RESEARCH ARTICLE

WHY DO MICROFINANCE INSTITUTIONS AVOID REAL POOR? EVIDENCES FROM GRASSROOTS BANGLADESH

Mohammed Mamun Rashid
Department of Media Studies and Journalism, University of Liberal Arts Bangladesh (ULAB).
Adjunct Faculty, Department of Media Studies and Journalism, University of Liberal Arts Bangladesh (ULAB)
Email: rashidmamuns@yahoo.com

A K M Zahidul Haque
Faculty of Business & Law, Curtin University, Perth, Australia; Research Associate,
International Research Collaboration Bangladesh-ircb

Khandker Md Maruf Hossain
Department of Open School, Bangladesh Open University (BOU), Dhaka, Bangladesh

Abstract : Microfinance model carriesa scholarly debate inBangladesh, as well as globally. This study aimed to depict the socio-economic conditions of Jaladas. Two Jaladas villages were study locations where an endeavor was madeto find the major causes of avoiding such communities from microfinance services. Total of 100-household survey were conducted, using random sampling. Commercial entrepreneurs are mostly profit-centric, overexploiting fisheries resources and adversely affecting the sustainable livelihoods of Jaladas. In addition, several exogenous and endogenous factors, such as climate change, sea piracy, weak policy implementation, limited set of skills, psychological barriers to switching occupations,and inadequate employment opportunities, among others, fall into multi-dimensional poverty. Symptoms of extreme poverty in terms of income, fishing assets, housing, water and sanitation, basic services, and social exclusion were highly visible in one fishing village studied. Microfinance Institutions (MFIs) avoid the real poor due to plights of extreme poverty, uncertainty of loan repayment, cultural ill-treatment, and lack of strong monitoring andscrawny policy implementation mostly by the Microcredit Regulatory Authority (MRA). This study urges state and global donor organizations to pay urgent and special attention to the political and socio-economic empowerment of Jaladasto ensure their sustainable well-being.

Keyword: Microfinance, institutions, Jaladas, poverty,sustainability, well-being

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Introduction

Wilhelm Raiffeisen and Swift developed the concept of microfinance.Assistance to poor rural people, breaking out of their dependency on moneylenders, and improvingwelfare are significant motivational factors for initiating suchaltruistic action.The main purpose was to provide small loans with interest in the short term.Microfinance institutions (MFIs) expanded rapidly fromthe 1870sin Rhine Province and other areas of Germany (Guinnane, 1997). In 1976, Nobel Laureate Professor Dr. Muhammad Yunusintroduced the concept ofmicrofinance as a means of povertyalleviation and enlightened the lives of the very poorest populations of Bangladesh (Mader, 2015).

Katsushi and Azam (2012) argued that microfinance, as a method of poverty reduction, has been anissue in scholarly debates inBangladesh as well as globally. Microfinance has a myriad impact on improving education, health, sanitation, social mobility, income-generating activities, decision-making, and particularly on women's empowerment in Bangladesh (Zohir& Matin, 2004).Biplob and Abdullah (2019) claim that conventional MFIs in Bangladesh are profit-centric and charge very high interest rates. The Association for Social Advancement (ASA, 2023), a leading MFI in Bangladesh, reported that it reached 7.28 million members and disbursed loans amounting to USD 4.48 billion among clients. Income was USD 592.15 million in the same financial year, mostly from loan service charges.

Maîtrot(2019) indicated that practices of MFIs of Bangladesh are ill-treated like low client-selection standards, forceful loan renewal, limited follow-up on utilization of loans,abusive and violent client-retention, etc. Their practice is far from the regularly reported 'mission drift'.Uddin (2014) revealed that the relationship between microcredit group membership and enhancing social capital (i.e., norms of reciprocity,new social networks, shared identity, and collective action among microcredit debtors) ismuch less prominent. Rashid (2017) also mentioned that 51.29% and 6.27% of microfinance clients are moderately andhighly dissatisfied with the services provided by frontline organizations in Bangladesh, respectively.

Scully (2004) identified that microfinance did not reach disadvantaged people in Bangladesh. Khan (2009) claimed that some leading MFIs avoid the poorest of the poor to bring under loan services.Against this backdrop, the aim of the existing paper is to describe the conditions of Jaladas(e.g., slave of water and engaged with small-scale marine fishing) from secondary sources and examine their socio-economic positions, including access to loans through primary data analysis. An effort was made to identify the major causes to avoid Jaladasfrom microfinance services.

Fisheries and Jaladas in Bangladesh

Global fish production was 174.6 million metric tons in 2020. It was 148.1 million metric tons in 2010(Food and Agriculture Organization [FAO], 2022). Bangladesh positioned 2nd for freshwater fish production. Bangladesh ranked 5th for fish cultivation after China and India which secured 1st and 2ndpositions respectively, in the world (FAO, 2020). Fishing is always risky and one of the primitive occupations in the history of human beings. Small-scale Fishing (SSF) in inland and marine zones has contributed significantly to employment, food security, supply chains, and socio-economic development. Rashid et al. (2020) revealed that Asia, especially South Asian countries, contributes for a lion share which isalmost 90% in the global fish production. SSF communities in South Asian countries have been endangered by several difficulties, such as the absence of governance,illegal, unregulated, underreported fishing, and adverse effects of climate change.

The fishery resources of Bangladesh are divided into two main categories: marine fisheries and inland fisheries. Marine fish are an important source of per capita food (protein) consumption, and play a vital role in the national economy. Bangladesh has an Exclusive Economic Zone (EEZ) of 166,000 square kilometers. It also has territorial rights of over 200 nautical miles. The Department of Fisheries (DoF, 2020) has confirmed that marine capture fisheries contribute to 14.90% of the total fish production. The Marine Fisheries Office (MFO, 2019) revealed that the SSF contributed to 83.72% of all marine catches. Khan and Latif (1997) claimed that the economic conditions of SSF communities and other groups in this sector are adversely affected by certain exogenous factors. Islam (2011) also indicates that SSF communities in Bangladesh facechallenges in multi-dimensional poverty.

Historically, marine fishermen in Bangladesh have been categorized into different castes and sub-castes of the Hindus. The Census of 1901 clearly revealed that there were 550,000 fishermen in Bengal, of which over 95% were Hindus (Pokrant & Rashid, 1995). Several studies have proven that Jaladas are low-caste Hindus belonging to SSF communities and catch fish in the Bay of Bengal of Bangladesh from generation to generation (Associated Services, 1979; BOBP, 1985; Ahmed, 1994; Alam, 1996). Alam (1996) identified Jaladas as socially neglected, powerless, and seriously deprived of economic benefits. Their personal freedoms are encircled bythe wishes of the Muslim moneylenders. Entrepreneurs slowly establish control over natural resources, and it is anticipated that Jaladas communities will be de facto waged labor by investors. Jentoft and Midré (2011) also mentioned that traditional Hindu fishing communities not only suffer from income erosion but also other forms of poverty, such as poor access to healthcare, malnutrition, poor sanitation,and lack of education.

Jonayed (2009) indicates that debt is a fatal cause of social distress in fishing communities. Fishermen receive dadan (advance money as loans) for different reasons (e.g., repair and buy nets, boats, and other fishing gear, bearing accidental costs, treatment for sickness, ransom to sea pirate, dowry of marriage and rituals, living expenses during off-season, etc.) on the condition that fishermen will supply their catches to Dadandar (informal moneylenders). Dadandar exploits fishermen by fixing fish prices below the real market price. The tale of dadan is very painful and pathetic; it enslaves the social and personal freedom of fishermen.Dastidar (2009) revealed that the economy of Jaladascommunities in Bangladesh has changed due to technological innovation by financial investors. It also transforms the socio-economic conditions in Jaladas communities. Formations of new socio-economic classes, changing production relations, and broad physical and psychological conflicts between small-scale fishers and capitalist groups have increased. Moreover, conflicts increase over the control of faars (spaces for fixing-up nets) due to demographic expansion in Jaladas communities and influx of newcomers in fishing, mostly Muslims. Deb (2010) stated that Jaladas are primarily dependent on income from natural resources and their mode of engagement with income-generating activities. Low-income fishermen are not only at a high risk of malnutrition but also living with a humiliated social status. Rashid (2016) claimed that Jaladas are eco-friendly.

Method and Materials

This study was conducted in two fishing villages in Bangladesh.The North Salimpur Fishing Village is located at 10 No. Salimpur Union Parishad (UP), Sitakunda, Chittagong. On the other hand, South Dhurung Fishing Village is at2 No. South Dhurung Union Parishad (UP), Kutubdia, Cox's Bazar. The key considerations for the selection of the two study villages are that Jaladas live in the two villages and engage with marine fishing from many generations. Fishermen use different fishing methods and involvevarious types of production organizations and relations as well as marketing linkages. Moreover, one fishing village is located on a remote island and another fishing village is in an industrialized zone.

Fieldwork was conducted from July 2020 to February 2021. Gambino and Silva (2009) argue that household surveys are a particular category of social surveys. A household surveywas conducted using a quantitative research technique. North Salimpur and South Dhurung Fishing Village had 408 and 190 households, respectively, involved in fishing activities. The total sample was 100 (half of each village) for household surveys in the two fishing villages. The authoradopted a random sampling technique, as Singh and Masuku (2014) argued that random sampling is unbiased compared with other sampling methods and provides a better estimate of parameters. Each unit has the same probability of inclusion.

Head of household, willingness to provide information, living in the study village, mentally sound, and minimum age of 18 years were major inclusion criteria to be respondents of the household survey.Respondents gave written consent for participation. Issues such asemployment, income, land ownership, housing conditions, drinking water and sanitary latrines, electricity, fishing assets, access to financial support,scope of income-generating activities, and major barriers to obtaining microfinance services were included in the questionnaire. The author visited randomly selected houses and interviewed the heads of households using a printed questionnaire. Noteworthy, author collected name of NGOs from respondents working in two fishing villages. Then, author visited local office of respective NGOs to gather information.

Validity is a process to ensure data accuracy; and a method of accurate measurement which was intended to measure. Babbie (2020) emphasized face, content, and construct validity.The author ensured the aforementioned three aspects of validity during the questionnaire-led household survey. Two social workers (male and female) assisted the authorin rechecking the data provided by the respondents. In addition, the data were cross-checked with the neighbors of the respective respondents. The household survey data were limited in size. Thus, simple arithmetical analysis was performed using an Excel Spreadsheet.

Results

Employment

A household survey in North Salimpur Fishing Village reveals that out of 528 households, the heads of 408 households are fishermen. The forefathers were all fishermen. There are two reasons for leaving fishing occupation of 120 households. The heads of 85 households left the fishing profession because of very low financial benefits from fishing, torture by sea pirates, and lack of financial capital. Other households obtained better income opportunities because of their higher education, migration abroad, and engagement with businesses. Most migrants work for fishing, particularly in Libya and the Middle East. It was apparent that 62% of the respondents were full-time fishermen. Of the respondents, 38% were involved in fishing during hilsa(herring-type fish) season (i.e., mid-June to end-September). The proportion of full-time fishing is steadily decreasing because of fish decline in catchment areas.

It was revealed that father of 94% respondents were fishermen in South Dhurung Fishing Village and caught fish by country boat with sails and oars. Currently, 60% of respondents work as fishing laborers in a large mechanized fishing boat operated by the entrepreneur. Capital expansionists have gradually invested in the

fisheries sector, particularly for mid-sea fishing. This is one of the major reasons, marginalized fishers are pushed from their traditional occupation. Fishing laborers usually have to stay for nine months at sea to catch fish. Table 1 shows the employment of respondents with their grandfathers.

Table 1.Employment status of fishing households

Occupation Followed by Respondent, Their Father and Grandfather in South Dhurung (%); N = 50			
	Fishing (Full Year)	Fishing Labor (Full Year)	Total
Grandfather	100	-	100
Father	94	6	100
Head of the Family (Respondent)	40	60	100

Source: Field Survey, September 2020

Monthly Income

Income is a key indicator of economic growth. Table 2 shows the monthly household income of the two fishing villages.

Table 2.Monthly household income of two fishing villages

In Taka	North Salimpur (%); N = 50	South Dhurung (%); N = 50	National (%)
	Total (%)	Total (%)	
< 1,500	-	-	4.47
1,500 – 2,499	2	2	2.81
2,500 – 3,999	4	14	5.04
4,000 – 5,999	26	12	9.32
6,000 – 7,999	30	8	11.49
8,000 – 9,999	14	40	11.30
10,000 – 14,999	10	20	21.62
15,000 – 19,999	8	4	12.84
20,000 – 29,999	6	-	12.01
30,000 – 34,999	-	-	2.58
35,000 and up	-	-	6.52
Total	100	100	100

Source: Fieldwork, August and September 2020. HIES- 2016. 1 USD =Taka 84.83

Land Ownership

A total of 92% of respondents in North Salimpur Fishing Village are functionally landless (i.e., land is up to 0.05 acre) where father of 88% respondents was landless. In South Dhurung Fishing Village, 98% of the respondents were functionally landless, whereas father of 94% respondents was landless.

Condition of Houses

The conditions (walls) of the houses in the two fishing villages are shown in Table 3. In South Dhurung Fishing Village, the condition of houses is more deteriorated than that of slums. In common cases, rooms are badly ventilated, wet, dark, small, and infested by bed bugs. Thirteen to fourteen family members, comprising grandmothers and grandfathers, live in small houses and have trouble maintaining their privacy.

Table 3. Types of houses

Types	North Salimpur (%); N = 50	South Dhurung (%); N = 50	National (%)
	Total (%)	Total (%)	
Brick / Cement	10	16*	30.51
CIS / Wood	52	10	49.37
Mud / Brick / Wood	-	12	11
Fence / Straw / Bamboo / Leaves	38	62	8.81
Others	-	-	0.31
Total	100	100	100

Source: Fieldwork, August & September 2020. HIES- 2016. *Constructed by Bangladesh Navy

Drinking Water, Sanitary Latrine and Electricity

In NorthSalimpur Fishing Village, 56% of households have shallow tube-wells. Members of 98% households use a sanitary latrine (i.e., water-sealed). Each family had access to electricity. Moreover, 82% of households had a dish-line connection and television.

There is one small pond in the South Dhurung Fishing Village. People depend on six deep tube-wells for drinking water, washing clothes, and baths. The groundwater layer is usually reduced during winter. They face extreme water problems, particularly for women and adolescent girls. It was identified that the latrine of 24% of households is non-sanitary. There is no electricity in the village. The survey revealed that 32% of households use solar panels, with costs of Taka 25,000/-. The solar panel had the capacity to operate one small fan and three bulbs (i.e., 25 watts of one bulb).

Fishing Assets

One fisherman from North Salimpur said that the boats of traditional fishers were caravel-planked in solid wood. Theyhave installed small engines (i.e., 06 Horse-Power, H.P.) in traditional country boats since 1990. The mechanized boat was faster; thus,the fish were fresher during landing.

Table 4.Valuation of fishing assets between father and respondent in North Salimpur

Fishing Assets	Father		Respondent	
	No.	Present Value	No.	Present Value
Nets	589	8,835,000/-	345	5,175,000/-
Country Boat*	24	2,260,000/-	-	-
Wooden Boat (06 H.P.)	11	1,110,000/-	-	-
Wooden Boat (12 H.P.)	9	910,000/-	-	-
Fiberglass Engine-Boat (12 H.P.)	2	280,000/-	17	1,940,000/-
Fiberglass Engine-Boat (16 H.P.)	-	-	2	300,000/-
Fiberglass Engine-Boat (18 H.P.)	-	-	3	540,000/-
Fiberglass Engine-Boat (22 H.P.)	-	-	13	2,600,000/-
Fiberglass Engine-Boat (30 H.P.)	-	-	2	700,000/-
Total	635	13,395,000/-	382	11,255,000/-

Source: Fieldwork in August 2020. *The country boat is made of wood and operated with sails.

Field findings show that the value of fishing assets of respondents has decreased compared to their fathers (e.g., present value criteria and recall method). The fathers of respondents had fishing assets of Taka 13,395,000/-, and respondents had Taka 11,255,000/-. The value of fishing assets has decreased slightly.

Table 5. Valuation of fishing assets between father and respondent in South Dhurung

Fishing Assets	Father		Respondent	
	No.	Present Value	No.	Present Value
Nets	233	3,495,000/-	63	945,000/-
Country Boat	27	1,950,000/-	5	420,000/-
Wooden Boat (06 H.P.)	2	160,000/-	2	180,000/-
Wooden Boat (12 H.P.)	1	100,000/-	4	470,000/-
Total	263	5,705,000/-	74	2,015,000/-

Source: Fieldwork, September 2020

According to the present value criteria and recall method, the fathers of respondents had fishing assets of Taka 5,705,000/-. By contrast, the respondents had fishing assets of Taka 2,015,000/-. The value of fishing assets has dramatically declined because of forced out from traditional occupation to fishing labor in big boats.

Financial Debts

The household survey revealed that 50% of the respondents of North Salimpur Fishing Village had loans from Taka 40,000/- to 159,999/-. The survey also identified that 50% of the respondents of South Dhurung Fishing Village were out of the loan facilities. A total of 36% of the households took loans within Taka 49,999/-. Tables 6 and 7 show the debt positions of respondents in the two fishing villages.

Table 6.Debt position in North Salimpur

In Taka	Households (N = 50)	%
No loan	12	24
1 – 39,999	5	10
40,000 – 79,999	15	30
80,000 – 119,999	8	16
120,000 – 159,999	2	4
160,000 – 199,999	2	4
200,000 – 239,999	1	2
240,000 – 279,999	3	6
280,000 – 319,999	1	2
320,000 and up	1	2
Total	50	100

Source: Fieldwork, August 2020

Table 7.Debt position in South Dhurung

In Taka	Households (N = 50)	%
No loan	25	50
1 – 24,999	9	18
25,000 – 49,999	9	18
50,000 – 74,999	2	4
75,000 – 99,999	4	8
100,000 and up	1	2
Total	50	100

Source: Fieldwork, September 2020

Dependency to Financial Actors

Most take loans, particularly from relatives, neighbors, or friends, with overcharging rates (interest> 120 percent). Table 8 shows the dependency of the respondents on different financial actors.

Table 8. Loans of respondents to financial actor(s)

Indebted to	Interest Rate (Per Year)	North Salimpur		South Dhurung	
		Amount (in Taka)	Contribution of Actor (%)	Amount (in Taka)	Contribution of Actor (%)
Bank*	9	200,000/-	5.70	175,000/-	14.24
NGOs	24	920,000/-	26.21	424,000/-	34.50
Neighbor / Relative / Friend	>120	2,100,000/-	59.83	560,000/-	45.57
Shopkeeper	>80	290,000/-	8.26	70,000/-	5.69
Total	-	3,510,000/-	100	1,229,000/-	100

Source: Fieldwork, August and September 2020

Five NGOs, ASA, Building Resources Across Communities (BRAC), Community Development Center (CODEC), Society for Development Initiatives (SDI), and Village Education Resource Center (VERC) worked in North Salimpur Fishing Village from 2007, 2019, 1985, 2005, and 2006, respectively. Their loan outstanding was, as on August 31, 2020, Taka 6,014,083/-. CODEC facilitated many social programs such as awareness building, legal services, education, health and sanitation, promoting life skills, training, human rights education, and advocacy through financial support from different donors. The people in this village provide loans to fishermen. The loan amount, interest rate, and duration were determined based on the handling capacity of fishermen, trusts, and urgency. In most cases, if a fisherman takes Taka 100,000/- for one year, he must return Taka 200,000/- at the end of the year. This is a serious exploitation by Hindu moneylenders in their own community.

Three NGOs (BRAC, COAST Trust, and Grameen Bank) operated microcredit in South Dhurung Fishing Village in 1994, 2000, and 2006, respectively. As of September 2020, the outstanding loan was Taka 949,295/-

.*Amar Bari, Amar Khamar (My House, My Farm) are government-led developmentprojects. It was initiated in 2009 by the Rural Development and Cooperative Division underthe Ministry of Local Government, Rural Development and Cooperatives. It gave some loans. Women and girls in this fishing village migrate to Chittagong City to work in a garment factory. They did not possess any technical skills. Existing women in this village are very interested in engaging in Income Generating Activities (IGAs) such as grocery, duck-rearing, handicrafts, dairy, dry-fish processing, and cow-fattening. However, they are deprived of potential due to a lack of support.

Causes of Deprivation from Microfinance

This section has narrated the major causes under the framework of socio-economic, policy,cultural,technological, and political perspectives that lead to avoiding Jaladas from microfinance facilities.

Extreme Poverty

The monthly income of most households in both study villages (74% of North Salimpur and 98% of South Dhurung) was lower than the national average (i.e., Taka 15,984/-). Fishing assets, income, housing, water, and sanitation conditions are deplorable in South Dhurung Fishing Village. Unfortunately, 50% of the respondents in this village were out ofloan coverage.MFIs neglect fishing families because ofextreme poverty. MFIs have different schemes for the hardcore poor, such as wage-based earning, grants and seed money, financial services with zero interest, vocational training, and farm and off-farm activities, among others. However, this village was excluded from these provisions.

Risk of repayment

MFIs have credentials to work at the grassroots level and are difficult to reach. Basically, they want to select comparatively solvent and committed borrowers rather than the poorest of poor to ensure regular installment. Fishing is a seasonal occupation, and income is periodic.Ashar (mid-Juneto mid-July) to half of Aswin (mid-September to end-September) is the main season forcatching hilsa (herring-type fish).The people of South Dhurung Fishing Village compromise the quantity and quality of meals, particularlyduring lean periods (mid-October to mid-June) of fishing to cope with seasonal food insecurity. Purchase food oncredit, loans from neighbors/relatives, charity of neighbors, and allowance of the UnionParishad (UP) assist them in survival.Duringthe off-season, catches werecomparatively limited. A few times, they cannot recover the cost of fuel and other operating expenses. Irregularity and uncertainty in installment payments are major reasons for avoiding them from microfinance.

MRA Rules

The Microcredit Regulatory Authority (MRA) was established under the Microcredit Regulatory Authority Act of 2006 topromote and foster microfinance in Bangladesh. This institution fixed theinterest rate (i.e., 24% in the declining method) for all NGOs and MFIs in 2018. The majority ofNGOs and MFIs borrow money from state-supported and apex developmentorganizations (PKSF) at 7.50%. This is another cause of the moderately higher interest rateof NGOs compared to other conventional banks. The government is not proactive infixing interest rates or poor-friendly loan packages. Generally, state-ownedconventional commercial banks avoid marginalized fishermen and other disadvantagedgroups due to a lack of collateral.

Negligence

In South DhurungFishing Village, Hindu fishermen face problems several times with some Muslims catching fish in theirtraditional fishing grounds. In most cases, it is the usual and silent aspect that isoverlooked by state machinery and the surrounding society.Members of fishing villages have long been oppressed by a few vested Muslims.Theyare also deprived of amenities due to remoteness and are neglected by duty bearers. The author discovers that the total loan outstanding of the ASA Dhurung Bazar Branch is Taka 48,868,643/- (asof September 9, 2020). However, this organization does not operate a microcredit program in South Dhurung Fishing Village. The comments of Branch Manager, "Financial dealings of Hindu fishermen are bad. Their culture is not also good."

Technological Innovation

The real incomeand fishing assets of Jaladas decreased in bothvillages. Fishermen directly complain of the 'overexploitation'of fishery resources by capitalexpansionists, and the use of destructive technologies ismainly responsible for the degradation of their economic condition. MFIs have paid little attention to ecological conservation and are rather highly concentrated on profit maximization and regular repayment of installments. However, the impact of investment schemes on ecological conservation has been overlooked. Jaladas in South

Dhurung are far from technological innovations for fishing. Women and girls in this village are interested in off-farm activities, but financing by MFIs is limited.

Planning and Execution

Bangladesh's development plansand political leaders committed several times to the mainstream development of marginalized fishermen, including Jaladas. Unfortunately, its execution and proper reflection wereunsatisfactory.In such a reality, MFIs are not scattered. They are not strongly accountable for mission drift because of governance failure of the state.

Discussion

Based onthe study objective,the findings are critically explained to determine homogeneity and discordance with past studies. It was revealed that fishermen in North Salimpur Fishing Village shifted from full-time to seasonal fishing.A total of 60% of the respondents of South Dhurung Fishing Village were laborers in big fishing boats. They become de facto waged laborersunder working conditions, such as the brutal period of bonded slavery.Andriesse et al. (2021) found that climate change, pollution, illegal fishing, population pressure, and overfishing by commercial entrepreneurs intensify marginalization among small-scale fishing communities in the Philippines and Thailand. The ownership of assets by fishermen has declined. By adopting the recall method and present value criteria, this study shows that the monetary value of fishing assets has decreased. This is an alarming sign of their natural-resource-based sustainable livelihoods. Existing studies find that, in such critical situations and economic hardships, MFIs also avoid the Jaladas of South Dhurung.

Members of fishing families are severely dependent on relatives, neighbors, and friends for loans. In North Salimpur Fishing Village, Muslim Dadandarswithdraw loans from fishermen because such investments are not profitable for them, especially for declining catches. In this situation, fishermen depend on solvent neighbors, relatives, and friends as a new economic class has been formed within Jaladas communities. Hindu moneylenders of the self-community exploit disadvantaged fishermen. The financial facilities of NGOs are insufficient according to the needs of the fishing family. Quotations from Scully (2004) and Khan (2009) are entirely similar to the existing study findings in the South Dhurung Fishing Village. Only a few relatively well-off fishing families have obtained loans on a limited scale.

Nyanzu et al. (2019) found that regulation of MFIs helped outreach and sustainability in Sub-Saharan Africa (SSA).Regulatory quality has a positive impact on the well-being of marginalized and extremely poor. This study finds that the Microcredit Regulatory Authority (MRA) of Bangladesh set a fixed interest rate and that small and medium-scale MFIs face difficulties in collecting funds; even high officials of MFIs manage funds from PKSF through personal deeds. Similarly, Rashid et al. (2020) mentioned that funds for NGO, including MFIs, declined in Bangladesh because of its transformation into a middle-income economy.

Conclusion

Microfinance is anaccredited poverty reduction tool while managed properly. However, fishing families are heavily dependent on neighbors, relatives, and friends.The financial services of MFIs are insufficient, according to their needs. To a few extents,Jaladasare neglected by frontline workers due to extreme poverty and culture.The Microcredit Regulatory Authority (MRA) should increase cooperation with MFIs, strategic direction for easy fund collection, intensive monitoring, and regulatory actions to implement adopted loan packages in extremely poor communities, such as Jaladas. Finally, this study urges to bring the Jaladas communities in mainstreaming and sustainable development process and consider them under the lens of 'society as a whole' approach.

Ethics Statement

Ethical approval was obtained from the Human Research Ethics Committee, Universiti Sains Malaysia (USM/JEPeM/20020135).

Disclosure Statement

No potential conflict of interest was reported by the author(s).

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