

## **The Role of Micro Finance to Alleviate Rural Poverty of Bangladesh: Ektee Bari Ektee Khamar Project & Palli Sanchoy Bank (One House One Farm & Rural Savings Bank)**

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### **Abstract**

*This study tries to explore the role of Microfinance in alleviating rural poverty as well as the effects of Microfinance in increasing standard of living of rural poor of Bangladesh. In recent decades poverty alleviation has become an important part of global challenges, specifically in the developing country like Bangladesh. The objective of the study is to reveal the role of Microfinance programs of 'Ektee Bari Ektee Khamar Project & Palli Sanchoy Bank' in poverty alleviation of rural poor of Bangladesh. This is an exploratory study where quantitative approach has been followed. To reach out the research objectives survey method has been applied here for collecting data and information from the members of three Samitees of Tokerbazar union and the personnel of Sylhet Sadar Upazila Branch of the EBK Project where respondents were interviewed through following a structured questionnaire. Simple Random Sampling is used for selecting respondents from the members of the Samitees and Purposive Sampling is used for Personnel of the project. As most of the rural people are illiterate and their economic condition is worst as well as their earnings are insufficient for nurturing the family, they have no any savings. Considering this issues, the GoB has inaugurated EBK project in the rural areas to alleviate rural poverty of Bangladesh by means of different Microfinance programs. But after launching, it is facing many constraints in the path of its progress. But it is believed if these constraints of the project can be eradicated; the members of the Samitees can alter their poor economic condition and can lead a peaceful and poverty free life.*

**Key Words:** Microfinance, Poverty Alleviation, EBK, Living Standard and Economic Empowerment.

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## **Background**

There are almost three billion people; half of the world's population, living on the earnings is less than two dollars a day. To boost international development, the United Nations Organization (UNO) announced the millennium development goals, aimed to wipe out poverty by 2015. In this regard, Microfinance is the form of financial development that has its primary aim to alleviate the poverty. Governments, donors and NGOs around the world responded enthusiastically with plans and promised to work together towards the realization of these goals. Some developed countries as well as developing Countries particularly in Asia have a long history of Microfinance. In Bangladesh several Microfinance institutions came up and have succeeded in reaching the poorest of the poor, and have devised new ground-breaking strategies with time for the fulfillment of their vision. These included the provision of collateral free loans to poor people, especially in rural areas, at lower interest rates that are repayable in frequent installments. Borrowers are organized into groups and peer pressure among them, which reduced the risk of default. Microfinance is now being considered as one of the most important and an effective mechanism for poverty alleviation. These are also effective mechanisms through which to disseminate precious information on ways to improve the health, education, legal rights, sanitation and other living standards, which are of relevant concerns for the poor. Above all, many Microfinance programs have targeted one of the most vulnerable groups in society-poor people, especially women, who live in households with little or almost no assets. In this regard the present government came to power for the first time in 1996, took a number of social security programs and one of them was EBK project. In fact, the Prime Minister provide the outline of the EBK project during the session of the National Assembly (2 march, 1998) for the terrace of rapid economic emancipation of the rural poor. Consequently, the process of implementation of the project started at the beginning of the year 2001, but at one point it became stopped. But when the present government came to power for the second time in 2009, launched Ektee Bari Ektee Khamar Project (One House One Farm) Project is an initiative of the Government of Bangladesh and family farming through e-financial inclusion and empowerment of the smallholders and under privileged. Recently this project is renamed namely 'Ektee Bari Ektee Khamar Project & Palli Sanchoy Bank' on July 3, 2014 by passing "Rural Savings Bank Bill -2014" in the Parliament. The paper is about Microfinance and to investigate "The Role of Micro Finance to Alleviate Rural Poverty of Bangladesh: Ektee Bari Ektee Khamar Project & *Palli Sanchoy Bank* (One House One Farm & Rural Savings Bank). Therefore this paper focuses on the Microfinance role of One House One Farm Project in alleviating Poverty of Bangladesh.

## **Research Objectives**

The broad objective of the study is to reveal the role of micro finance programs of 'Ektee Bari Ektee Khamar Project & *Palli Sanchoy Bank*' (One

House One Farm & Rural Savings Bank) in poverty alleviation of rural poor.

To fulfill the broad objective, the research specified the following objectives:

1. To diagnose the socio-economic background and other characteristics of the rural poor.
2. To identify how the microfinance programs operate the project.
3. To find out the barriers to alleviate rural poverty faced by the project.

### **Statement of the Problem**

Bangladesh is one of the least developed countries in the world in terms of per capita income and literacy rate. Bangladesh accounts for a significant portion of the world's poor with nearly 25% people living below the poverty line. Hence the eradication of poverty occupies the foremost place in Bangladesh's development programs. Review of documents and experience over the last three decades both explicit and implicit shows that different strategies and actions were taken in the past to combat poverty in the country. Despite all these efforts and implementation of various programs, poverty still continues to be pervasive and overwhelming. However, there is sufficient evidences to believe that the existing poverty cycle can be broken if the poor are allowed to have access to resources and justice. In that case micro finance, in fact the micro savings and the micro credit concept is considered as an innovative idea in economic discipline and it is perceived that rural existing poverty status can be alleviated through micro finance programs.

### **Rationale of the Study**

A lot of research works have been conducted on the role of Micro Credit programs of Grameen Bank, ASA, Brack, Proshika etc. in alleviating poverty of rural poor of Bangladesh. But unfortunately, no research is found regarding the Role of Micro Savings and Micro Credit programs of 'Ektee Bari Ektee Khamar Project & Palli Sanchoy Bank' to alleviate rural poverty of Bangladesh. It is significant because it will explore different dimensions of poverty alleviation by analyzing the financial inclusion concept and the socio-economic background and other characteristics of the rural poor. This study will also meet the academic demands as well as it will bring greater benefits for the society. It will help policy makers, bureaucrats, donors, academicians and interest groups to initiate any effective program for the alleviation of poverty.

### **Research Types**

This study is mainly based on exploratory type of research which attempts to develop a general understanding of the micro finance programs of 'Ektee Bari Ektee Khamar Project & Palli Sanchoy Bank' in terms of alleviating rural poverty and to explore the perceptions local poor people regarding the

project and the effectiveness of the programs which are conducted by the project in alleviating poverty.

### **Research Method**

Social Survey method has been applied as the method of this research.

### **Approaches of the Study**

In this study quantitative approach has been followed. Statistical data has been used conduction the research.

### **Sources of Data**

Data and information which are related to the research have been collected from Primary and Secondary sources of data.

#### **Primary Sources**

Primary data are those which have been collected directly from the respondents from the field level through questionnaire.

#### **Secondary Sources**

Secondary sources of data have been used to enrich this study. Secondary data has been collected from published or unpublished documents, books, journals, articles, newspapers and online documents which are related to the study.

### **Data Collection and Technique**

For the purpose of the study, questionnaire has been used for collecting data from the respondents and observation technique has been used for fulfillment of the overall objectives as well.

### **Population and Sample**

All the men and women living in rural areas of Sylhet district who are the members of the Samitees under 'Ektee Bari Ektee Khamar Project & Palli Sanchoy Bank' and the officers and employees who are working or engaged in this project and the beneficiaries of the project have been enumerated as population of this study. So it is necessary to collect data from two types of respondents namely the personnel of this project of research area and the members of the Samitees of the respective research area. In this research, a particular number of individuals have been considered as a unit of analysis from the total population.

### **Sampling Procedure**

Simple Random Sampling and Purposive sampling method have been used and respondents have been selected from the two categories like members of the Samitee and Personnel of the project. In this Study Purposive Sampling is used for Personnel of the project and Simple Random Sampling is used for members of the Samitee.

## **Sample Size**

In this study sixty (60) respondents have been selected as sample from the total population of 3 selected Samitees of research area. To meet up the research purpose, there have been taken 31% of the respondent of the total members of the Samitee and around 42% from the personnel of Sylhet Sadar Upazila. Actually, 12 personnel are working in project branch office of Sylhet Sadar Upazila and there are 60 Samitees affiliated with that branch and every Samitee is comprised of 60 members dividing them into 40 female and 20 male members.

## **Reflection of Relevant Literature Review**

The following review of literature serves to lay a foundation for understanding The Role of Micro Finance to Alleviate Rural Poverty of Bangladesh: Ektee Bari Ektee Khamar Project & Palli Sanchoy Bank (One House One Farm & Rural Savings Bank). There is a substantial literature emphasizing the impact of Micro Finance in poverty alleviating in various perspectives.

Microfinance is a verified scheme of reducing poverty and has been fruitfully used within Indonesia in government-supported programs. Microfinance is treated as a pro-poor, cost-efficient, poverty reduction strategy and the provision of financial services to low-income clients, including the self-employed. Lack of access to small amounts of capital especially lack of credit and deposit (savings) is seen as a primary reason why many of the world's poor remain socially and economically immobile (Yoko Miyashita, 2000).

About 80 percent of the Bangladeshi poor live in rural areas and more than 20 percent of rural population lives in extreme poverty (International Monetary Fund, Asia and Pacific Department, 2013). In this regard, considering the potential of microsavings in developing the asset based for the poor, the government has designed and developed the project known as 'Ektee Bari Ektee Khamar'. The project components include: formation of comprehensive village development cooperative societies, introducing contributory microsavings to attract poor people for making small savings through incentives, providing seasonal microcredit to support micro investment in the farm sector and so on.

Bangladesh Govt. is about to start another specialized bank for the poorest of the poor who are the beneficiary of 'Ektee bari Ektee Khamar Project'. Newly set up specialized Palli Sanchay Bank is likely to give seasonal loans to the rural poor for improving their livelihood. The main goal of the Palli Sanchay Bank is to eradicate poverty from the country because the poor people, who will deposit money in the bank, will be able to become entrepreneur. The chairman of the bank said, Palli Sanchay Bank and "One House One Farm" will be run simultaneously for generating new

funds. On July 3, 2014 the Parliament enacted the law for Palli Sanchay Bank for rural poor alongside the EBK project (Dhaka Tribune , 2014).

The project named 'Ektee Bari Ektee Khamar' which can be a milestone in the progress of rich Bangladesh but now a looting game is running with that project. The dream project of Prime Minister has been going to be spoilt due to the Project Manager's corruption, irregularities and the lack of commitment. 'EBEK' project was started to conquest the poverty but the dribs and drabs purpose of the project is not implemented within the last five years. In the last five years, ranging from reaching the project beneficiaries products to division, district and upazila levels and the online marketing processing center was not established yet as well as to facilitate trade and food processing, construction of Warehouses, Solar Panel in rural areas, Cold storage and Co-operation in the upazila level and set up Biogas Plants across the country have not been implemented yet (Bangladesh Protidin, 2015).

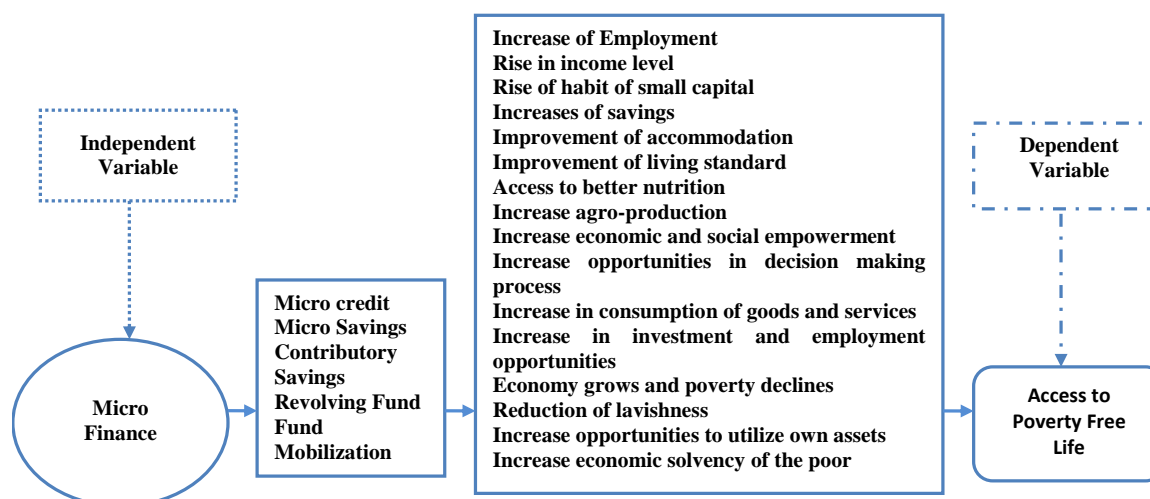
'EBEK' project was started buying livestock, 'half is mine and half is yours' - through this type of distribution. To stop looting micro saving was launched for the poor, later which in turn into micro credit. Though it is claimed that, this project is completely successful in the realm of poverty alleviation, in the field level BDT 631 cores which was distributed, have become defaults. But for poverty reduction, it's a priority based project of the government and the main goals of the project are to provide incentives and loans to build savings, farm and encourage them to return them in timely. But in field investigation it is found that, the tendency of savings is declining on the one hand of the member and on the other hand the loan recovery rate is decreasing (The Daily Prothom Alo,2015)

Through reviewing relevant literature, it is appreciated that Yoko Miyashita as well as Arifujjaman and Anisur in their study give more emphasis on credit scheme not on savings scheme as the method of reducing poverty of the rural poor. The two prominent national daily of Bangladesh named Bangladesh Protidin and The Daily Prothom Alo only focus on the irregularities and corruption of the high officials of the project. These two daily not focus on the impact of microfinance program of EBK in reducing poverty. Besides, The Online Daily Dhaka Tribune denoted, newly set up specialized Palli Sanchay Bank is likely to give seasonal loans to the rural poor for improving their livelihood but the bank only start its commercial operation in a few areas. International Monetary Fund, Asia and Pacific Department only describe the projects components of EBK and why the GoB inaugurated the project. But the study emphasizes on the microfinance especially micro credit scheme and micro savings scheme of EBK project Palli Sanchay Bank which is playing a very significant role in reducing rural poverty.

## Conceptual Framework

In conceptual framework independent and dependent variables have been selected. The study topic is “The Role of Micro Finance to Alleviate Rural Poverty of Bangladesh: Ektee Bari Ektee Khamar Project & Palli Sanchay Bank (One House One Farm & Rural Savings Bank)” and in this study ‘Micro Finance’ is independent variable and ‘access to poverty free life’ is dependent variable.

## Conceptual Framework



## Operational Definition

### Microfinance

Microfinance is a form of economic development that has primarily concentrated on alleviating poverty through providing financial facilities to the poor. Most people contemplate microfinance as micro-credit i.e. lending small amounts of money to the poor. But in broad perspective, microfinance refers not only as micro credit, but also it includes insurance, transactional services, and importantly, micro savings.

### Project

Project refers a temporary endeavor and a planned set of interrelated tasks that has a specific purpose to be implemented over a definite period and within certain cost and other limitations.

### Economic Empowerment

Economic empowerment refers as increasing of income, savings, employment and self-employment and thus reducing unemployment and indebtedness.

### Extreme Poverty/Absolute Poverty

Extreme poverty is the most severe state of poverty, where people cannot meet their basic needs for survival, such as food, water, clothing, shelter, sanitation, education and health care.

### Moderate Poverty

It indicates the condition where people earns about \$ 1 to \$2 a day, which enables households to just barely meet their basic needs, but they still have

## Technical Education and Training for Changing Rural Income

go for many of the other things – education, health care –that many of us take for granted.

### Relative Poverty

It means that a household has an income below the national average income.

### Rural Area

Rural area refers to a geographic area which is located outside or remote from the cities and towns.

### Rural Population

Rural population refers to people living in rural areas as defined by national statistical offices. It is calculated as the difference between total population and urban population.

### Rural Poverty

Rural poverty refers to poverty found in rural areas, including factors of rural society, rural economy, and rural political systems that give rise to the poverty found there.

### An Overview of Ektee Bari Ektee Khamar (One House One Farm) Project

Ektee Bari Ektee Khamar is a poverty alleviation project through family farming of the government of Bangladesh. The goal of the project is to alleviate poverty through e-financial inclusion (i.e. fund mobilization) followed by family farming livelihood and income generation of the under privileged and smallholders of the country.

### Project at a Glance

<b>Project Title</b>	<b>One House One Farm (Ektee Bari Ektee Khamar)</b>				
<b>Sponsoring Ministry/Division</b>	: Rural Development and Cooperative Division, Ministry of Local Government, Rural Development & Cooperatives				
<b>Executing Agency</b>	: Rural Development and Cooperative Division, Ministry of Local Government, Rural Development and Cooperatives with District Administration in particular Deputy Commissioner and his officials. Bangladesh Rural Development Board (BRDB) as the main support agency along with other departments like Co-operatives, Bangladesh Academy for Rural Development (BARD), Comilla, PDBF, SFDF and Rural Development Academy (RDA), Bogra.				
<b>Project Implementation Period</b>	: Original: July 2009-June 2014 Revised: July 2009-June 2016				
<b>Cost of the project (Taka in Crore)</b>	: Original:1197.00 Revised: 3163.00				
<b>Location of the project (Revised DPP)</b>	Division	District	Upazila	Union	Village
	7	64	485	4503	40527

Source: [http://www.ebek-rdcd.gov.bd/images/project\\_at\\_a\\_glance.pdf](http://www.ebek-rdcd.gov.bd/images/project_at_a_glance.pdf)



### **Vision of the Project**

Poverty alleviation and sustainable development through fundmobilization & farming.

### **Mission of the Project**

- Assistance for capital formation of the poor farm families
- Sharpening their skill by training & motivation
- Allow them to sit together at courtyard meeting
- Enable them to take decision independently
- Enabling them to develop need based small family farms
- Ensure marketing facilities for their product

### **Major Activities**

- Selection of the poor and under privileged farm families.
- Formation of cooperatives with 60 small farm families (40 female and 20 male) Involve them in fund mobilization through electronic device i.e. e-financial inclusion.
- Enable the poor farmers for savings BDT 200 (USD 2.50) per household per month and the project provides the same amount BDT 200 (USD 2.50) per month as incentive.
- Provide revolving fund BDT 150,000 (USD 1920) annually to each of the cooperatives.
- Provide them training in related fields of agriculture and farming.
- Enable them taking decision independently about farming & development sitting in the evening courtyard meeting.

### **Data Analysis and Interpretation**

To conduct a research on “The Role of Micro Finance to Alleviate Rural Poverty of Bangladesh: Ektee Bari Ektee Khamar Project & Palli Sanchay Bank (A Study conducted on Sylhet)”, the data is collected from the three Samitees of a union namely Tokerbazar union of Sylhet Sadar Upazila of Ektee Bari Ektee Khamar project using questionnaire. The research is conducted using quantitative method of social research. Analyzing these data, statistical treatment like encoding, percentage, average and tabulation have been made. Analyzed data are presented in the paper by the table format.

### **Demographic Information of Samitee Members**

Table- 7.1.1 Age and Gender of the Respondents (Samitee Members)

			Age of the Respondents of the Samitee (In Years)				Total
			18 - 30	31- 43	44 - 56	57 - 69	
Gender of the Respondents of the Samitee	Female	Count	4	1	20	10	35
		% of Total	7.3%	1.8%	36.4%	18.2%	63.6%
	Male	Count	3	11	6	0	20
		% of Total					

## Technical Education and Training for Changing Rural Income

			Age of the Respondents of the Samitee (In Years)				Total
			18 - 30	31- 43	44 - 56	57 - 69	
		% of Total	5.5%	20.0%	10.9%	0.0%	36.4%
Total		Count	7	12	26	10	55
		% of Total	12.7%	21.8%	47.3%	18.2%	100.0%

In this study 55 male and female respondents have been selected as the sample using simple random sampling from the members of the Samitee of OHOF. The table shows that, 63.6 percent respondents are female and 36.4 percent respondents are male among the total respondents from the Samitee. It is also seen that, between 18 years to 30 years 7.3% are female and 5.5% are male; between the ages of 31 years to 43 years 1.8 % are female and 20% are male; between the ages of 44 years to 56 years 36.4% are female and between 47 years to 69 years 18.2% are female respondents but in that range there is no male respondents. Here it is found that major portion of the members are female and maximum female members' age is more than 44 years.

**Table-7.1.2 Respondents' Family Members and Familial Monthly income**

			Familial Monthly income (In BDT) of the Respondents (Samitee Members)			Total
			0.00- 5000	5000- 10000	10000-15000	
Number of Family Members of the Respondents (Samitee Members)	1-3	Count	2	0	0	2
		% of Total	3.6%	0.0%	0.0%	3.6%
	4-6	Count	10	6	0	16
		% of Total	18.2%	10.9%	0.0%	29.1%
	6-9	Count	10	12	0	22
		% of Total	18.2%	21.8%	0.0%	40.0%
	Above 10	Count	7	5	3	15
		% of Total	12.7%	9.1%	5.5%	27.3%
Total		Count	29	23	3	55
		% of Total	52.7%	41.8%	5.5%	100.0%

This table demonstrates the number of family members in terms of monthly income of the Respondents' (Samitee Members). The majority of the respondents' (around 18.2%) familial income is (BDT 0.00 to BDT 5000) where numbers of family members lies between (6-9) which indicates the scenario of the poor economic status of Bangladeshi people in terms of monthly income. Only a very small portion of the respondents' (around 5.5%) family monthly income lies between (BDT 10000- BDT 15000) where family members are above 10. A handful number of the respondents' (around 21.8%) family monthly income lies between BDT 5000 to BDT 10000. It is also seen that a large portion of respondents' (around 52.7%) family monthly income lies in (BDT 0.00 to BDT 5000) and (around

41.8%) respondents' familial monthly income lies in (BDT 5000- BDT 10000).

Table- 7.1.3 Members Coherence in the Samitee

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 months- 6 months	4	7.3	7.3	7.3
	6 months- 1 year	6	10.9	10.9	18.2
	1 year- 1.5 years	9	16.4	16.4	34.5
	1.5 years- 2 years	14	25.5	25.5	60.0
	2 year- 3 years	16	29.1	29.1	89.1
	above 4 years	6	10.9	10.9	100.0
	Total	55	100.0	100.0	

In this study it is found that, 7.3% members with Samitee is about (1 months- 6 months), 10.9% members are here for (6 months- 1 year), 16.4% members here for (1 year- 1.5 years), 25.5% members are here for (1.5 years- 2 years). And the large portions around 29.1 % members are here for (2 year- 3 years) and only 3% members are with the Samitee above 4 years.

Table- 7.1.4 Ability of Microsavings to alter the Standard of Living

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Increasing Income	31	56.4	56.4	56.4
	Increasing Capital	6	10.9	10.9	67.3
	Increasing Opportunities for Self-employment	4	7.3	7.3	74.5
	Increasing Income and Capital	13	23.6	23.6	100.0
	Total	55	100.0	100.0	

This table expresses that more than half of the respondents (56.4%) think that Microsavings are able to make positive changes in the standard of living by dint of increasing income. Besides, 23.6% respondents ruminates Microsavings are able to make positive changes in the standard of living by increasing income and capital. Moreover, 10.9% respondents consider that Microsavings increase Capital of a member and only 7.3 respondents consider, it increase Self-employment opportunities for the poor people.

### Information Related to Personnel's Professionalism

Table- 7.2.1 Providing Adequate Trainings on Job to the Personnel

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	2	40.0	40.0	40.0
	Yes	3	60.0	60.0	100.0
	Total	5	100.0	100.0	

## Technical Education and Training for Changing Rural Income

This table shows more than half of the respondents (60%) ruminates that they are provided adequate training on job and on the contrary about 40% respondents consider that training are not adequate for them.

Table- 7.2.2 Sufficiency of Stationeries for Rendering Official Activities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	3	60.0	60.0	60.0
	Yes	2	40.0	40.0	100.0
	Total	5	100.0	100.0	

This table picks out 60% respondents contemplates office stationeries are not sufficient for rendering official activities for the personnel and 40% respondents satisfy on it.

Table-7.2.3 Personnel knowledge and skills to operate of official activities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	1	20.0	20.0	20.0
	Yes	4	80.0	80.0	100.0
	Total	5	100.0	100.0	

This table reveals 80% respondents consider their knowledge and skills are adequate to operate official activities of EBK but only 20% respondents consider they have lacking sufficient knowledge and skills to operate official activities and for this more tarring facilities are needed to be provided them.

Table- 7.2.4 Considerable matters for Selecting the Samitee Members

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Considering Poverty and Honesty	1	20.0	20.0	20.0
	Not Applicable	2	40.0	40.0	60.0
	Considering Poverty, Honesty, Property Variable (Land) and Educational Qualification	1	20.0	20.0	80.0
	Considering Poverty, Honesty, Educational Qualification and Economic Position	1	20.0	20.0	100.0
	Total	5	100.0	100.0	

About 20% respondents said that they select Samitee's members by considering poverty and honesty of a person. The 20% respondents said they select members considering Poverty, Honesty, Property Variable (Land) and Educational Qualification. And rest of the respondents said they select members for Samitee by considering Poverty, Honesty, Educational Qualification and Economic Position.

## Findings and Discussion

In this section key findings of the study have been discussed. The goal of this study is to reveal the role of micro finance programs of Ektee Bari Ektee Khamar Project & Palli Sanchay Bank (One House One Farm & Rural Savings Bank) in poverty alleviation of rural poor.

It is a matter of concern that Palli Sanchay Bank don't starts its banking operation yet in Sylhet district yet but it starts it commercial operation in a very limited areas in others districts of Bangladesh. But it is expected that within a very recent time Palli Sanchay Bank will start it assign activities simultaneously with the EBK Project in Sylhet Zone.

In this study it is found that EBK Project specially is a project of rural poor and illiterate people. In this Project majority portion around 60% are female and 40% are male members. It is notable that only 5.5 percent respondents' familial monthly income lies between (BDT 10000- BDT 15000) where family members are above 10. But a large portion of respondents' (around 52.7%) familial monthly income lies in (BDT 0.00 to BDT 5000). Moreover the members of the Samitee possessed a very limited land. These express that their earnings are not sufficient for nurturing their family and they can't easily make savings from their earnings. Sometimes they had to operate their family by taking loan from the local money lender or from the different NGO's with a higher rate of interest. And for this the rural poor people can't get rid of the vicious cycle of poverty. By considering this state of affairs EBK project is launched for poverty reduction through ensuring capital formation and skill development of the poor followed by livelihood ( agro farming) which are exclusively their need based economic activities.

In addition, the analysis of the data obtained in this study reveals some unique features of Ektee Bari Ektee Khamar (One House One Farm) Project such as low rate of interest, flexibility in paying up loan, no need to extended collateral, Contributory Fund, Revolving Fund and project based loan which make it different from any other Conventional Banking System or Non-Banking Financial Institution. In addition the procedure of obtaining loans from OHOF is easier than conventional banking or non-banking Financial Institution.

Furthermore, this study demonstrates that the members of the Samitee can make savings and they are given loan in different sectors in terms of their savings. A significant number of Samitee members started their business by taking loan from EBK Project as compared to other sources. They were able to increase their income and provided not only with the financial help to their families but also had positive impact on other factors of daily life. In this respect, almost more than half of the respondents (56.4%) consider that Microsavings are able to make positive changes in the

standard of living by dint of increasing income and 23.6% respondents ruminates Microsavings bring positive changes in the living standard by increasing income and capital and a handful respondents about 7.3% consider that it increases Self-employment opportunities for the poor people. Besides, Microfinance Scheme of EBK gives opportunity to the poor women and man to bring a positive change in their financial and social situation and gives an opportunity in taking active part in the decision making process of the family and society.

Maximum respondents (60%) contemplates that they are provided adequate training on job. On the contrary about 40% respondents told that there are needed more trainings related to their job. Besides, majority portion of the personnel contemplates that office stationeries are insufficient for rendering official activities where minority portion are satisfied on office stationeries for rendering official activities in OHOF Project.

Here it is found that many Samitee members become self-dependent and create employment opportunities for others by getting loan from EBK Project. In fact, people join in the EBK to increase income for ensuring better future for their Children.

In this study a lot of loopholes are found regarding the respective Project. Though it is claimed that, this project is completely successful in the realm of poverty alleviation, in the field level the scenery is quite different. Only the positive image has been uploading to the government's policy making body as well as to the Prime Minister. In field investigation it is found that, the tendency of savings is declining and the loan recovery rate is decreasing. Moreover, the personnel are not cooperative with them and they do not visit Samitees regularly.

To sum up, it is noticed that though there are some drawbacks, there is significant impact of microfinance activities on improvement of the living standard of the family not only in economic term but also in social term. From this study, it can be come to the conclusions that there is a noticeable and positive impact of microfinance activities on the living standards, empowerment and poverty alleviation among the poor people in the society as well as it can make a path of poverty free life if the project activities can be accomplished effectively and efficiently.

## **Recommendation and Conclusion**

### **Recommendations of Samitee Members**

1. Provide loan in accordance to demand to the members and in time of work.
2. Arrange adequate training programs for the members of the Samitee.
3. The personnel have to increase their cooperative attitude towards the Samitee members.

4. To visit the Samitee regularly.
5. To ensure members participation in group meetings.

#### **Recommendations of personnel of EBK Project**

1. Provide adequate T.A.D.A and stationary to improve the activities of EBK Project.
2. Take proper action for bring back the default loan.
3. Ensure adequate human resource in EBK Project.
4. Enhance Cooperative attitude of Supervisor.
5. To increase the speed of internet modem.

#### **Proposed Recommendations for Accelerate the activities of EBK Project**

1. Make the Project free from the political interference.
2. Take proper steps to recover the default loan.
3. Take initiatives to prevent and eliminate corruption of the Project.
4. Ensure skilled and experience adequate human resources.
5. Make ensure the visiting directed project of EBK by the personnel regularly whether the loan money are properly invested.
6. The attitudes of personnel should be cooperative as well as they should be dedicated more to the project.

#### **Concluding Remarks**

Ektee Bari Ektee Khamar Project & Palli Sanchay Bank is an exclusive initiative to the small farmers by the government. Earlier many projects were undertaken in the country in the name of poverty alleviation and those were meant for business purposes. But with the 'EBK project & Palli Sanchay Bank the government is trying to eradicate poverty from rural areas. Fund limitation of the poor farmers proficiently addressed in this project. Micro savings instead of microcredit, the theme of the project is a new and unique initiative. It is believed that Based on the idea of micro savings, it is an effective means which helps help the poor to come out of the vicious cycle of poverty. Need based investment to the family farming ensure their livelihood and income leading to poverty alleviation. If the project and Banking activities can be achieved properly, the vision 2021 is a mid-income nation would be achieved. It is also believed, this will ensure their right to work and right to develop them as cherished in the constitution of Bangladesh. If the project EBK & Palli Sanchay Bank can be executed fruitfully, this model would be a widespread and ideal practice of poverty alleviation for the poor across the world particularly for developing countries.

## Technical Education and Training for Changing Rural Income

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