

Rural Micro Credit (RMC) and Poverty Alleviation: The Case of the PKSF in Bangladesh

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The problem of poverty is particularly severe in Bangladesh. To achieve the national development goals and especially to reduce poverty, the Government of Bangladesh has started to experiment with cooperative approaches involving the private sector and NGOs. Public Private Partnership (PPP) has been introduced as one of these novel approaches to poverty alleviation in Bangladesh. The Rural Micro Credit (RMC) program of the Palli KarmaShahayak Foundation (PKSF) is one of important PPP initiatives in Bangladesh. Although, the RMC programs are being implemented from 1991 as a partnership program, it is yet to be evaluated. This research thus attempts to evaluate the effects of the RMC PPP for the first time. This paper reports the results of the RMC program from the survey of 68 RMC households from eighteen Unions of five Districts. The survey results show an insignificant improvement in income levels. It also found that just over half of the participants did not receive any Income Generating Activities (IGA) skills training, though it was a part of that program. The research also discovered dissatisfaction amongst beneficiaries about the rates of interest and most RMC participants believed that the rates of interest were very high and thus the rates should be reduced. However, the survey results reveal that the RMC is effective for improving food intake. The program also demonstrates noteworthy attainments in improving the rates of school enrolments of children and; also in health consciousness such as immunisation of children, and access to safe drinking water and hygienic sanitation.

Key Words: Poverty alleviation, development, ultra-poor women, Rural Micro Credit (RMC), Public Private Partnership (PPP), and Bangladesh.

Field of Research: Microfinance, Poverty Alleviation and Development