved in mechanic, driving and Sewing/Tailoring. It is interesting to note that agriculture is not the dominant occupation of the indigenous people of the study areas.

Table-4: Distribution of Population According to Occupation and Study Area

Occupational Level	Population Distribution According to Study Ares			Total
	Tanore	Modhupur	Birampur	
Day Labour	188	81	128	397 (32.09)
Household work	24	43	36	103 (8.32)
Agriculture	27	113	62	202 (16.32)
Rickshaw Pulling	06	--	09	15 (1.21)
Carpenter/Masson	--	04	06	10 (0.80)
Business	08	20	06	34 (2.74)
Unemployed	02	04	03	09 (0.72)
Students	101	138	117	356 (28.77)
Service	08	28	30	66 (5.33)
Old age/ Invalid/ blind	10	10	17	37 (2.99)
Mechanic	--	02	01	03 (0.24)
Driving	--	--	01	01(0.24)
Sewing/Tailoring	--	03	01	04 (0.08)
Total	374	446	417	1237 (0.32)

From the population children under 1-5 age are excluded.

7.2.4 Land Ownership Pattern of the Households

From the table, it is observed that cultivable land enjoyed the highest acreage (267.29) as compared to Gardening 117.39 acres, Homestead 54.88 acres, Ponds 1.30 acres and Fellow land 0.30 acres.

Table-5: Land Ownership Pattern of the Households According to Study Areas

Land Ownership Pattern	Land Area (in Acre) According to the study Areas			Total (Acre)
	Tanore	Modhopur	Birampur	
Homestead	5.86	35.04	13.98	54.88
Cultivable Land	17.75	154.99	94.55	267.29
Garden	1.05	108.60	7.74	117.39
Pond	0.30	1.00	--	1.30
Fellow Land	--	--	0.30	0.30
Others	--	--	-	-
Total	24.96	299.63	111.57	441.16

7.2.5 Operated Agricultural Land of the households

Table-6: Shows Operated Agricultural Land of the households. It is observed that the own land of the households in three Upazilas is 267.29 acres and that of total operated land of the households is 429.14 acres That indicates that the indigenous people of Mhodhopur Own and operate more agricultural land as compared to Birampur and Tanor.

Table-6: Operated Agricultural Land of the households

Study Areas	Operated Land of the Households in acre							Total operated land.
	Own Land	Land in			land out			
		Sharecrop	Mortgage	Lease	Sharecrop	Mortgage	Lease	
Tanor	17.75	22.14	6.25	1.82	2.31	3.63	0	53.0
Modhopur	154.99	4.65	6.00	3.90	5.50	31.45	16.10	222.59
Birampur	94.55	21.69	5.27	0	18.15	12.09	0.99	153.55
Total	267.29	48.48	17.52	5.72	25.96	47.17	17.09	429.14

8. Microcredit and Impact on socioeconomic Development of the Indigenous people

The credit procured even for economic activities like agriculture and allied activities becomes overdue due to low yield agriculture and allied activities which further compel the indigenous people to procure loans and spend the amount borrowed for unproductive uses. The continuous failure to repay loans makes the indigenous people fall into the trap of a vicious circle of low earnings, poverty and indebtedness (Fashimuddin, 1983). The significant sources of credit in those areas are moneylenders-com-traders, friends and relatives, on cooperatives and commercial banks. Nevertheless, non-institutional agencies still dominated the credit scenes in most of the areas inhabited by indigenous people. Hence, one of the glaring facts of this economics is continued indebtedness to money-lenders. Again many debts of the people are passed on from generation to generation and thus reduce the debtors finally to the status of bonded labors.

Microcredit to those household is influenced by various factors viz, size of loan, purposes of loan and subsidies, repayment behavior of the tribal, etc. The majority of the households borrowed loans mainly from institutional credit sources for productive purposes. They were still at the mercy of private traders, professional moneylenders and commission agents, to meet consumption credit needs as most of the credit institutions play a limited role in this regard.

8.1 Activity wise expenditure of households after availing credit

The average size of the loans for the major activities varied according to the borrower’s gender and the purpose for which the loan was taken. For most of the activities, female borrowers receive smaller loans than male borrowers, which accounted for Tk. 11630 on an average, respectively. The average size of current loan received by tribal households was estimated Tk. 8668 in Tanore this is higher than the average size of current loans of Tk. 6610 and Tk. 8171 received by households in Modhupur and Birampur. About 85.45 per cent of households reported that they prefer to avail of short-term crops loans instead of agricultural term loans due to higher scope for expansion in the primary sector.

Table-7: Activities-wise Expenditure of households after availing microcredit

Activities	Tanore				Modhopur				Birampur			
	Average Expenditure				Average Expenditure				Average Expenditure			
	Total No. of h/h	Pre loan Tk..	Post Loan Tk..	Increased in Per cent	Total No. of h/h	Pre loan Tk..	Post Loan Tk.	Increased in Per cent	Total No. of h/h	Pre loan Tk.	Post Loan Tk..	Increased in Per cent
Farming	52	22080	27170	5090 (23.0)	68	18018	21514	3494 (19.4)	54	22247	28194	5947 (26.7)
Rickshaw polling/Vancart	08	30750	37700	6950 (22.6)	--	--	--	--	10	11150	15066	3916 (35.1)
Carpenter/Mason	10	17230	2218	4950 (28.7)	15	17.45	21347	38.97 (22.3)	05	20345	25475	5130 (25.2)
Business and Retail Trade	10	15206	20787	5581 (36.7)	10	11607	14642	3035 (26.0)	16	18475	24294	5891 (31.5)
Driving	12	10433	14300	3867 (37.0)	03	17450	21347	3897 (22.3)	07	11150	15066	3916 (35.10)
Tailoring	08	16640	39091	22391 (134.5)	04	14933	17500	2567 (17.2)	08	18666	23091	4425 (23.7)
Average net expenditure	100	18652	28834	10182 (54.5)	100	16078	19428	3350 (20.8)	100	19047	24347	5300 (27.8)

Note: Figure in parentheses indicates percentage of increased in expenditure per indigenous households.

8.2 Purpose wise microcredit and subsidy Availed by the households

Table-8: Presents the purpose-wise microcredit and subsidy availed by indigenous households. Out of the total number of households in the three Upazilas, about 59 percent took loans and subsidies for farming and allied activities. This is followed by 15.4 percent for small business and retail trade, 15.0 percent for carpentry/Mason 5.3% for Tailoring and 5.3% for Rickshawpolling. It is pertinent to note that the size of total credit assistance per household is the lowest in respect of small business and retail trade and other allied activities both in Tanore and Modhopur. Repayment of loan dues @ of 87.82 and 85 percent of the borrowers were recorded in the tribal households in the three Upazilas either partly or fully.

Table-8: Purpose-wise Microcredit and Subsidy available by indigenous people

Divisional/ Purpose	Tanore				Modhopur				Birampur			
	Total households	Average loan per h/h	Average Subsidy per h/h	Total Financial Assistance per h/h	Total households	Average loan per h/h	Average Subsidy per h/h	Total Financial Assistance per h/h	Total households	Average loan per h/h	Average Subsidy per h/h	Total Financial Assistance per h/h
Farming	52	6525	5225 (44.47)	11750 (100%)	68	5843 (57.57)	4485 (43.43)	13328 (100%)	54	9692 (55282)	7670 (44.10)	17362 (100%)
Rickshaw polling/Vancart	08	10625 (72.65)	4000 (27.35)	14625 (100%)	--	--	--	--	10	8000 (61.54)	5000 (38.46)	13000 (100.0)
Carpenter/Mason	10	76.00 (55.88)	6000 (44.12)	13600 (100)	15	7640 (56.01)	6000 (43.99)	13640 (100)	05	9867 (62.18)	6000 (37.82)	15867 (100)
Business and Retail Trade	10	7031 (68.18)	3281 (31.58)	10312 (100)	10	5393 (56.98)	4071 (43.02)	9464 (100)	16	7497 (64.71)	4088 (35.29)	11585 (100)
Driving	12	10666	7166	17832	03	90000	15000	24000	05	9000	6500	15500

		(59.81)	(40.19)	(100)		(37.50)	(62.50)	(100)		(58.06)	(41.94)	(100)
Tailoring	08	5225 (62.82)	3093 (37.18)	8318 (100)	04	3981 (59.14)	2750 (40.86)	6731 (100)	08	5077 (65.09)	2723 (34.91)	7800 (100)
Overall average	100	8668 (62.37)	5230 (37.63)	13898 (100)	100	6610 (49.69)	6692 (50.31)	13302 (100)	100	8717 (59.75)	5503 (40.25)	13674 (100)

Note: Figure in parentheses indicate percentage of total financial assistance available by indigenous households.

8.3 Accumulation of capital investment of the households after availing micro credit

It is evident from the Table that the average amount of investment was higher in non agricultural investment than in the other investment including agriculture. It is observed that on an average per household capital formation was higher in post loan period as compared to pre loan period in all the Upazilas under study but in comparative profile, accumulated capital per household was higher in Modhopur and Birampur as compared to Tanore Upazila.

Table-9: Accumulation of capital investment of the households after availing micro credit

Divisional/ Purpose	Tanore					Modhopur					Birampur				
	Pre Loan period		Post Loan period		Accumulated capital investment per h/h	Pre Loan period		Post Loan period		Accumulated capital investment per h/h	Pre Loan period		Post Loan period		Accumulated capital investment per h/h
	Total h/h	Average Investment per h/h Tk.	Total h/h	Average Investment per h/h Tk.		Total h/h	Average Investment per h/h Tk.	Total h/h	Average Investment per h/h Tk.		Total h/h	Average Investment per h/h Tk.	Total h/h	Average Investment per h/h Tk.	
Farming	52	6380	50	20750	14370	68	6250	69	17000	10750	54	10000	55	21812	11812
Rickshaw polling/Vancart	08	4120	10	5319	1199 (29.10)	--	--	0	--	--	10	1847	15	12708	10931 (50.40)
Carpenter/Mason	10	19900	08	30175	10275	15	32507	12	36306	12507	05	12258	03	22872	10614 (86.58)
Business and Retail Trade	10	18000	07	21833	3833 (21.29)	10	7500	09	15000	7500 (100)	16	25000	12	60000	35000 (14.00)
Driving	12	12090	13	16604	4550 (37.63)	03	5000	05	11000	6000 (120.0)	05	7500	10	12225	4725 (63.00)
Tailoring	08	13400	12	15550	5530 (34.20)	04	6500	05	9600	3550 (95.66)	08	9550	05	11710	5530 (37.50)
Overall average	100	15643	100	22220	6571 (42.00)	100	9821	100	19391	9569 (97.04)	100	9623	100	18169	8546 (88.8)

Note: Figure in parentheses denote the percentage of accumulation of investment during pre and post loan period.

Sources: Field Survey

8.4 Change in principal occupation of the after availing of microcredit in deferent activities

It is evident from the table that the changing principal occupation between pre and post loan period was highest in respect of small business and retail trade in all the Upazilas under study. Infact, majority of households reported having poor incomes before availing of microcredit. However, this situation has changed during the post loan period by involving 60 percent of households in high income earning and employment generating occupations in the tertiary sector with the help of microcredit.

Table-10: Change in principal occupation of households after availing of micro credit for deferent economic activities

Principal Occupation	Tanore			Modhopur			Birampur		
	Pre Loan Period	Post Loan Period	% of Change	Pre Loan Period	Post Loan Period	% of Change	Pre Loan Period	Post Loan Period	% of Change
Farming	52	50	(3.85)	68	60	(11.76)	54	55	
Rickshaw polling/Vancart	08	10	25	--			10	08	
Carpenter/Mason	10	10	00	15	10	(50)	05	09	
Business and Retail Trade	10	15	50	10	15	50	16	22	
Driving	12	10	(12.67)	03	04	33.33	05	06	
Tailoring	08	05	(37.5)	04	11	175	08	02	
Total	100	100		100	100		100	100	

Sources: Field Survey

8.5 Employment Generation in activity for which microcredit available by the households

Opportunity for better utilization of available manpower should be created through programmes of horticulture, animal husbandry, piggery and other allied occupation. The main objective of financing institutions is to create investment opportunities for poor tribal of various economic activities. There are two aspects of employment generation highlighted in this study. They are

generation of new employment for the previously un-employed and providing additional unemployment for the unemployed. Before, availing of microcredit, an average borrowers was employed for about 94 standard days in Tanore Upazila 100 standard days in Modhopure Upazial in 91 standard days in Birampur Upazila in a year in the activity for which loan was taken. At the time study, such employment was calculated at 196, 196 and 197 standard days a year in three Upazilas respectively. The generation of now employment created is reflected in changes in the proportion of households members participating in income earning activities which was about 108.5, per cent in Tanore, 96.0 percent in Modhupurand 116,48 per cent Birampur.

Table-11 (a): Employment Generation in Activity for which microcredit Credit Availed by Households in Tanore Upazila

(Employment in Mandays)

Principal Occupation	No. of Households engaged in the activities			Employment days per households		
	Pre Loan Period	Post Loan Period	Percentage of Variation	Pre Loan Period	Post Loan Period	Increase in Employment days.
Farming	52	50	-3%	180	210	30 (16.67)
Rickshaw polling/Vancart	08	10	25%	180	280	100 (55.56)
Carpenter/Mason	10	10	0	80	130	50 (62.05)
Business and Retail Trade	10	15	50%-	135	300	165 (122.23)
Driving	12	10	-16.87%	49	70	21 (42.85)
Tailoring	08	05	-37.60%	92	195	103 (11.95)
Overall average	100	100		90	196	102 (108.05)

Note: Figure in parentheses is the percentage of increase in employment days

Source: Field Survey

Table-11 (b): Employment Generation in Activity for which micro-credit Availed by Households in Modhopur Upazila

(Employment in Mandays)

Principal Occupation	No. of Households engaged in the activities			Employment days per households		
	Pre Loan Period	Post Loan Period	Percentage of Variation	Pre Loan Period	Post Loan Period	Increase in Employment days.
Farming	68	60	-14.60%	126	185	59 (46.82)
Rickshaw polling/Vancart	--			145	263	118 (81.38)
Carpenter/Mason	15	10	-50%	80	155	75 (93.75)
Business and Retail Trade	10	15	50%	95	245	150 (157.89)
Driving	03	04	33.33%	60	84	24 (40.00)
Tailoring	04	11	17.50	140	276	136 (97.14)
Overall average	100	100		100	196	96 (96.00)

Note: Figure in parentheses are the percentage of increase in employment days

Source: Field Survey

Table-11 (c): Employment Generation in Activity for which Micro-credit Availed by Households in Birampur Upazila

(Employment in Mandays)

Principal Occupation	No. of Households engaged in the activities			Employment days per households		
	Pre Loan Period	Post Loan Period	Percentage of Variation	Pre Loan Period	Post Loan Period	Increase in Employment days.
Farming	54	55	1.90%	120	195	75 (62.5)
Rickshaw polling/Vancart	10	08	-20%	195	315	120 (61.54)
Carpenter/Mason	05	09	80%	75	130	55 (73.34)
Business and Retail Trade	16	22	37.5%	195	335	140 (71.79)
Driving	05	06	20%	75	95	20 (26.27)
Tailoring	08	02	-75%	80	124	44 (55.00)
Overall average	100	100		91	97	106 (116.48)

Note: Figure in parentheses are the percentage of increase in employment days

Source: Field Survey

8.6 Annul Net income and Incremental Income Earned by the Households form the, Activities Finance

In order to provide more employment opportunities to the indigenous community and raise their income levels, the credit institutions have started a drive with all emphasis on credit development schemes under different sectors. The bulk of the credit flows are for the primary sectors. Schemes operated under each of these sectors aim at increasing incremental income through capital material and technological inputs calculated to raise productivity and production. In the earlier times, the operations were community oriented, but now they tend to be more individual oriented.

Table-12: highlighted that the average net annual income per household witnessed a comfortable increase from pre to post loan period. The overall average net income per households which was Tk. 15,194 in pre-loan period rose to Tk. 20,779 in post loan period in Tanore Upazila and from Tk. 15,064 to Tk. 21,077 in Modhupur Upazila whereas in Birampur Upazila the average net income per households rose from Tk. 12,172 to Tk.15,482 during this period. The overall average net income per households which rose to Tk. 5,585 (37.0%) in post loan period in Tanore Upazila, Tk. 6,013 (40.0 per cent) in Modhupur Upazila whereas in Birampur Upazila average net income per household rose to Tk. 3,670 (30.2 per cent) during the study period.

Table-12: Annual Net Incomes and Incremental Income Earned by Indigenous Households from the Activities Financed

(Amount is Tk.)

Divisional/ Purpose	Tanore				Modhopur				Birampur			
	Average Net Income per H/H				Average Net Income per H/H				Average Net Income per H/H			
	Total h/h	Pre Loan period	Post Loan Period	Average Incremental Income per H/H	Total h/h	Pre Loan period	Post Loan Period	Average Incremental Income per H/H	Total h/h	Pre Loan period	Post Loan Period	Average Incremental Income per H/H
Farming	52	16538	21487	4949 (29.93)	68	10372	13344	2972 (28.65)	54	11795	17365	5570 (47.22)
Rickshaw polling/ Van cart	08	13912	21462	7550 (54.27)	--	--	--	--	10	10252	18514	8262 (80.58)
Carpenter/ Mason	10	5296	7881	2585 (48.81)	15	9123	12540	3417 (37.45)	05	10900	14903	4002 (36.72)
Business and Retail Trade	10	10150	17950	7800 (76.85)	10	12050	21250	9200 (76.35)	16	10433	16033	5600 (53.63)
Driving	12	19733	21733	3000 (15.20)	03	10300	12933	2633 (25.36)	05	11780	17350	5570 (47.28)
Tailoring	08	17941	23775	5834 (32.52)	04	20840	27167	6327 (30.36)	08	14496	19104	4608 (31.79)
Average net income	100	15194	20779	5585 (36.76)	100	15064	21077	6013 (39.92)	100	12172	15842	3670 (30.15)

Note: Figures in parentheses are percentages of increase in Net Income

Source: Field data

8.7 Activities wise flow of Microcredit to the Households

Table-13: Activities-wise flow of Institutional and Non-Institutional Credit to Indigenous Households.

Exploitations of indigenous occurs through imposition of usurious rate of interest, fraud in purchase and sale of produce/products, payment of wages much lower than the statutory prescribed minimum, debt bondage, liquor vending, etc. Indebtedness is a socio-economic drag on the life and culture of the indigenous. Unproductive expenditure on social and religious ceremonies, heavy consumption of liquor, purchase of ornaments etc. keep the indigenous in the inextricable bondage of indebtedness (Gupta, S.R., 1975). Due to easy flow of credit for production purposes as also for consumption and social needs, the credit institutions are not only trying to eliminate the professional moneylenders from the credit market but also to reduce the heavy burden of private debts of indigenous.

It is evident from Table-19 that the professional money lenders and landlords who were the major sources of indigenous credit in the past lost their grip on the indigenous economy due to the intervention of credit institutions in indigenous credit. This is due to increase in the size and flow of institutional credit on an average per households from pre to post-loans period to the tune of Tk. 4077 in Tanore Upazila (63.97 per cent), Tk. 3830 (84.30 percent) in Modhupur and Tk. 2403 (36.66 percent) in Birampur Upazila. Activity wise the average amount of institutional credit was highest for non-agricultural activities which rose from Tk 7500 to Tk. 13333, Tk. 5067 to 9485 and Tk. 8450 to 10 529 in the three Upazilas respectively. Another's striking feature of this analysis is the majority of indigenous households still depend on non-institutional agencies to meet their consumption and other social needs though the size of non-institutional credit decline drastically both in the farm and non-farm sectors. The non-institutional sources of credit declined to the lowest level of 48.62 percent in Tanore 23.43. Percent in Modhupur and 4.05 percent in Birampur Upazila during the post-loan period because of increased supply of credit through credit institutions in study areas.

Table-13: Annual Net Incomes and Incremental Income Earned by Indigenous Households from the Activities Financed

(Amount is Tk.)

Divisional/ Purpose	Tanore				Modhopur				Birampur			
	Total h/h	Pre Loan period	Post Loan Period	% of increase/ decrease	Total h/h	Pre Loan period	Post Loan Period	% of increase/ decrease	Total h/h	Pre Loan period	Post Loan Period	% of increase/ decrease
INSTITUTIONAL CREDIT Agriculture and Allied Activities	52	6700	10200	3500 (52.24)	68	4562	8135	3573 (78.32)	54	5526	7359	1833 (33.17)
Non-Agriculture Activities	08	7500	13333	5833 (77.77)	05	5067	9485	4418 (87.19)	10	6335	9532	3197 (50.46)
Consumption & other Social purposes	10	4950	7849	2899 (58.86)	15	4000	7500	3500 (87.5)	05	8350	10529	2179 (26.10)
Total	70	6383	10460	4077 (63.87)	88	4543	8373	3830 (84.30)	69	6737	9140	2403 (35.66)
NON-INSTITUTIONAL CREDIT Agriculture and Allied Activities	12	11500	5500	(-) 6000 (52.17)	06	17000	9200	(-) 7800 (45.88)	10	16520	14650	(-) 1870 (11.32)
Non-Agriculture Activities	08	4600	1400	(-) 3200 (69.56)	04	10500	4780	(-)5720 (54.47)	15	12325	8250	(-) 4075 (32.06)
Consumption & other Social purposes	10	6015	4461	(-) 1554 (25.83)	02	6000	11667	(-) 5667 (94.45)	06	9167	13568	4401 (48.00)
Total	30	9371	3787	(-) 3584 (48.62)	12	11166	8549	(-) 2617 (23.43)	31	12670	12156	(-) 514 (4.05)

Note: Figures in parentheses are percentages of increase/decrease of credit (-) = Decrease

Source: Field data

8.8 Extent of Improved Standard of Living of the Households

The main focus of economic planning today is no raising the living standards of poor people particularly of those who are living below the poverty line. The credit institutions can form the ideal institutional pattern to act as the agents of such economic and social change because they can bring these people within a common fold and supplement their meagre resources by institutional credit.

It is apparent that there was a significant improvement in the standard of living of the indigenous people during the post-loan period. About 74.5 per cent of households in Tanore 82 per cent in Modhopur and 80 per cent in Birampur reported that their economic conditions and social status had improved after availing of institutional credit. The reasons for the improvement were increase in annual net income, incremental income accumulation of capital, generation of additional employment opportunities, low cost of credit, etc. Due to the same reasons, the percentage of improvement in the living standard of indigenous households was slightly higher in Tanore and Modhopur than in Birampur. Thus, an overwhelming majority of the indigenous household (79.3 per cent) felt that the credit institutional had made a positive contribution to their standard of living.

8.9 Relationship between Microcredit and Development of Indigenous People

It is evident that institutional credit has indeed helped the indigenous people in raising their levels of incomes and in generation of new employment opportunities and thereby has improved their economic position. This impact has induced the credit institution to expand their activities in the indigenous areas. Further, effective cost of institutional credit was very much lower even after including incidental charges when compared to the effective cost of non-institutional credit. Most of the indigenous households expressed that with the help of institutional credit they were able to reduce their dependence on non-institutional credit sources and also were able to partially eliminate the middlemen. On the other hand, institutional credit gave them an opportunity to improve their bargaining capacity by realizing better prices for their products and services during the lean income period. Institutional credit has, thus, significantly influenced the development of indigenous people in many ways.

In order to find out the in depth relationship, if any, between these two variables the correlation co-efficient and t test analysis has been calculated in this study. Infact, institutional credit is treated as independent variable whereas socio-economic development of tribals is treated as dependent variables. Dependent variables include variables like income, occupation, employment and capital accumulation, size of private debt and level of standard of living. All these variable area dependent variables. As seen from Table-20 institutional credit was positively related to various variables of tribal development and proved that there was a significant correlation co-efficient at 5 per cent level between the two variables. From this, it was implied that the increased credit assistance had generated additional employment oportuities for indigenous households, increased their incremental income, changed their principal occupation, and reduced their private debt. helped in accumulation of their capital and improved their standards of living.

Table-14: Relationship between the Microcredit and Development of Indigenous people’s Economics

Microcredit Development of indigenous Economy	Tanore				Modhpur				Birampur			
	Correlation Coefficient (r)	t. Value	Table Value at 5% level	Remarks	Correlation Coefficient (r)	t. Value	Table Value at 5% level	Remarks	Correlation Coefficient (r)	t. Value	Table Value at 5% level	Remarks
Accumulation of capital investment	0.2180	2.879	2.132	Positive	0.1282	2.183	2.132	Positive	-0.0999	0.2870	2.132	Negative
Changes in Principal occupation	0.8217	0.564	2.015	Negative	0.9388	0.483	2.015	Negative	0.8171	0.483	2.015	Negative
Generation of employment opportunities	-0.2896	9.169	2.015	Positive	-0.5532	2.111	2.015	Positive	0.1627	3.700	2015	Positive
Enhancement of income	0.9426	4.554	2.015	Positive	-0.4051	2.0849	2.015	Positive	0.05843	5.236	2.015	Positive
Reduction private debt	-0.7502	5.511	2.015	Positive	-0.4019	2.891	2.015	Positive	-0.1480	2.015	2.015	Positive
Improvement of standard of living	-0.6219	0.5	2.353	Negative	-0.1141	0.5	2.353	Negative	-0.1857	0.5	2.53	Negative

Source: based on tab no 13, 14, 15, 16, 17, 18

9. Recommendations and Conclusions

The study concluded with the following recommendations:

Firstly, the government’s schemes should be implemented with proper effect, considering the economic conditions of the indigenous people.

Secondly, a need-based approach in essential while planning the programmes and committed, competed and deducted officers with adequate training are required for implementation of Development programmes.

Thirdly, while preparing the plan for the indigenous people, the needs and skills of local people and views of their leaders/community should be taken into consideration.

Fourthly, the households have been offered schemes for which they do not have necessary aptitude and experience.

Fifthly, in case of livestock loans instead of supplying one animal at a time, two to three animals should be supplied at a time which financial assistance adequate to cover construction of a shed and working capital to raise fodders etc.

Sixthly, there is a need to launch an awareness campaign among the targeted borrows.

Seventhly, it is necessary to improve the operational efficiency of existing credit intuitions in the indigenous in the districts and wean away the tribal people from the cloches of moneylenders and the non-institutional agencies by offering specialized services.

Eighthly, there is a need to tighten the supervision and monitoring mechanism and provide greater autonomy in the operation of credit institutions and to improve their lending policies and procedures.

Ninthly, strict supervision should be maintained by the concerned bank officials on the proper utilization of finance for productive purpose and also to avoid diversion of funds for other purposes.

Tenthly, the concept of Self-Help Groups through specialized NGOs with indigenous animators should be popularized in indigenous areas.

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