THE PENNSYLVANIA STATE UNIVERSITY
SCHREYER HONORS COLLEGE

DEPARTMENT OF FINANCE

GRAMEEN BANK REPLICATORS: AN ANALYSIS OF TULAY SA PAG-UNLAD, INC., PRO-MUJER, AND SOUTH PACIFIC BUSINESS DEVELOPMENT

JASON LAFATA
SPRING 2013

A thesis
submitted in partial fulfillment
of the requirements
for baccalaureate degrees
in Finance and Philosophy
with honors Finance

Reviewed and approved* by the following:

Terrence Guay
Clinical Associate Professor of International Business
Thesis Supervisor

James Miles
Professor of Finance
Joseph F. Bradley Fellow of Finance
Honors Adviser

* Signatures are on file in the Schreyer Honors College.

ABSTRACT

The goal of this thesis is to discover whether three Grameen Bank replications (Tulay sa Pag-unlad, Pro-mujer, and South Pacific Business Development) are successful in helping the poor increase their income, health, and education as well as promoting women empowerment, savings, and self-employment. Based on the information gathered, the findings are inconclusive; however, recommendations are given on what should be done to further analyze these three microcredit organizations.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

Chapter 1: Introduction to Microcredit

An Analysis of Microcredit

To understand microcredit, microfinance must be defined. Microfinance is a variety of financial products marketed to the poor. The financial products include "payments, savings, and insurance" so that the poor have access to services that normally would not be sold to them. The idea is that people living in poverty need these services as much as everyone else does because they need to run their "businesses, build assets, smooth consumption, and manage risks" (CGAP, 2013).

Microcredit is the segment of microfinance in which "nontraditional borrowers such as the poor in rural or undeveloped areas" are provided with "small loans with no collateral" ("microcredit", 2013). It "serves to promote entrepreneurship opportunities that encourage the elimination of unemployment via fulfillment of creative potential among the poor" (Hossain, Rees, & Knight-Millar, 2011). The idea came from the Bangladeshi Muhammad Yunus who took a tour of Bangladesh's countryside. He saw overpopulated areas of poverty stricken people who did not have money, stable jobs, or access to credit. From that point on, he believed that everyone has the right to access credit. In 1983, Yunus established the Grameen Bank. Grameen Bank has become so successful that numerous developing countries as well as developed countries have adopted the microcredit business model in the form of nongovernmental organizations (NGOs), religious organizations, and foundations ("microcredit", 2013). An analysis of Grameen Bank will continue in a later section of this essay.

Microcredit Strengths

After a little over 30 years of the existence of microcredit, numerous studies have analyzed the benefits and problems with microcredit. According to Farhad Hossain, microcredit reduces poverty, promotes entrepreneurship, and empowers women and other disadvantaged people (Hossain et al., 2011). A simple example illustrated by Muhammad Yunus explains the benefits of microcredit: “with access to credit in the form of a microloan, a poor woman who cannot work because of familial reasons can invest in a stock of chicken. She can then sell the eggs and raise chickens for her family's livelihood” (Yunus, 2007). This entrepreneurial activity is encouraged by microcredit organizations and is imperative in increasing a family’s income. After various studies, Yunus concludes that microcredit has had a large economic and social impact on various indicators: “increased income, improved nutrition, better housing, lower child mortality rate, lower birth rate, better healthcare, better access to childhood education, and many others” (Yunus, 2007).

Microcredit not only increases entrepreneurial activity and income, but also it gives the poor much easier access to credit. Microcredit organizations send bank officials into poverty-stricken villages where they offer collateral-free loans to the poor. Also, the paperwork for the loans is simplified to accommodate the illiteracy of many borrowers. For those who are literate, the loans are easier to understand (Yunus, 2007).

Before the introduction of microcredit, many poor families only had one family member making money. Microcredit has significantly changed this aspect of the family lifestyle by introducing a second family member into employment. This has resulted in improved living conditions as well as economic, social, and political empowerment (Taylor, 2002). In terms of empowerment, the increase of average family income has allowed the very poor to rely less on institutions helping them. According to Taylor, certain institutions benefitted the very poor so that they could increase their political power. Thus, the institutions would ask the poor to vote for a certain candidate that would help the institution, and, in return, the poor would be helped to a certain extent. Also, one of Taylor's studies concerning Grameen Bank suggests that about 5% of borrowers move above the poverty line per year. He also found that many borrowers used loans for consumption smoothing, which allowed them to live more comfortably in times when they were not making money. An example would be if a farmer has a poor crop production due to weather, he may need more money in the coming months to feed his family until the next crop production begins. Lastly, with the extra income, borrowers have been able to invest in their children's nutrition and health.

The macro-economic and socio-economic impacts of microcredit are explained in Figures 1 and 2 (Mitra, 2007). The individual becomes a microcredit recipient, which increases her income. As the second person in her household to make money, she can use that money to pay for goods and services in the community and perhaps outside that community. The increase in demand of goods and services and the increase in consumption results in more opportunities for jobs since the extra income can afford goods and services that may not have been provided beforehand. Thus, more jobs are created, and income increases within the community. This will have a macro level impact on the economy because businesses outside the community may view this community as a developing area and, therefore, may want to invest in the community. Also, with more wealth in the community, community members may travel to cities or other areas to purchase goods, stimulating other areas outside of the community.

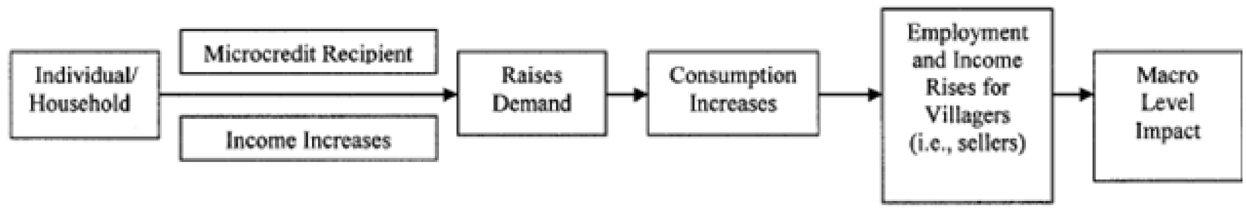

Figure 1: Macro-Economic Impact on Microcredit (Mitra, 2007)

The socio-economic impact of microcredit is explained in a similar way. The microcredit recipient increases the income of the household. Thus, consumption, education, nutrition, and hygiene increase for the household. As in the macro-economic example, consumption increases lead to overall income and employment increases in the community. The increase in education leads to an increased demand for schools. An increase in nutrition and hygiene increases health. All of these factors produce a positive socio-economic benefit for the community (Mitra, 2007).

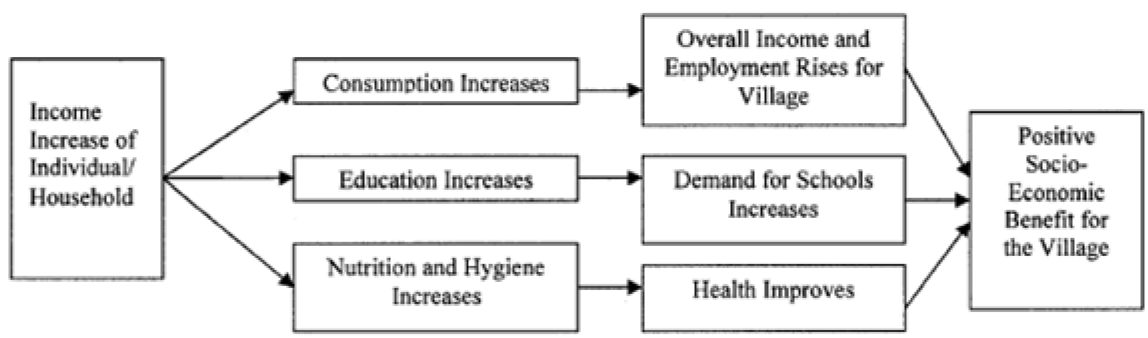

Figure 2: Socio-Economic Impact on Microcredit (Mitra, 2007)

Microcredit Weaknesses

Although many benefits of microcredit exist, numerous weaknesses have provided critics of microcredit with ammunition. Microcredit may produce violence because men may feel as though their power over their family is being undermined (Schuler, Hashemi, & Badal, 1998).

Numerous microcredit institutions are in patriarchal societies in which the male might feel inferior to his wife if she is issued a loan that helps her gain empowerment at her home and in the community. The male could result to violence or attempt to control his wife's loan so that he can make sure he is the breadwinner and head of the family. Nevertheless, this problem is being alleviated from multiple angles, including legal aid to communities, community and national awareness of the problem, sessions within the community explaining that violence is unjust and socially unacceptable.

In addition to men's violence against women, many other weaknesses of microcredit exist. Despite arguing that there are more social benefits like the empowerment of women in the family and consumption smoothing than social weaknesses, Hossain, Rees, and Knight-Millar (2011) admit that some microcredit institutions have higher interest rates than commercial banks and that Bangladesh poverty levels have not decreased significantly. Furthermore, they worry about the potential exploitation of women and the accuracy of poverty targeting. Although half of Grameen's borrowers moved past the poverty line, Hossain, Rees, and Knight-Millar believe that adjustments can be made to increase poverty targeting. A closer relationship between microcredit organizations, commercial banks, and monetary financial institutions (MFI) would enable the microcredit organization to use the electronic payment structure and other resources of the commercial bank and the outreach of the MFI's to reach a larger portion of the rural poor. The relationship could be formed through partnerships or by introducing microcredit to commercial banks.

According to Taylor (2002), microcredit only improves poverty a small amount in the long run. This may be due to a certain number of factors. First, microcredit cannot positively affect areas of high geographic dispersion (2002, p.329). The point of microcredit is to be a ‘door-to-door” bank that issues loans. The microcredit institutions’ highest cost is already the transaction costs, which would increase significantly in geographically dispersed areas. Transaction costs include the staff time to meet the potential borrowers for the loans, processing the disbursements and repayments of the loans, and follow-ups with the borrower (CGAP, 2013). Thus, interest rates would need to be higher. Also, the geographically dispersed people would have to pay back the loan, which would be difficult since there would be very few customers and a low demand for any product or service. Second, some poor people are averse to acquiring debt (Johnston, 2007). Whether the adversity is derived from a previous encounter from a loan shark or from the fear of owing money to a big institution, some poor people may never feel comfortable with acquiring debt. Lastly, and potentially most importantly, microcredit does not increase infrastructure in poor areas. In other words, microcredit does not provide transportation, schools, sanitation facilities, or utilities. Thus, microcredit’s chief imperative may not be to bring the very poor out of poverty, but rather to improve their living conditions until governments and businesses invest in infrastructure.

Chapter 2: Literature Review

Analysis of Grameen Bank, Bank Rakyat of Indonesia, and Amanah Ihktiar Malaysia

Numerous articles have discussed how to define whether microcredit has been successful in a certain country, region, or community. In this section, the successes of Grameen Bank (GB), Bank Rakyat of Indonesia (BRI), and Amanah Ikhtiar Malaysia (AIM) are examined to determine a definition of success for the analysis of Tulay sa Pag-unlad, Inc. of the Philippines (TSPI), Pro-Mujer of Bolivia (PM), and South Pacific Business Development of Samoa (SPBD).

GB, BRI, and AIM have been chosen to be analyzed for many reasons. GB is recognized as the first successful micro-credit organization that paved the way for numerous other microcredit organizations in other countries, including BRI and AIM. BRI is currently the largest micro-lender in the world, and Malaysia's poverty rate has decreased from 16% to 3% during the years that AIM has been in operation. This success has been in part due to AIM reaching out to 82% of the country's poor. Therefore, each of these micro-credit organizations has played an important role in their respective countries. Furthermore, GB, BRI, and AIM are located in southern Asia and are primarily Muslim countries (Bangladesh – 89.5%, Indonesia – 86.1%, and Malaysia – 60.4%) with high population densities (The World FactBook, 2013). Each country has tropical climates year around. Concerning development, Bangladesh, Indonesia, and Malaysia have similar health indices, similar ratio of women to men getting a secondary education, similar life expectancies, similar fertility rates, similar net migration rates, and similar GDP growth rates (International Human Development Indicators, 2012 & The World Factbook, 2013). These similarities are summarized in Table 1.

Table 1: Similarities between Bangladesh, Indonesia, and Malaysia

	Bangladesh	Indonesia	Malaysia
Health Index	0.772	0.779	0.855
Ratio of Women to Men Getting a Secondary Education	0.723	0.716	0.885
Life Expectancy	70.06 (148)	71.62 (136)	74.04 (112)
Fertility Rate	2.55 (83)	2.23 (103)	2.64 (78)
Net Migration Rate	152	153	135
GDP Growth Rate	6.1% (39)	6.0% (40)	4.4% (73)

Note that the number in the parentheses following the first number is the country's rank compared to all other countries in that category. Also, net migration rates are displayed as the country's rank among other countries. Although there are many differences between these countries, these similarities show that Bangladesh, Indonesia, and Malaysia share many characteristics that will help with the analysis of the successes of GB, BRI, and AIM. Lastly, all three of these micro-credit organizations have been studied extensively in the past 30 years.

Grameen Bank Overview

Bangladesh is a primarily Muslim country that is the size of Louisiana (Belt, 2011), but has a population of about 150 million people ("Population, Bangladesh," 2010). As of 2010, 71.9% of Bangladesh lives in a rural setting and 31.5% of Bangladeshi live below the poverty line ("Rural Population in Bangladesh," 2010*).*

In 1977, Muhammad Yunis traveled the countryside of Bangladesh and was terrified by what he saw. As the urban areas of Bangladesh were rapidly growing, the rural areas seemed to be at a standstill. He looked further into what was going on and realized that the poor could not access credit. Even worse, those who could access credit were being charged 10% interest per month, which was almost impossible to repay. Thus, poor people either became poorer or remained at the same income level. To combat this issue, Yunis founded Grameen Bank. The bank's existence was based on the fact that access to credit is a human right. He began the bank by giving $27 to 42 people, and he saw immediate results. By 1982, Grameen Bank issued loans to 28,000 people under the poverty line and, in 1995, issued loans to 2 million people.

The business model is fairly simple. Grameen provided loans mainly to women so that families would have two sources of income. Also, women tend to reinvest their money into their family rather than spend it on alcohol or gambling. Due to the risk of loaning to poor people, groups of five were formed to create social pressure for repaying the loan and to insure against the borrower being unable to repay the loan. Loan centers were created, which included about six groups of five borrowers. The purpose of these centers was to encourage weekly meetings concerning the progress of the loans. The average loan amounted to $200 at a 20-30% effective interest rate payable in one year.

In order for the Grameen Bank business model to function correctly, the bank needed to be separate from the government. Although Grameen Bank currently receives some subsidies, it has been able to avoid much of the government 'red tape' that could disrupt a microcredit organization. Government regulation tends to consist of too much bureaucracy (Sarker, 2001). Budget estimates, planned disbursements, meeting targets, and the establishment of committees that may not be efficient are examples of some of the paperwork that Grameen Bank avoided, which ultimately led to its immediate success in Bangladesh (Sarker, 2001). Lastly, Grameen Bank offered numerous training services for the borrowers. As of today, only 10% of Grameen Bank is owned by the government, which enables business decisions to be autonomous from the government.

Success of Grameen Bank

As of today, Grameen Bank has a loan repayment rate of 97%, and 58% of its borrowers have crossed the poverty line. By 1988, there were more opportunities for self-employment in Bangladesh, especially for women. Thus, productivity increased. Hossain (as cited in Sarker, 2001) claims that the average worker worked 18 days a month compared to 6 days a month before joining Grameen Bank. Also, Alam (as cited in Sarker, 2001) found that borrowers began using high yield variety crop production, which drastically increased food yields. Safillios-Rothschild & Mahmud (as cited in Sarker, 2001) argue that due to increased productivity, wage rates increased by about 30-40% for Grameen members who worked in the agricultural sector. With increased wages, Grameen members' contribution to household income amounted to a little over 50% (Sarker, 2001). Furthermore, increased wages allowed Grameen members to save money so that they were "able to rely more on savings and their own funds to cope with crises rather than borrow from moneylenders" (Littlefield, Murdoch, & Hashemi, 2003).

With an increase in income, numerous social and political benefits arose. According to Sarker (2001), the families of Grameen borrowers had better health and nutrition than before they joined the bank. Calorie intake and child immunization rates increased, and family planning practices were used to improve nutrition awareness. In addition to an increase in health and nutrition, GB borrowers' were able to afford to send their children to school for a longer period of time than those who did not take out a loan (Bernasek, 2003). Also, Mizan's study (as cited in Sarker, 2001) found that since most Grameen borrowers were women, women gained a sense of empowerment within the family decision-making. Suffilios-Rothschild and Mahmud (as cited in Sarker, 2001) conclude that women empowerment resulted from an increased confidence that they could help provide for their family and increased support from their communities. Although there are still some cases of violence within families, Ahmed (as cited in Sarker, 2001) found that a reduction in physical abuse has been witnessed. According to Syed Hashemi (as cited in Sarker, 2001), women have increased mobility in the social ladder of their communities. Lastly, before Grameen Bank, many poor people were exploited by moneylenders. However, the exploitation of moneylenders in Bangladesh is almost non-existent (Sarker, 2001).

With regards to politics, many ‘rural power elites’ helped Bangladesh’s rural communities before microcredit existed. These ‘rural power elites’ mediated between the government and the poor, meaning that they helped the poor but then told the poor they must vote for the rural elites’ policies in government. Grameen Bank has given the poor an opportunity to increase income without going to the rich for economic help. Also, the poor can exercise their voting rights independently from the rural power elites (Wahid, 1993).

Many of Grameen Bank’s successes can be traced to the institution’s ability to respond quickly and effectively to positive and negative field experience (Sarker, 2001). Also, Grameen has continued to be able to incur low costs as a lending agency compared to the costs of other lenders. This has been accomplished by maintaining low transaction costs. Fortunately, Bangladesh has a high population density, which reduces the time staff members must travel to the borrowers’ community. Thus food, travel, and wage costs are reduced. Furthermore, over the course of Grameen Bank’s history, the government has not been too involved with the institution. From the beginning, Grameen Bank did not have to produce budget estimates, meet targets, or set-up extra committees that would limit the experimental part of microcredit in Bangladesh. Therefore, speedy adjustments could be made in response to field experience (Sarker, 2001).

Bank Rakyat of Indonesia Overview

Indonesia consists of 17,000 islands with a population of 180 million people, the fifth largest country in the world. Of the 180 million people, 80% live in rural areas (Panjaitan-Drioadisuryo & Cloud, 1999).

Indonesia is similar to Bangladesh in that Indonesia is mainly Muslim, and the women in both countries are not forced to practice purdah (the practice of concealing women from men). This allows women to move freely from community to community and to travel alone. Because Indonesia gives women more freedom than many other Islamic countries, "Indonesia is recognized as an area where women possess high status, and female autonomy has long been recognized" (p.772). It is normal for a husband and wife to work as a team for the benefit of their family. Men usually work in agriculture, whereas women trade, weave cloth, and make rattan handicrafts. Nevertheless, the poverty line for a family's salary is under $96 a year.

To begin the microcredit process, BRI surveys communities to identify potential clients. Once it chooses a community, BRI asks the members to form groups of 8-16 people that have similar job aspirations or skills. The groups create a business plan that also consists of a budget concerning how they would use the loan. Once the business plan is completed, BRI evaluates the feasibility of the business plan, which takes 2-3 weeks. If the business plan is feasible, the group can apply for a loan. Each member gets an equal share of the loan, and, over time, the group has access to more capital. If the business plan is not feasible, the group must revise the plan and submit it to BRI for approval. Throughout this process, the government and NGOs act as intermediaries between BRI and the poor by giving loan referrals, helping with applications and business plans, training, and giving guarantees to lenders. Types of training that are offered include leadership, group management, tips on starting a business, marketing, business evaluation, and business management.

BRI mainly targets women because they "consistently devote much of their income to investments in the family's human capital; to expenditures on more nutritious food, more education, better health care, and more effective ways of limiting their own fertility" (p. 771). Thus, women are more reliant than men to pay back their loans. For further insurance, BRI uses the groups that the women form as social collateral rather than using physical collateral. If the woman who receives the loan cannot pay it back, a loan restructuring may occur or the other women will help pay for the loan. The last insurance BRI uses is giving the loans to the women at market interest rates because it reduces incentives for local leaders to abuse the microcredit system.

Success of Bank Rakyat of Indonesia

Indonesia has come a long way since the introduction of micro-credit into its rural regions. Not only has micro-credit allowed Indonesia to become self-sustainable in rice production, but also women's participation in the family has become much more important. Women have an increased role in decision making. By giving women more power to help run the family, more money is used to invest in healthy foods and education for their children. Also, fertility rates have been reduced (p. 772).

In a survey taken in Lombok, Indonesia in 1999, the success of micro-credit is clear. Out of borrowers surveyed, 54% of them were able to increase product differentiation and quantity of products for their business and 34% of them expanded their business to meet business demand (p. 775). Because of the micro-loan, 60% of the borrowers partook in two or more economic activities in order to provide for their families. Because of this, BRI borrowers contributed to about 42% of their families' income. Also, 100% of the borrowers opened a savings account, which will help them save for large expenditures such as their children's education. In addition to the borrowers investing in their businesses, they also provided money to other family members so that they could buy assets for their businesses.

Numerous decision making changes occurred due to BRI. Normally, men made most decisions for business and family. However, borrowers made decisions on their own concerning business expenditures and savings. Also, the husband and wife made joint decisions with family matters such as education, household expenditures, contraception, family size, and participation in community events. The combination of the extra income and new family decision-making structure resulted in a few positive changes for the family. As income levels increased, parents had higher aspirations for their children's education. Furthermore, many families spent more on food. Only half of families that did not receive loans ate three meals a day, whereas 93% of the families of borrowers ate three meals a day. Those who did not receive loans mainly ate rice and vegetables, but 73% of the families of borrowers ate fish once a day. Fish were caught by borrowers and non-borrowers, but non-borrowers had to sell the fish in order to pay for other living expenses. Lastly, borrowers spent more time on business, so their husbands, daughters, and sons did more work around the house.

Income increased substantially for many borrowers. The average income increased by 112%. A small percentage of borrowers had a lower income, but it was due to their husbands using the money for purposes unrelated to business. Nevertheless, 90% of the borrowers moved above the poverty line. A summary of these results is in Figure 3.

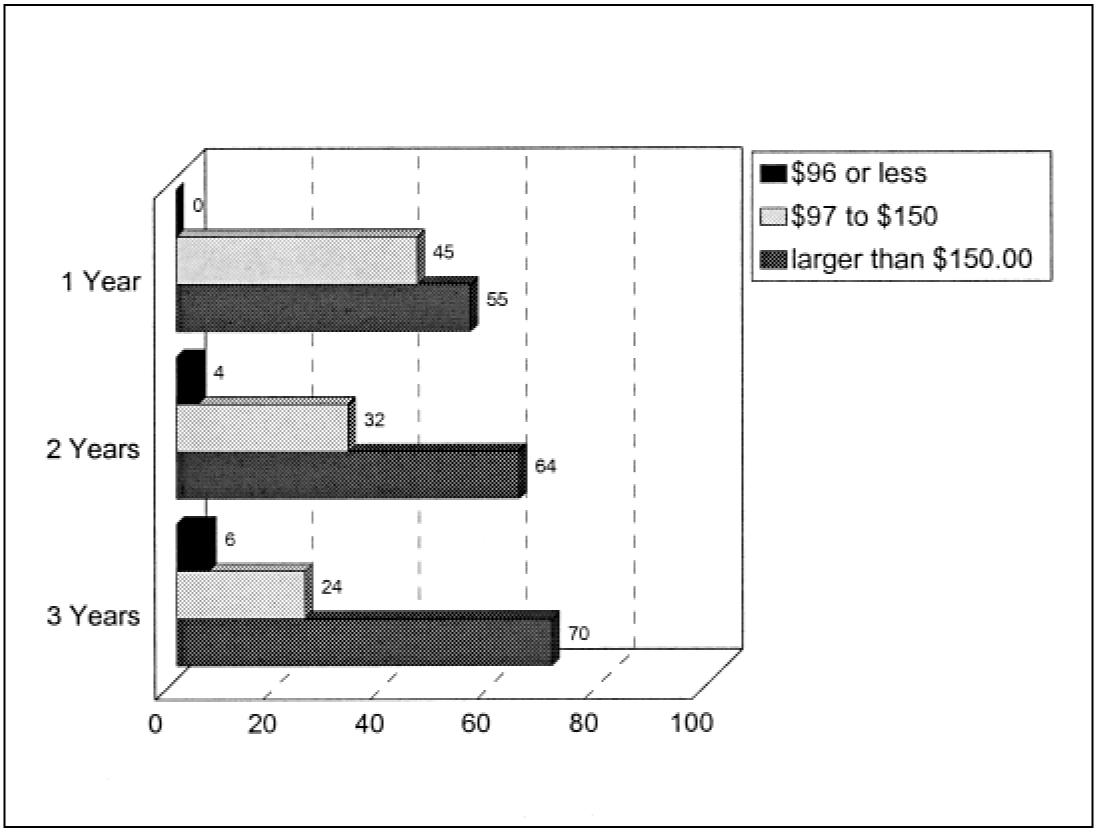

Figure 3: Income of sample members based on length in the project (Panjaitan-Drioadisuryo & Cloud, 1999)

Amanah Ikhtiar Malaysia Overview

Ever since Malaysia's independence from Great Britain in 1957, Malaysia has had rapid economic growth, an increase in government involvement in social welfare programs, and the introduction of micro-credit programs. The Malaysia poverty rate changed from 49.3% in 1970 to 16.5% in 1990 to only 3.6% in 2007 (Al-Mamun, Adaikalam, & Wahab, 2012).

In 1987, the Malaysian Ministry of Finance funded Amanah Ikhtiar Malaysia to become the first and only micro-credit lender in Malaysia that lends to the poor and hardcore poor (Hardcore poor means people whose income is less than half of the poverty rate). AIM not only provides micro-loans, but also provides training programs that help borrowers learn entrepreneurship, accounting, financial management, and business communication skills (Al-Mamun, Marlarvizhi, Hossain, & Tan, 2012).

In addition to creating human capital with various training programs, AIM builds social capital by functioning as a “group based Grameen Bank model” in which the borrowers meet in the town center weekly to “exchange information and ideas with AIM officials and each other” (Al-Mamun et al., 2012). AIM provides the poor with three types of loans: economic loans, education loans, and housing and multi-purpose loans. If the borrower is unable to make his or her payments, no legal action is taken against the borrower. Currently, AIM has 87 branches in Malaysia consisting of 6,646 centers and 254,116 clients. A total of 82% of the poor and hardcore poor households in Malaysia have been reached by AIM.

Success of Amanah Ikhtiar Malaysia

According to Sukor and Gibbons (as cited in Al-Mamun et al., 2012), after AIM’s first three years as a micro-lender, borrowers increased their monthly income by 55%. In The Second Internal Impact Study (as cited in Al-Mamun et al., 2012), 90% of the borrowers increased household family income, and per capita income increased from an average of RM 40 to RM 73. By 1994, the borrowers’ housing conditions improved, household savings increased from an average of RM 33.11 to RM 211.25, and expenses for food, nutrition, and education increased. The Third Internal Impact Study (as cited in Al-Mamun et al., 2012) discovered that money was being used to reinvest into the expansion of the borrowers’ businesses. Furthermore, the study found that overall quality of life in rural Malaysia increased with the help of AIM. Quality of life is defined as “size of the house, number of storeys, number of rooms, structural condition, materials used in walls, roof and floor; sources of drinking water, cooking fuel, toilet facilities and sources of light” (Al-Mamun et al., 2012, p. 3).

In a more recent study, income increased for 45.3% of the borrowers, increased greatly for 1.8% of the borrowers, stayed the same for 46.2% of the borrowers, and decreased for 6.6% of the borrowers (Al-Mumun et al., 2012). The decreases in income were mainly due to sickness, poor sales, and poor agricultural seasons. The increases in income were due to expansion of economic activities, adding new products, sales in new markets, and increased sales. For hardcore poor borrowers who participated in AIM for four years or more, many positive benefits were observed. First, 93.8% of hardcore poor borrowers were no longer hardcore poor. Secondly, 62.1% of the hardcore poor borrowers crossed the poverty line. Lastly, for borrowers who have participated in AIM for one to two years, 11% of them have crossed the poverty line.

Another study on AIM observed that 97.8% of the surveyed borrowers increased their income (Saad, 2010). Of those surveyed, 97.3% increased spending, 85% had better health, 87.6% could enroll their children in extra classes, and 88.6% could afford to send their children to higher education. Also, around 57% of borrowers could afford to pay zakah, which is one of the five pillars of Islam and is a mandatory payment to cleanse oneself from greed.

Currently, the AIM's repayment rate is 99.42% (Al-Mamun et al., 2012). Lastly, due to the large amount of women borrowers and change in the woman's role in the household, the Malaysian fertility rate has shrunk from 3.6 to 2.61 since the start of AIM ("Fertility Rate, Malaysia", 2010).

Measure of Success Defined

After analyzing Grameen Bank, Bank Rakyat of Indonesia, and Amanah Ikhtiar Malaysia, several key success features are noticed, which can be seen in Table 2. Each micro-credit organization has a high repayment rate with many borrowers passing the poverty line (according to Sarker (GB), Panjaitan-Drioadisuryo (BRI), and Al-Mamun (AIM)). AIM lists two percentages: the top percentage (62.1%) is for hardcore poor borrowers who have been involved with AIM for four or more years and the other percentage (11%) is for poor borrowers who have been involved with AIM for one to two years.

Another key issue is women empowerment. Women empowerment is defined as women gaining a larger role in their families with respect to decision-making and income creation. All three organizations exhibit this characteristic, which has altered the lives of many families. The loans gave the borrowers money so that they could increase productivity in their business and reinvest in their businesses when necessary. Thus, the borrowers' wages increased, which increased the borrower's contribution to household income. With more income, families invested more money in health, nutrition, and education and opened savings accounts for future investments.

In addition to helping alleviate the poor and enabling women, fertility rates among the poor decreased in all three countries. This was not only due to women increasing their role in the family decision-making, but also women's role in family consumption. Women became more important in adding to household income; therefore, a woman giving birth to more children would make continuing her business more difficult.

Lastly, GB, BRI, and AIM have allowed poor families to gain some independence. The rural borrowers in Bangladesh are no longer dependent on the rural power elites and can, therefore, independently vote in governmental elections; the Indonesian borrowers have become self-sustainable in rice production, so now they do not need to depend on government subsidies;

and 57% of the Malaysian borrowers who could not afford to pay zakah can now afford to pay tribute to their God.

Table 2: Summary of GB, BRI, and AIM

Micro-credit Successes	**Micro-credit Organizations**		
	GB	*BRI*	*AIM*
Repayment Rate	97%	97%	99.42%
Borrowers crossed the poverty line	58%	90%	62.1% 11%
Women Empowerment	Y	Y	Y
Increase in Productivity	Y	Y	Y
Increase in Wage	Y	Y	Y
Contribution to Household Income	Y	Y	Y
Increase in Health	Y	Y	Y
Increase in Nutrition	Y	Y	Y
Increase in Education	Y	Y	Y
Exploitation of moneylenders	N	N/A	N/A
More Independent	Y	Y	Y
Decrease in Fertility Rates	Y	Y	Y
Reinvest in Business	Y	Y	Y
Opened a Savings Account	Y	Y	Y

Human Development Indicators

In an earlier section in this essay, Yunus (2007) argues that microcredit organizations have an impact on various social and economic indicators. Thus, the Human Development Index, Health Index, Expected years of schooling Index (for children), Income Index, and Population with at Least a Secondary Education Index are analyzed for Bangladesh, Indonesia, and Malaysia in order to further exemplify the importance of these micro-credit organizations. A summary of these indices can be seen on Table 3. Note that “Start” gives the index value for the closest time to the beginning dates of GB (1980), BRI (1980), and AIM (1990). Also, “Now” refers to the time when the most recent information was gathered on the indices, which is 2011.

The Human Development Index (HDI) measures the combination of three measures of human development: “a long and healthy life, knowledge, and a decent standard of living” (Human Development Reports, 2011). In Bangladesh, Indonesia, and Malaysia, HDI has increased dramatically, especially in Bangladesh. This implies that a combination of education, health, nutrition, and living conditions has improved in these three countries. Another important factor to notice is that Malaysia’s .761 HDI has eclipsed the ‘high development’ benchmark (.742) according to the Human Development Reports.

The Health Index (HI) measures life expectancy at birth for a given country. Bangladesh and Indonesia have moved from being closer to ‘low health index’ in 1980 to almost reaching the ‘medium health index’ (.784). Malaysia’s HI is closing in to developed nations such as the United States, which has a HI of .923 compared to Malaysia’s HI of .855.

The Expected years of schooling index (for children) has increased dramatically for Bangladesh, Indonesia, and Malaysia. In 1980, Bangladesh was a year below the ‘low human development’ benchmark of 5.3 years, but now Bangladeshi children are expected to attend school for 8 years, which is the current “low human development’ benchmark. Indonesia has moved from ‘medium human development’ to almost ‘high human development.’ Lastly, Malaysian children attend school for one year more than other countries at the ‘medium human development’ benchmark.

The income index looks at GNI per capita with the 2005 purchase power parity International dollar. Bangladesh and Malaysia improved in relation to the human development benchmarks. However, Indonesia has moved from ‘medium human development’ to ‘low human development.’ Although Indonesia’s income index has increased, its income has not increased as fast as other countries. The clients of BRI experienced an increase in wages and household income. However, the increase in income from the clients is only a small portion of the income in Indonesia. The increase is even smaller when the income is divided per capita. Therefore, other factors seem to affect the income index more than microcredit does. Since income increases can be affected by many aspects, the income index does not accurately reflect the benefits of microcredit.

Population with at least a secondary education index displays the percentage of people aged 25 and older that has attained a secondary or higher level of education. The index is a ratio of the female rate to the male rate. Thus, a ratio equal to one means that an equal number of men and women have attained a secondary or higher level of education. If the ratio is above one, then more women have attained a higher level of education. If the ratio is lower than one, then the opposite is true. Bangladesh, Indonesia, and Malaysia have made large improvements in this index. Bangladesh and Indonesia have gone from having less than half as many women as men obtaining a higher level of education to having seven women for every 10 men obtaining a higher level of education. Malaysia is close to having an equal amount of men and women gaining a higher level of education.

To conclude this section, in this essay’s analysis, a microcredit organization is successful if the organization has a high repayment rate, borrowers cross the poverty line, women empowerment is enabled, borrowers contribute to household income and gain more independence, money is left over to reinvest in the borrower’s business or invest in her savings account, fertility rates decrease, and productivity, wage, contribution to income, health, nutrition, and education increase. Also, improvements in the previous indices except for the income index should be seen.

Table 3: Human Development Indicators for Bangladesh, Indonesia, and Malaysia

Country Statistics	**Countries**					
	Bangladesh		*Indonesia*		*Malaysia*	
	Start	2011	Start	2011	Start	2011
Human Development Index	0.197	0.415	0.346	0.584	0.631	0.761
Health Index	0.556	0.772	0.593	0.779	0.789	0.855
Expected years of schooling (for children)	4.4	8.1	8.7	13.2	9.8	12.6
Income Index	0.253	0.391	0.369	0.518	0.595	0.704
Population with at least a secondary education	0.212	0.723*	0.47	0.716*	0.757	0.885*
Fertility Rate	6.2	2.55	3.7	2.23	3.6	2.64

*Index measured from 2005

Source 1: Human Development Reports (2011): http://hdr.undp.org/en/

Source 2: Index Mundi (2010): http://www.indexmundi.com

Chapter 3: Analysis of Tulay sa Pag-unlad, Inc., Pro-Mujer, and South Pacific Business Development

In this section, Tulay sa Pag-unlad, Inc. (Philippines), Pro-mujer (Bolivia), and South Pacific Business Development (Samoa) will be analyzed to see if they are successful based on the measures in the previous section. Tulay sa Pag-unlad, Inc. (TSPI), Pro-mujer (PM), and South Pacific Business Development (SPBD) are replications of GB's business model.

The Philippines, Bolivia, and Samoa have numerous similarities to Bangladesh, Indonesia, and Malaysia. All three countries have similar health indices (Philippines - .769, Bolivia - .735, Samoa - .827), life expectancies (Philippines – 71.94 (133), Bolivia – 67.9 (158), Samoa – 72.66 (128)), and net migration rates (Philippines - 157, Bolivia - 149, Samoa - 211) (International Human Development Indicators, 2012). Note that the number in the parentheses following the first number is the country's rank compared to all other countries in that category. Also, net migration rates are displayed as the country's rank among other countries. The Philippines and Samoa have comparable population densities and climates to Bangladesh, Indonesia, and Malaysia; however, Bolivia has a low population density and has a tropical climate in some places and a cooler climate in the mountainous regions. These differences are not important because PM operates in the cities of Bolivia, which have high population densities. Also, many large cities in Bolivia are located in tropical regions such as Santa Cruz and Cochabamba. The ratio of women to men getting a secondary education in the Philippines and Bolivia is similar to that of Bangladesh, Indonesia, and Malaysia (Philippines – 1.014, Bolivia - .761), but no information on this ratio is found on Samoa in the Human Development Reports. Furthermore, the GDP growth rates of the Philippines and Bolivia are about the same as the GDP growth rates of Bangladesh, Indonesia, and Malaysia (Philippines – 4.8% (64), Bolivia – 5%

(58), Samoa – 1.5% (152)). However, Samoa has a lower GDP growth rate, which may have to do with the fact that Samoa is located in the South Pacific and is far from countries that want to trade with it. Lastly, the fertility rates of the Philippines, Bolivia, and Samoa are slightly higher than those of Bangladesh, Indonesia, and Malaysia, but the difference is insignificant.

Some of the key differences between the Philippines, Bolivia, and Samoa and Bangladesh, Indonesia, and Malaysia are religion and location. Out of the three organizations analyzed in this section, only one (TSPI) is located in a country (Philippines) in southern Asia. Nevertheless, the citizens of these countries live in similar climates and have fairly similar professions. Also, the Philippines and Bolivia are Catholic and Samoa is primarily Protestant (The World Factbook, 2013). Although there are some differences between these countries, the similarities show that the Philippines, Bolivia, and Samoa share enough characteristics with Bangladesh, Indonesia, and Malaysia for qualification for analysis in this section.

Tables 4 and 5 will summarize TSPI, PM, and SPBD at the end of this section.

Tulay sa Pag-unlad, Inc. Overview

TSPI is a Grameen Bank-based microcredit organization located in the Philippines. The Philippines has a population of 94.85 million people with 26.5% of the population below the poverty line (Philippines, 2011). About two-thirds of the Philippines' population live in urban areas ("Philippines - rural population," 2010). Due to the Philippines being highly Catholic, TSPI was founded as a religious NGO in 1981 and partners with churches, Christian groups, and other organizations. TSPI primarily operates in Luzon, which is the largest and most populated island of the Philippines with about 44 million people (Tulay Sa Pag-Unlad, 2012).

In 1981, TSPI only had 25 clients; today, TSPI has 271,000 clients, 99.3% of whom are women. Also, TSPI has 1,400 staff members and 74 branches in the Philippines. By 1985, a little more than half of the population of the Philippines lived below the poverty line (Poverty and Welfare). Therefore, in 1986, newly elected president Corazon Aquino focused on getting NGO's to restore democracy in the Philippines (De Lara, 2008). A few years later, NGO's began to effectively help fight against poverty. By 2003, TSPI had 75,000 clients, 451 staff, and 32 branches (Grameen Foundations Gets $50,000 from AmEx, 2003).

Like GB, TSPI provides loans to groups of 20-40 people and holds weekly community meetings to talk about business, leadership, and entrepreneurship. About 3% of TSPI's loans are for housing, sanitation, healthcare, education, and micro-insurance, which have a low interest rate of 1% per month. These 'high social impact loans' promote TSPI's clients to invest in housing improvements, health, and education (De Lara, 2008).

Tulay sa Pag-unlad, Inc. Achievements

By 1984, TSPI was awarded "Partner of the Year for Job Creation Efficiency" and "Most Number of Jobs Created" by the Institute for International Development Incorporated and Maranatha Trust. Thus, after only three years, TSPI has helped its clients create jobs and essentially make its clients more productive than they previously were. TSPI's involvement with the very poor in the Philippines continued to be helpful, which resulted in TSPI being recognized as a "Top 100 Microfinance Institution in Asia" in 2008. Even more impressive, TSPI has a 99.6% repayment rate and has helped in cutting the percentage of people below the poverty line in the Philippines in half (De Lara, 2008).

In a study (Dingcong, 1999) conducted in San Carlos and Tarlac, TSPI borrowers improved their economic condition in many ways. About 98% of the borrowers increased their income, 51% improved their living conditions, and 41% used the loans to reinvest in their businesses. Average income increased from P 3,116.00 to P 6,680.00 in two years. Furthermore, before the study began, only 62% of the ‘future’ borrowers saved money. Afterwards, about 96% of the borrowers were able to save. With additional income, borrowers increased spending on food, education, and housing repairs. Thus, the nutrient intake of the borrowers improved as well as the education for their children. Lastly, 96% of the borrowers improved their confidence, which is a building block to empowering women.

In another study (Cheston & Kuhn, 2002), 51% of the women borrowers claimed to be the “primary household fund manager,” which was an increase from 33% before the study began. Only 31% of the women in the control group were fund managers for their houses. Also, the percentage of women managing their “enterprise funds” increased from 44% to 87%. Enterprise funds include loans as well as family money that are put into the business. In addition to the women borrowers being more in charge with their businesses, 88% of the women borrowers included their daughters in their businesses and made their sons get more involved with work around the house.

Pro-Mujer Overview

Pro-mujer is a microcredit organization located in Bolivia, Nicaragua, Peru, Mexico, and Argentina, but PM Bolivia will be the focus for this section. Bolivia has a population of 10 million people, 51.3% of which live below the poverty line (The World Factbook, 2013). Founded in 1990 as an NGO, PM aims to eliminate poverty and improve health in urban developments in all 9 regions of Bolivia. As of today, PM has 103,936 clients, 735 staff, and 70 branches.

Like most GB models, most (97%) clients are women, and groups of 20 to 30 women work together in a group lending program. The program includes business and women empowerment training every two weeks, which includes education in domestic violence and gender issues, communication and leadership training, and healthcare workshops (Pioneering Women's Empowerment in Latin America, 2012). Loans can be taken out for business, education, and house improvements. Also, PM encourages women to save money every two weeks.

Pro-Mujer Achievements

` Pro-Mujer mainly focuses on women empowerment and health. As stated earlier, borrowers receive training in domestic violence, communication, leadership, gender issues, and healthcare workshops (Pioneering Women's Empowerment in Latin America, 2012). Health workshops include education in reproductive health such as HIV, AIDs, and family planning. Also, clinical screening and counseling services are provided. These workshops and other benefits resulted in women empowerment, an increase in child survival health, and better nutritional practices (Dunford, 2001). This argument is reinforced by a case study (Chiba & Velasco, 2006) that illustrated that clients were not afraid to speak up against a nurse in a pregnancy clinic. Furthermore, between 2005 and 2008, clients receiving pap exams increased from 14% to 41%. By 2010, 184,458 clients were involved in health education and training sessions. Other health benefits included access to a physician at least twice a week, and 25% of the borrowers had access to mobile clinics and health campaigns (Goobich, 2010).

In a study conducted by Chiba and Velasco (2006), women empowerment, independence, and an increase in income resulted from being a PM client. Borrowers were twice as likely to be involved in grassroots organizations and community projects because they had the ability and the time to volunteer. Also, 31% of the borrowers had a leadership role compared to only 13% of non-borrowers. In addition to women empowerment and independence, PM borrowers contributed to household income. First year borrowers contributed US $100 to household income, and borrowers of four years or more contribute US $119. Furthermore, a little over half of the borrowers made decisions on their own income, and 4% of the borrowers had no decision on their income. On the other hand, 44% of the control group made decisions on their own income, and 10% of the control group had no decision on their income. Thus, borrowers tended to have more decision-making power concerning family business issues.

South Pacific Business Development Overview

South Pacific Business Development (SPBD) is located in Samoa, Tonga, Fiji, and Solomon Islands, but this essay will focus on SPBD Samoa. Samoa has a population of 220,000, and 48% of its families live below the poverty line (South Pacific Business Development, 2013). Being one of the 50 least developed countries in the world, Samoa is a prime target for micro-credit institutions that strive to improve living conditions for its clients.

Samoa has an unusual living setting compared to other countries. Most people live in small villages and work in the agriculture, fishing, and tourism industries. The main source of water is rain water, and many people do not have electricity. Furthermore, numerous children are not in school full-time.

SPBD was founded in 2000. It uses the same methodology of GB in that women form small loan circle groups. Also, SPBD holds weekly meetings with its borrowers to teach financial literacy and business management. As of today, SPBD impacts around 13,000 families, which is approximately 40% of the population.

South Pacific Business Development Achievements

Despite being a young micro-credit organization, SPBD has positively impacted many people. Borrower’s children are forced to attend school full-time after joining SPBD. Thus, SPBD encourages children to become better educated. Also, loan sharks were prevalent in Samoa before SPBD. Now that the poor can access loans, loan sharks are almost non-existent, which means that loan sharks’ ‘prey’ are able to safely take out loans to help their businesses (South Pacific Business Development, 2013).

According to SPBD’s Microfinance Network Vice President James Vanreusel, a 2011 study by SPBD found that its borrowers increased their income. With a higher level of income, borrowers were able to put money into their SPBD savings account. As of today, SPBD has a 98.55% repayment rate (personal communication, March 14, 2013).

Table 4: Summary of TSPI, Pro-mujer, and SPBD

Micro-credit Successes	**Micro-credit Organizations**		
	TSPI	*Pro-mujer*	*SPBD*
Repayment Rate	99.60%	99%	98.55%
Borrowers crossed the poverty line	Y	N/A	N/A
Women Empowerment	Y	Y	N/A
Increase in Productivity	Y	Y	Y
Increase in Wage	Y	Y	Y
Contribution to Household Income	Y	Y	Y
Increase in Health	N/A	Y	N/A
Increase in Nutrition	Y	Y	N/A
Increase in Education	Y	Y	Y
More Independent	N/A	Y	N/A
Decrease in Fertility Rates	Y	Y	Y
Reinvest in Business	Y	N/A	N/A
Opened a Savings Account	Y	Y	Y

Human Development Indicators

In this section, five development indicators will be analyzed in the countries of TSPI, PM, and SPBD to note any improvements that could have been helped due to these micro-credit organizations. The development indicators are the following: HDI, HI, expected years of schooling (for children), population with at least a secondary education, and fertility rate. A summary of these indices can be seen on Table 5. Note that “Start” gives the index value for the closest time to the beginning dates of TSPI (1980), PM (1990), and SPBD (2000).

The HDI increased in the Philippines, Bolivia, and Samoa since the inceptions of TSPI, PM, and SPBD. All three countries are considered to have ‘medium human development.’ However, the increases in HDI are not as large as the HDI increases of Bangladesh, Indonesia, and Malaysia.

The HI increased for all three countries. The largest increase was in Bolivia, which could have been aided by PM's focus on poor women's health. Bolivia changed from being below 'low human development' in 1990 to almost eclipsing 'medium human development' in 2011. The Philippines' HI is still near the 'medium human development' benchmark, and Samoa is hovering by the 'high human development' benchmark.

The expected years of schooling for children has increased for all three countries. The Philippines, Bolivia, and Samoa are on the high end of 'medium human development' for this index, but it appears as though other countries are increasing the expected number of school years for children at a faster rate.

The population with at least a secondary education has increased in the Philippines and Bolivia, but the index has not been measured in Samoa. In the Philippines, more women are getting a secondary education than men, which could be in part due to TSPI empowering and educating women. Also, Bolivia changed from having 6 women for every 10 men receiving a secondary education to almost 8 women for every 10 men receiving a secondary education.

Lastly, the fertility rates have decreased in the Philippines, Bolivia, and Samoa. The most significant change occurred in Bolivia where PM focused on women empowerment, health, and health education. Samoa's fertility rate also decreased a large amount in only a span of 11 years.

Table 5: Human Development Indicators for the Philippines, Bolivia, and Samoa

Country Statistics	**Countries**					
	Philippines		Bolivia		Samoa	
	Start ('81)	2011	Start ('90)	2011	Start ('00)	2011
Human Development Index	0.55	0.644	0.507	0.66	0.657	0.688
Health Index	0.681	0.769	0.504	0.74	0.778	0.827
Expected years of schooling (for children)	10.2	11.9	12.8	13.7	12.1	12.3
Population with at least a secondary education	0.867	1.014	0.621	0.76	N/A	N/A
Fertility Rate	5.08	3.15	4.91	2.93	4.56	3.13

*Index measured from 2005

Source 1: Human Development Reports (2011): http://hdr.undp.org/en/

Source 2: Index Mundi (2010): http://www.indexmundi.com

Chapter 4: Conclusion

Tulay sa Pag-unlad, Inc. Concluding Remarks

TSPI has many of the success qualities that GB, BRI, and AIM share. Borrowers have been able to cross the poverty line, make more family decisions, contribute to household income, open a savings account, reinvest in their businesses, and increase productivity, wages, nutrition, and education. All of this has been accomplished while TSPI maintains a 99.6% repayment rate.

Nevertheless, TSPI should identify whether it helps improve its clients' health and increase the independence of poor families. Considering that borrowers' income has increased, nutrition and education has improved, and the Philippines' HI has increased, TSPI may have played a role in the improvement of the health of the borrowers.

Therefore, it is recommended that TSPI or an outside organization conducts a study on whether TSPI borrowers improve their health conditions and become more independent before making a conclusion on TSPI's success as a micro-credit organization.

Pro-Mujer Concluding Remarks

Like TSPI, PM has been a positive influence to its borrowers. Women borrowers have been educated in health, nutrition, and business leadership in a way that makes them more confident in themselves. Also, the borrowers increased their wages and independence, which has allowed them to open savings accounts, contribute to household income, and have more say in family decisions.

The measures of success that PM lacks are 'borrowers crossed the poverty line' and 'reinvest in business.' Like TSPI's measures of successes that were not documented, these measures of successes should be clarified before making a conclusion on PM. However, after analyzing the achievements of PM, it appears as though borrowers have crossed the poverty line. Thus, it is recommended that a study examines how many of PM's borrowers have crossed the poverty line. Also, a study should be conducted on how borrowers spend their income and loans. Do they spend their money on food, healthcare, business investments, education, etc., and how much money do they allocate for each expense?

South Pacific Business Development Concluding Remarks

SPBD is a fairly new micro-credit organization that has not been studied as much as the other micro-credit organizations. Although SPBD's borrowers have been able to save money and increase their income, productivity, and children's education, SPBD should conduct studies to measure the following: number of borrowers that cross the poverty line, women empowerment, health and nutrition improvements, independence, and borrower's money allocation of income and loans. Once these studies are completed, a conclusion can be made on SPBD's success in Samoa.

Bibliography

Al-Mamun, A., Adaikalam, J., & Wahab, S. (2012). Investigating the Effect of Amanah Ikhtiar Malaysia's Microcredit Program on Their Clients Quality of Life in Rural Malaysia.*International Journal of Economics and Finance*, *"4(1)"*. retrieved Jan 5 2012, from www.proquest.com

Al-Mamun, A., Malarvizhi, C., Hossain, S., & Tan, S. (2012). Examining the effect of microcredit on poverty in Malaysia. *ASEAN Economic Bulletin*, *"29(1)"*. retrieved Jan 5 2013, from muse.jhu.edu

Bangladesh - Fertility Rate. (2010). retrieved Mar 12 2013, from Index Mundi Web Site: http://www.indexmundi.com

Belt, D. (2011). The Coming Storm. *National Geographic,* . retrieved Feb 17, 2013, from http://ngm.nationalgeographic.com

Bernasek, A. (2003). Banking on Social Change: Grameen Bank Lending to Women. *International Journal of Politics, Culture, and Society*, *"16(3)"*. retrieved Jan 7 2013, from http://www.jstor.org

Cheston, S. & Kuhn, L (2002). Empowering Women Through Microfinance. retrieved Feb 18, 2013, from http://www.microcreditsummit.org

Chiba, S. & Velasco, C (2006). *Expanding Impact: Innovations in Cost-effectively Integrating Microfinance with Education in Health*. retrieved Feb 20 2013, from Microcredit Summit Web Site: http://www.microcreditsummit.org

De Lara, R. C. (2008). Microfinance A Covenant with the Poor. retrieved Feb 18, 2013, from http://www.mixmarket.org

Dingcong, C (1999). Mid-term Evaluation of the Increasing Kabuhayan Outreach Project. , . retrieved Feb 18, 2013, from http://www.mixmarket.org

Dunford, C. (2001). *Building Better Lives: Sustainable Integration of Microfinance and Education in Child Survival, Reproductive Health, HIV/AIDs Prevention for the Poorest Entrepreneurs*. retrieved Feb 20 2013, from Microcredit Summit Web Site: http://www.microcreditsummit.org

Fertility Rate, Malaysia. (2010). retrieved Jan 7 2013, from World Bank Web Site: http://www.worldbank.org/

Garrido, J. (2008, Nov, 08). *Microfinance Group Transforms Lives of Latin American Women*. retrieved Feb 24 2013, from New Mexico News Web Site: http://newmx.us

Goobich, S. (2010). *Pro Mujer in Bolivia*. retrieved Mar 13 2013, from Health Market Innovations Web Site: http://healthmarketinnovations.org

Grameen Foundations Gets $50,000 from AmEx. (2003). *BusinessWorld*. retrieved Feb 18. 2013, from www.lexisnexis.com

Hossain, F., Rees, C., & Knight-Millar, T. (2011). *Microcredit and International Development : Contexts, Achievements and Challenges.* New York, New York: Routledge.

Indonesia - Fertility Rate. (2010). retrieved Mar 12 2013, from Index Mundi Web Site: http://www.indexmundi.com

International Human Development Indicators. (2012). retrieved Mar 12 2013, from Human Development Report Web Site: http://hdrstats.undp.org

Johnston, D. & Murdoch, J. (2007). *Microcredit vs. Microsaving: Evidence from Indonesia*. retrieved Dec 10 2012, from siteresources.worldbank.org

Littlefield, E., Murdoch, J., & Hashemi, S. (2003). *Is Microfinance an Effective Strategy to Reach the Millennium Development Goals?*. retrieved Dec 13 2012, from Institute for Financial Management and Research Web Site: http://ifmr.ac.in/

Malaysia - Fertility Rate. (2010). retrieved Mar 12 2013, from Index Mundi Web Site: http://www.indexmundi.com

microcredit. (2013). In *Encyclopedia Britannica.* Retrieved from http://www.britannica.com/EBchecked/topic/1076284/microcredit

Microfinance Frequently Asked Questions. (2013). retrieved Jan 5 2013, from CGAP Web Site: http://www.cgap.org/about/faq

Mitra, S. (2007). *Macro impact of microcredit.* The Claremont Graduate University). *ProQuest Dissertations and Theses*, 142-n/a. Retrieved from http://search.proquest.com/docview/304891127?accountid=13158. (304891127).

Panjaitan-Drioadisuryo, R. & Cloud, K. (1999). Gender, self-employment and microcredit programs An Indonesian case study. *The Quarterly Review of Economics and Finance*, *"39(5)"*.

Philippines - rural population. (2010). retrieved Feb 18, 2013, from Index Mundi Web Site: http://www.indexmundi.com

Philippines. (2011). retrieved Feb 18, 2013, from The World Bank Web Site: http://data.worldbank.org

Pioneering Women's Empowerment in Latin America. (2012). retrieved Mar 13 2013, from Pro Mujer Web Site: http://promujer.org

Population, Bangladesh. (2010). retrieved Jan 7 2013, from World Bank Web Site: http://www.worldbank.org/

Poverty and Welfare. (n.d) retrieved Mar 8 2013, from Country Studies Web Site: http://countrystudies.us

Religious Groups in the Philippines. (1998). retrieved Feb 18, 2013, from Northern Illinois University – Learning Today, Leading Tomorrow Web Site: http://www.seasite.niu.edu

Rural Population in Bangladesh. (2010). retrieved Feb 17, 2013, from Trading Economics Web Site: http://www.tradingeconomics.com

Saad, N. (2010). Achieving Human Development Objectives through Microfinance Institution: The case of Amanah Ikhtiar Malaysia. *Journal of Islamic Economics*, *"6(2)"*. retrieved Dec 20 2012, from http://www.ibtra.com

Sarker, A. (2001). The secrets of success: the Grameen Bank experience in Bangladesh. *Labor and Management in Development*, *"2(1)"*. retrieved Dec 13 2012, from http://www.nla.gov.au

Schuler, S., Hashemi, S., Badal, S. (1998). Men's Violence against Women in Rural Bangladesh: Undermined or Exacerbated by Microcredit Programmes?. *Development in Practice*. *"8(2)"*, 148-157.

South Pacific Business Development. (2013). retrieved Mar 08 2013, from SPBD Web Site: http://www.spbdmicrofinance.com/

Taylor, C. (2002). Microcredit as model: a critique of state/NGO relations. *Syracuse Journal of International Law and Commerce*. *"29(2)"*, 303-338.

The World Factbook. (2013). retrieved Mar 11 2013, from Central Intelligence Agency Web Site: https://www.cia.gov

Tulay Sa Pag-Unlad, Inc.. (2012). retrieved Feb 18, 2013, from MCPI Web Site: http://www.microfinancecouncil.org

Wahid, A. N. M. (1993). *The Grameen Bank: poverty relief in Bangladesh.* Boulder: Westview Press.

Yunus, M. (2007). Credit for the poor: poverty as distant history. *The Free Library*. retrieved Feb 17, 2013, from http://www.thefreelibrary.com

ACADEMIC VITA

Jason LaFata

1911 Squire Court

Wyomissing PA 19610

____

Education

B.S., Finance, Spring 2013, The Pennsylvania State University, State College, PA

B.A., Philosophy, Spring 2013, The Pennsylvania State University, State College, PA

Minor in International Business

Honors and Awards

Schreyer Honors College Academic Excellence Scholarship

Jabir Shibley Memorial Scholarship in Philosophy

Association Memberships/Activities

Global Business Brigades Executive Board and Fundraising Chair, Phi Chi Theta Professional Business Fraternity, Innoblue, Blue & White Consulting

Professional Experience

Financial Management and Analysis Advisory Intern
PricewaterhouseCoopers LLC, Summer 2012