

## ASA: Hope for the Poor

M Abdul Aziz\*

### Abstract

*In the trend of transformation from an awareness enhancing organization to one of the largest, most efficient and cost-effective microfinance institutions, ASA has traversed a span of more than 34 years with priority focus on poverty alleviation. At the institutional level ASA has proven itself a pioneering Microfinance Institution (MFI) through developing a donor-free self-sustaining business model by 2001 replicated by more than 3000 branches throughout Bangladesh. Presently reaching over 5.5 million disadvantaged poor clients- 30 percent national market share- ASA has lent its demonstrated expertise to more than 17 countries. The impact assessment in the livelihood of its members revealed remarkable improvement in socio-economic condition that enabled them to reduce poverty making them self-reliant. As a part of its planned strategy ASA has been discharging its social responsibility in education, health and agriculture alongside microfinance and plans ahead to reinforce the strategy so as to complement attainment of Millennium Development Goals(MDG) that call for reducing poverty in all forms by the year 2015.*

**Keywords:** Agribusiness, ASA, Disbursement, Hope for the Poorest (HP), Learning center, Microcredit, Millennium Development Goals (MDG), Poverty, Recovery, Saving, Security.

### Introduction

Microfinance is banking the unbankables, bringing credit, savings and other essential services within the reach of millions of people who are too poor to be served by regular banks, in most cases because they are unable to offer sufficient collateral (Maanen, 2004). Microfinance comprises a broad category of services which includes not just credit but also savings, insurance and fund transfers. “Microcredit is based on the premise that the poor have skills which remain unutilized or underutilized. It is definitely not the lack of skills which make poor people poor and charity is not the answer to poverty. It only helps poverty to continue. It creates dependency and takes away the individuals’ initiative to break through the wall of poverty. Unleashing of energy and creativity in each human being is the answer to poverty.” (Yunus, 2003).

Practical visionaries from the Franciscan monks who founded the community-oriented pawnshops in the 15<sup>th</sup> century, to the founders of the European credit union movement in the 19<sup>th</sup> century and founders of microcredit movement in the 1970s in Bangladesh have built institutions to provide financial services to the doorsteps of poor people. Theorist Lysander Spooner narrated benefits from small credits to entrepreneurs and farmers in the middle of 1800s as a way of getting the people out of poverty. In rural Germany during that time Friedrich Wilhelm Raiffeisen

---

\*Senior Deputy President, ASA

founded the first cooperative lending banks to support farmers (<http://www.raiffeisen.de>). The modern use of the term “microfinance” has roots in the 1970s when organizations such as Grameen Bank started shaping the relevant institutions. Over the next three decades Microfinance Institutions (MFIs) grew in number and scale. According to MicroBanking Bulletin at the end of 2009 there were 1084 MFIs globally serving 74 million borrowers.

The principles of microfinance as an economic development approach have been endorsed by the Group of Eight (G8) leaders on 10 June, 2004. (Helms 2006), They emphasized:

- Poor people do not need just loans but also savings, insurance and money transfer services;
- Microfinance must be useful to poor households helping them raise income, build up assets and cushion themselves against external shocks;
- Microfinance can pay for itself;
- Microfinance means building permanent local institutions;
- Microfinance also means integrating the financial needs of the poor into a country’s mainstream financial system;
- The job of government is to enable financial services, not to provide them;
- Donor funds should complement private services not compete with it, and donors should focus on capacity building.

Bangladesh which pioneered and fostered the institutional development of microfinance boasts now having a large number of well-known MFIs including ASA, Grameen Bank and BRAC. Many smaller MFIs are working throughout Bangladesh. As of 27 August 2012, 621 MFIs possess a license from Microcredit Regulatory Authority (MRA) and 4236 MFIs applied for a license (Jugantor, 2012). Despite having an abundance of microfinance institutions concrete evidence of their effectiveness and efficiency is inconclusive. As livelihood of huge number of people is impacted upon by the microfinance programs, extensive and continuous research is necessary to keep track of its effectiveness. Complementing this appreciation the present study focuses on the initiative of ASA with following objectives:

- Examine and analyze ASA operation spectrum, to determine its performance efficiency;
- Identify its operational features inducing client preferences; and
- Assess the impact of ASA programs on borrowers’ livelihood.

### **Methodology**

The study is based on both primary and secondary data. The impact assessment used a survey method for obtaining primary data for analysis with a sample size of 3840 ASA members selected on random basis covering 12 of the 64 districts. In the sample selection process 4 branches of each district, 4 loan officers of each branch, 4 groups under each loan officer and 5 members of each group were chosen. The survey was supported by ASA research cell involving active participation of field staff-members. Various success stories of ASA program were collected, verified through field study, and input obtained from the examination were collated to present as case studies. Secondary data were derived using journals, articles, annual reports and previous

literature about such study specially the research papers of ASA and Grameen Bank. In addition, focused group discussion (FGD) was also used as a tool for obtaining and verifying information and input for the study.

### **Literature Review**

Poverty is defined as a situation in which a household or a person is unable to satisfy certain basic needs, such as nutrition, shelter, education, health etc. (GOB, 1998). Microcredit can facilitate microenterprise growth securing social empowerment of the poor (Johnson and Rogaly, 1997). Microfinance has been found as an effective tool for poverty reduction of poor people in Bangladesh (Halder and Mosley, 2004). The amount of loan granted generally being low, the borrowers on the whole have failed to boost growth where the growth of the economy is very low (Khandker, 2005). MFIs accountability is not clear in Bangladesh and accountability system suffers from a number of deficiencies (Khan, 2003). Now a days, overlapping loan problems have started to present new challenges in Bangladesh (Yuge, 2011). Recent studies show that the microcredit program impacts positively on the economy (Bruhn and Love, 2009). MFIs with effective policies had assisted asset growth, consumption smoothing, and occupational mobility (Kaboski and Townsend, 2009).

The findings in a study concluded that ASA program is effective in increasing the socioeconomic status of its beneficiaries (Rahman and Khandker, 1994). MFIs in Bangladesh have created innovative financial products and services to deal with various challenges and attract clients. Microfinance has been a policy success in Bangladesh for key factors such as visionary leadership, a suitable physical and social environment and PKSF that provides scaling up finance to improve industry standards (Hulme and Moure, 2006).

### **ASA Vision: A Poverty-free Society**

The vision of ASA is to establish a poverty-free society complemented by its institutional mission to support and strengthen the economy at the bottom of the socio-economic pyramid by facilitating access to financial services for the poor, marginalized and disadvantaged. ASA's program is specifically directed to instilling life to the neglected people deprived of institutional credit service (Jain, 2007). Presently the recipients are over 5.58 million accounting for a 30 percent national market share. The women, shy segment of the society, forming 71% of ASA membership are attaining self-reliance and strength to attain economic solvency for their family. This has resulted in an important stage of women empowerment providing a vital role for them to participate in decision-making process of the family.

Beyond borders, ASA has lent its demonstrated expertise to projects in 17 countries including India, Pakistan, Sri Lanka, the Philippines, Ghana and Nigeria under the auspices of its consultancy arm ASA International where an appreciable number of ASA workers are deployed to provide technical assistance and on-the-spot support to their microcredit programs. These workers are not only aligning themselves with global poverty alleviation efforts but also contributing to the country's image building and valuable foreign exchange earnings. Through

relentless efforts of attaining self-sufficiency ASA finally succeeded to be totally free from foreign dependence in 2000. It is now a national and foreign aid-free institution. The attainment of this stage has been facilitated as a result of proper utilization of local resources, strict pursuance of cost-effective policy and organizational efficiency (Chazan, 2009).

### **Microfinance: ASA Operating Spectrum**

The wide range of ASA operating spectrum, however, had a modest beginning marked with a pledge to fight rural poverty during post-independence period dating back to 1978 in Tepra village of Manikganj district under the leadership of Mr. Shafiqul Haque Chowdhury, now President of ASA. Initially it started functioning with the objective to build awareness and organize the poor and deprived people in realizing their rights. But mere awareness-building motivation was inadequate for people who repeatedly asked for loans to invest in economic activities. This led to transform the organization in 1989 into a microfinance provider through a cost-effective sustainable model (Ahmmed, 2002). ASA today is not only a leading MFI in the country but is recognized globally as one of the largest, most efficient and cost-effective MFIs in the world. In the assessment of the USA-based financial magazine Forbes, ASA was selected as the world's top Microfinance Institution in 2007. Besides, in 2005 ASA was adjudged as the best Microfinance Institution in the world following the survey of Washington-based research organization Microfinance Information Exchange (MIX). The global recognition continued in 2012 when ASA was categorized among the top 100 best NGOs of the world through rating of Global Journal published from Switzerland and the USA.

ASA's microfinance program focuses on providing small and medium size loan to the poor and low income people with soft and friendly obligations so that they can use such loans in various income generating activities. The specialty of the ASA program is the easy credit access of the poor who get it at their doorstep in a flexible terms based on personal guarantee instead of group guarantee (Rutherford, 2009). The compulsion of attending weekly group meetings is relaxed. ASA management operates on a flatter hierarchy comprising only two levels: branch and the head office where branch managers are delegated to make most decisions on loan program. Through this collateral-free loan ASA is providing the recipients access to manifold socio-economic opportunities and integrate them in the mainstream of economy (Haque, 2005).

In order to meet demand of various groups of recipients ASA earlier used to disburse credit under many categories such as small loan (women), small loan (men), hardcore poor loan, small entrepreneurs lending (SEL), small business loan, supplementary loan, disaster management loan, education loan etc. In 2011 credit operation was reorganized into two categories: primary loan and special loan for making it more sustainable and compatible with present demand as well as to avoid functional overlapping. Loan amount up 50 thousand taka is considered as primary loan and that exceeding 50 thousand is special loan. Apart from loan, other financial products are saving, insurance and loan security. ASA has been successfully operating both mandatory and voluntary saving program. Savings are important for the organization as well as the member. It can be used as a revolving loan fund. A member can use it to overcome seasonal economic distress or

hardships following natural disaster. Members always enjoy the right of withdrawing it with interest in their crisis hours.

Both mandatory and voluntary saving programs are useful. Total saving deposit during 2011 was Tk. 10,347 million while saving withdrawal was Tk. 7,504 million leaving an accumulated balance of Tk. 13,378 million. ASA has been providing insurance facilities for its group members in two categories: loan insurance and security fund (mini life insurance). These are meant for assisting the family after a member's death. In loan insurance the premium is Tk. 10 per Tk. 1,000 disbursed. After the death of a member or her husband / guardian the outstanding amount is written off as insurance benefit. Inheritors are also given back saving and other demands. In 2011 ASA paid Tk. 210 million to families of 25,689 deceased group members as insurance benefit. The program of security fund is directed to assist the member's family further. The family of a member gets 6 times of the deposited amount in case of member's unexpected death. ASA paid Tk. 37 million to families of 8,982 deceased group members in 2011.

### **ASA Microfinance Model**

ASA program is based on an innovative, efficient and self-sustainable model that was introduced in 1994. The cost-effective management followed in central and branch offices provide latitude for committing more resources in program activities. There are only one branch manager (BM), one assistant branch manager (ABM), 4 loan officers (LO) and a peon cum cook in the branch office responsible for conducting all program activities in the branch. Each LO is assigned for 18 groups each comprising 25 members. He meets 3 groups in a day so as to cover all 18 groups in 6 working days in a week. Normally a branch is meant for service delivery to (4\*18\*25) or 1,800 group members. A new branch requires an amount of Tk. 5 million to start its activities initially. The average monthly staff salary is about Tk.130,000 while Tk. 13,400 is required as expense of office rent, TA/DA and other logistic costs in each branch. The special cost-effective measures help a new branch to earn an adequate income to be self-reliant within 12 months of its beginning (Kamal, 2010). Factors responsible for creating a user-friendly service delivery system in ASA program have been identified as follows:

- Lean structure automatically reduces overhead costs;
- Costless and faster innovative recruitment and training (each one teach one);
- Decentralization and delegation of authority to the branch level operation;
- Simple and shorter loan processing;
- Systematic monitoring and supervision;
- Simple and transparent accounting and record-keeping based on tested formats;
- Independent of donor conditionality;
- Integrated scrutiny and joint decision-making process facilitated by unified office cum residential accommodation at branch levels; and
- Operation guided by a self-explanatory comprehensive manual.

### Features of ASA Program

The program involves both men and women as members but with special preferences for women in the primary loan category. The membership eligibility criteria for primary loan limit ownership of cultivable land other than homestead to less than half-acre or 1 acre in less fertile area and prefer people living on physical labor and small business having a monthly income up to Tk. 4,500 in rural area and Tk. 8,000 in urban area. For special loan the land ownership may be up to 1.5 acre and monthly income up to Tk. 9,000 in rural area and Tk. 12,000 in urban area (ASA Manual, 2009). Program beneficiaries of other Microfinance Institutions (MFIs) are not involved to avoid overlapping. Each village group comprising 20-35 members managed by one chairman, one secretary and one cashier forms the integral building block of ASA program. These office bearers are elected by group members for a period of 2 years. No one is allowed to hold a post for more than two consecutive terms enabling all members on rotational basis to get opportunities to assume leading roles in decision-making process. The groups hold weekly meetings where repayments are made, decisions on loan proposals are taken and overall performance of members are monitored.

Generally, borrowers invest in cow fattening, horticulture, tailoring, cow/goat rearing, poultry, cottage industry, rickshaw/ van purchasing, rice husking etc. The recipients are advised to invest the money in proposed projects rather than using for purposes involving unnecessary or avoidable expenditure that may put them in difficulties for repayment (Healay, 1999). The group dynamics offer effective motivation to the borrowers to improve their economic condition through various income generating activities. The poor people who are normally not bankable to the formal financial institutions thus can find ASA as a destination for financial support to overcome poverty.

**Table 1: Glimpses of ASA Program in Key Figures**

Item/ Year*	2011	2010	2009	2008	2007
<b>Branches</b>	3154	3195	3188	3188	3188
<b>Members (million)</b>	5.58	5.60	5.27	5.85	5.04
<b>Savings (billion Tk.)</b>	13.38	9.22	7.34	5.06	2.94
<b>Security (billion Tk.)</b>	4.15	3.74	3.99	4.46	3.20
<b>Rate of recovery (%)</b>	99.57	99.30	99.20	97.97	98.40

Source: ASA Annual Report 2011

\* Figures as on 30 June of each year.

### Discharging Social Responsibility

As a matter of policy consonance on welfare-oriented social responsibility ASA widens its functional domain beyond microfinance encompassing areas such as education, health and agriculture. In fact ASA strategy followed during the formative years is reflected alongside the microfinance program for the fulfillment of poverty alleviation mission.

ASA introduced Primary Education Strengthening Program (PESP) in 2011 to provide after-school supplementary tuition for pre-primary, grade 1 and grade 2 students belonging to poor households. The objectives of the PESP have been:

- To reduce dropout rate in primary schools;
- To ensure quality education for students of poor and illiterate households;
- To reduce poverty through educating children of poor families; and
- To expand the role of education to meet development challenges.

Under the program 300 learning centers in 20 districts were established with supports in learning materials and logistic facilities. Each learning centre managed by a teacher / mentor is meant for 25 to 30 students. Teachers / mentors were recruited and trained who offered learning assistance to 9,000 students in 2011. ASA plans to open 4,500 learning centers by 2015 throughout the country to assist 135,000 students.

Hope for the Poorest (HP) was established by ASA in 2004 as a sister concern to serve the poorest, underprivileged and vulnerable people especially climate victims through implementing development programs relating to health, education, water, and sanitation. HP started WASH (Water, Sanitation and Hygiene) programs in two coastal districts which will be continued up to 2015 to serve about 50 thousand people. It runs 5 primary healthcare centers in 5 backward districts for providing quality healthcare services for the hardcore poor and implements 2 pilot programs for sustainable sanitation in 2 districts and plans to expand the sanitation service throughout the country.

ASA University Bangladesh (ASAUB) was established in 2006 to provide higher education access to the underprivileged people including ASA members at an affordable cost. Over the last 5 years the university could emerge as a leading private university offering quality higher education. The number of students was about 8,000 in 2011. It offers courses in 4 faculties: Business Administration, Science and Engineering, Arts, and Social Science and Law. To equip the coming generation with leadership qualities, knowledge and skills to successfully meet global economic and development challenges ASAUB pursues a policy of continuous improvement through collaborative research with leading universities of the UK, Japan, Thailand and Netherlands.

ASA has been rendering foreign remittance service since 2008 through joint collaboration of National Bank Ltd and Western Union to provide better, faster and safer money transfer to the doorstep of the relatives of expatriate Bangladeshis living in remote rural areas. In 2011, 1200 ASA branches adopted the remittance delivery channeling Tk.4.87 billion to the recipients who are mostly low-income poor people not conversant with formal institutionalized money transfer process. It plans to add 500 more branches in 2012 with projection of further expansion in future throughout the country.

Physiotherapy/ yoga treatment is another stream of healthcare service that ASA started piloting since February 2012 to benefit poor rural people. Normally it is a costly process, but ASA

provides necessary support to make it affordable. In some of the backward areas 3-day long physiotherapy camps were arranged. The patients attending the camps were given orientations on physical exercises and instrumental therapies. Those suffering from paralysis, chronic pain and physical disabilities were immensely benefited. For convenience of disadvantaged group of rural people ASA plans to organize more physiotherapy camps in future.

ASA started implementing Agribusiness Development Project in 2007 at an estimated expenditure of Tk.1 billion to support small-scale agribusiness entrepreneurs that include activities such as servicing of agriculture equipments, sale of agro-inputs, storage, processing and transportation of agro-produce etc. The program has been designed to foster and develop economic potential of small-scale agricultural enterprises in the country and at the same time provide income enhancing opportunities for poor entrepreneurs. Small-scale women entrepreneurs are given special emphasis. They play a vital role in the formation of linkage with consumer markets. Under the project Tk. 98 million was disbursed up to December 2011 among 13,531 borrowers.

**Table 2: Financial Performance of ASA in 2011**

(Tk. figures in million)

Particulars	Amount (Tk.)	Break-up of Particulars (Tk.)	
<b>Income</b>	13,397	Service charge	12,173
		Bank interest	621
		Membership fees	67
		Consultancy etc..	536
<b>Expenditure</b>	10,646	Personnel expense	4,022
		Office expense	668
		Financial cost	1,996
		Loan loss provision	425
		Imputed costs	3,535
<b>Net Margin</b>	2,751	-	
<b>Fund for microfinance service</b>	57,565	Own fund	32,624 (57%)
		Member's saving	13,378 (23%)
		Members security fund	4,146 (7%)
		Loan insurance	1,815 (3%)
		Debt management reserve	1,145 (2%)
		Commercial banks	1,020 (2%)
		ADB	530 (1%)
		Staff security, Provident fund, others	2,907 (5%)
<b>Rate of recovery</b>	99.57%	-	
<b>Rate of lending cost</b>	5%	-	
<b>Operational self sufficiency (OSS)</b>	188%	-	
<b>Financial self-sufficiency (FSS)</b>	126%	-	

Source: ASA Annual Report 2011

**Impact Assessment of ASA Initiative**

ASA through its Research and Documentation cell periodically in a span of 2 to 3 years has been conducting impact assessment of microfinance program since 1999. Basically the assessment is directed to determine the impact of ASA microfinance in the livelihood of its members. Last time it was conducted in 2009 covering 1 year period from January to December. Twelve out of sixty four districts were chosen for the survey. Four branches of each district, 4 Loan Officers in each branch, 4 groups under each loan officer and 5 members of each group were selected to constitute the sample. While selecting branches in the district equal numbers of rural and urban branches were included. Members having at least 3 years' ASA attachment were chosen through a systemic sampling of uneven numbers such as 1, 3, 5, and 7, so on to form each group. The sample size covered  $12 \times 4 \times 4 \times 4 \times 5$  or 3,840 members. A structured questionnaire was developed to use as a tool for interviewing the selected borrowers.

**Capital of Business:** According to findings, business capital of 3,578 (93.18%) members increased, while that of 262 (6.82%) did not increase.

**Income:** The assessment revealed that income of 3,670 (95.57%) members have increased and the rest 170 (4.43%) members disclosed that their income did not increase. Monthly average income was Tk. 6,639, 5940 and 8986 in 2007, 2008 and 2009 respectively. The fall in 2008 was because of natural disasters like cyclone, flood etc.

**Quality food:** A total of 3,621 respondents representing 94.3% said that quality of food intake improved while 219 (5.7 %) respondents answered in the negative.

**Education:** Rate of literacy was reported to have improved in the families of 3,521 (91.69%) members, whereas 319 (8.31%) members reported no progress in literacy rate of their families.

**Employment Opportunity:** Findings showed enhanced employment opportunity in 3,622 (94.32%) initiatives while 218 (5.68%) initiatives could not create any employment opportunity.

**Medical Treatment:** The assessment revealed that members visiting doctors gradually increased in number as represented by the percentage figures 85.03, 92.99 and 97.66 in 2007, 2008 and 2009 respectively. This was an indication for attaining progress in family income which enabled them to spend increasingly in consultation of doctors.

**Fresh drinking water:** It was found in the survey that proportion of members taking fresh water increased which was 91.22%, 94.38% and 95.55% in 2007, 2008 and 2009 respectively.

**Sanitation:** Continuous improvement had been marked in the use of sanitary and pit pucca latrines among members. Percentages of users were 60.91, 73.18 and 84.38 in consecutive 3 years from 2007 to 2009.

**Increase of assets:** About 57.32% respondents reported that they could increase their landed property; while 63.13% of them could increase domestic animals and 48.54% increased their ornaments.

Condition of dwelling house: The condition of dwelling house generally mirrors the living status of the inmates. Findings revealed a considerable improvement in dwelling condition of members. Dwellers in tin-shed building and pucca buildings were 23.72% and 17.14% respectively in 2007, while their proportion became 29.11% and 21.69% in 2008 and 31.59% and 26.93% in 2009 marking continuous improvement.

Overall impact of the ASA microfinance program was found positive on assessments in terms of indicators applied in the surveys that were conducted 7 times since 1999. The assessment revealed a remarkable improvement of the members in respect of their economic condition that enabled them to reduce poverty making them self-reliant.

### **Case Studies on ASA Beneficiaries**

The 5.58 million ASA beneficiaries belonging to both rural and urban areas are delivered with microfinance services by more than twenty one thousand ASA staff members. There are 3,154 branches located at far-flung areas throughout the country. The field management of ASA monitors on-the-spot real status of ASA members in respect of their achieving progress in socio-economic condition. The paper focuses on two ASA members- Hasina and Mahmud Ali in the form of case studies as a microcosm of successful entrepreneurship representing significant socio-economic improvement that is taking place throughout the country with ASA initiative.

**Case Study 1:** Hasina, 27 of Chapapur village under Adarsha Sadar upazila of Comilla district was in utter despair when her husband died in a massive heart attack 5 years ago. She was desperately looking for means to support her family of two including her 5-year old son. One of her neighbors, an ASA member told about ASA's microfinance program that provides capital support to various income generating activities. She contacted ASA workers of Chapapur branch, became a member of one of the groups and borrowed Tk. 10,000 in the first installment to start a small business on cloths. It was a vending on saris that she operated carrying from door to door. The profit earned was spent to maintain the family and develop business capital. At one point of time she decided to marry for the second time, as it was difficult for her to lead a single life pursuing all alone an outdoor business initiative in a conservative society. Her decision to marry in a way facilitated her business enabling her to establish an unrestricted customer access and obtaining support from her new husband who is also a small businessman dealing with electronic items. She borrowed from ASA Tk. 20,000 and 100,000 in the second and third installments.

In her bid to expand business initiatives she employed 8 seamstresses on commission basis to work at her home in a separate room. Her efforts resulted in establishing a dependable enterprise having a business capital of Tk. 300,000 that provides her a monthly net income of Tk.20,000 to 25,000 – a formidable amount to lead a poverty-free dignified life. She looks forward to consolidate further her family income by opening permanently a selling outlet in one of the shopping malls in Comilla town.

**Case Study 2:** Mahmud Ali, 35, an ASA member of Taznagar village under Palasbari upazila of Gaibandha district belongs to a family of 6. In 1994 after passing Secondary School Certificate (SSC) he could not go for pursuing college education because of limited affordability of the family that owned at that time only 3 bighas of land. He along with his father and another brother used to work in the family. The income derived from land was inadequate to meet family expenditures. As the elder son of the family it was painful for him to witness the poverty for which he used to think always how to address the financial stringency. The reality compelled him to undertake priority measures for sustaining the family.

At first he borrowed Tk. 15,000 from a private lender in exchange for mortgaging one bigha of cultivable Land. The capital thus formed was engaged to run a small seed-selling outlet in the local Kalibari bazar. The trading suffered from paucity of capital. He came to know about ASA's microcredit facilities, contacted branch manager of Palashbari-1 branch and borrowed in 2009 in the first installment an amount of Tk. 15,000. He invested the money in seed trading and at the same time started practicing horticulture in one bigha of land. The outcome was encouraging. The initiative was expanded with the loan amount of Tk.70,000 and 80,000 in subsequent installments under ASA's Agribusiness Development Project. He now owns a vibrant seed-trading store in the local bazar and an integrated farm on 6 bighas of land where he cultivates vegetables, chilies, pulses, and rears 3 cows. His wife assists him in his farming initiative. Mahmud Ali has successfully overcome the poverty and attained solvency. His 7-year old daughter has now been admitted in a primary school. He plans to provide her higher education in due course.

### **Conclusion: The Way Forward**

ASA sets a target in 2012 to disburse Tk. 100 billion among six million poor and disadvantaged people and continue the initiative in an ever increasing scale in the coming years based on an annual action plan. The decision was taken in the annual coordination meeting of the organization held on 27-28 December 2011. It is an enormous task of delivering financial services to the doorsteps of a huge lot of the poor enabling them to become productive through various income generating activities. ASA meets these challenges adopting a clear-cut strategy developed with experience gained over the years. In addition to the microfinance strategy ASA also plans to reinforce its social responsibility to ensure welfare for the hardcore poor and disadvantaged segment of the society. It is committed to widen and intensify its efforts to complement attainment of Millennium Development Goals (MDG) that call for reducing poverty in all its forms by the year 2015 with significant improvement in education, gender equality, healthcare and overcoming hunger and environmental degradation through microfinance intervention. The planned strategy has now been set to be transformed into a reality by hard-working ASA employees to usher in a poverty-free society empowering the poor to fulfill their hope of leading a dignified life through attaining self-reliance and economic solvency.

## References

- Ahmed, M. (2002). Simple and Standard Microfinance Services of ASA, *Key to Achieving Sustainability*, ASA: Dhaka.
- Alam, S. (2012). The Effectiveness of Microcredit in Bangladesh (Bengali), *The Daily Jugantar*, 27 August, 2012, Jamuna Printing and Publishing Ltd.: Dhaka.
- ASA, (2008). ASA (1978-2008): *30 Years of Struggle for Freedom from Poverty*, ASA: Dhaka.
- ASA, (2009). *ASA Manual*, ASA: Dhaka.
- ASA, (2012). *ASA Annual Report, 2011*, ASA: Dhaka.
- Bouhn, M. and Love, I. (2009). The Economic Impact of Banking the Unbanked: Evidence from Mexico, *World Bank Policy Paper No. 4981*, World Bank: Washington, D.C.
- Chazan, D. (2009). ASA: Maoism to Microfinance, A Journey of Hope, *Financial Times*, London, Published on 3 June 2009.
- Halder, S.R. and Mosley, P. (2004). Working with the Ultra Poor: Learning from BRAC Experiences, *Journal of International Development* 16(3): 387-406. Available at: <http://sagepub.co.uk/journalsPermissions.nav> (Retrieved on: 1.12.2012)
- Halme, D. and More, K. (2006). Why has Microfinance been a Policy Success in Bangladesh (and Beyond)? *Global Poverty Research Group*, Institute for Development Policy and Management: Manchester, UK.
- Haque, E. (2005). *Alternative Financing for the Poor: NGO Intervention*, Prominent Printers: Dhaka.
- Healey, K. (1999). *ASA Innovations*, ASA: Dhaka.
- Helms, B. (2006). *Access for All: Building Inclusive Financial Systems*. The World Bank: Washington, D.C. Available at: <http://en.wikipedia.org/wiki/microfinance> (Retrieved on: 30.8.2012)
- <http://www.raiffeisen.de/genossenschaften/genossenschaften/pdf/Raiffeisen-Organisation-english.pdf> (Retrieved on: 30.8.2012).
- Jain, P.S. (2007). *Maturing of Microcredit Movement: Some Pointers from ASA*, ASA: Dhaka.
- Johnson, S. and Rogaly, B. (1997). Microfinance and Poverty Reduction, *Journal of Economics and Sustainable Development*, Action Aid: Oxford and London.
- Kaboski, J.P. and Townsend, R.M. (2009). The Impact of Credit on Village Economics, *MIT working Paper Services*, 09-13, Massachusetts Institute of Technology: Cambridge, MA.
- Kamal, M. (2002). *Managing Microfinance in an Innovative Way*, ASA: Dhaka.
- Kamal, M. (2010). *Internal Control System in an MFI, A Case of ASA*, ASA: Dhaka.
- Khan, M.M. (2003). Accountability of NGOs in Bangladesh: A critical Overview, *Public Management Review*, 5(2): 267-278, Local Economy: Glasgow and London.
- Khandker, S. (2005). Microfinance and Poverty: Evidence Using Panel data from Bangladesh, *World Bank Economic Review*, 19 (2): 263-286, WB: Washington, D.C.
- Maanen, G.V. (2004). *Microcredit: Sound Business or Development Instrument*. Available at : <http://www.microfinanceinfo.com/the-definition-of-microfinance/> (Retrieved on: 01.12.2012)
- Planning Commission, Ministry of Planning, GOB, Poverty Alleviation, Employment and Human Resource Development, *The Fifth Five Year Plan*, March, 1998 pp. 144-163.

- Rahman, R.I. and Khandker, S.R. (1994). Role of the Targeted Credit Programs in Promoting Employment and Productivity of the Poor in Bangladesh, *Quarterly Journal of Bangladesh Institute of Development Studies*, 22(2/3): 49-92, BIDS: Dhaka.
- Rutherford, S. (1995). *ASA: The Biography of an NGO*, ASA: Dhaka.
- Rutherford, S. (2009). *The Pledge, ASA, Peasant Politics, and Microfinance in the Development of Bangladesh*, Oxford University Press Ltd.: New York.
- Yuge, Y. (2011). The Current Situation of Microfinance in Bangladesh: A Growing Concern about Overlapping Loan Problems- From a Field Visit to Rajshahi and Comilla, *Center for Emerging Markets Enterprises*, The Fletcher School: USA.
- Yunus, M. (2004). Expanding Microcredit Outreach to Reach the Millennium Development Goals, *International Seminar on Attacking Poverty with Microcredit*, Dhaka. Available at: <http://www.microfinanceinfo.com/the-definition-of-microfinance/> (Retrieved on: 01.12.2012)