

Sustainable Microfinance Performance: Improving Socioeconomic Status and Social Capital Leading to Rural Development in Myanmar

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Abstract

This study aims to explain how microfinance performances contribute the socioeconomic and social capital improvement in Myanmar rural society. Ayartaw township and Bogale township representing the dry zone and Ayeyarwady delta were selected as the study areas. Each eighty sample respondents from Myanma Agricultural Development Bank (MADB) and Private Agency Collaborating Together (PACT) were selected by purposive sampling for three villages in Ayartaw township. The same sampling procedure was conducted for five villages in Bogale township. Socioeconomic and social capital improvement of the clients was examined by using descriptive analysis. It was found that disbursing of MADB and PACT loans was respectively for agriculture and income generating activities, loans were also allocated in subsistence living requirements, education expenses and debt payment in the study areas. MADB and PACT loans help the clients respectively their works to some extent as well as their subsistence living requirements as a relief program. Both MADB and PACT clients described their satisfaction on the performances of MADB and PACT such as disbursed loan amount, interest rate and disbursing process. Suggestions on MADB are the current loan amount should cover the actual rice crop production cost and disburse for all cultivating rice areas. PACT's schedule for collection of interest and loan should be convenient for the clients.

Key words: sustainable microfinance performance, purposive sampling, MADB, PACT, subsistence living requirements, social capital.

Introduction

Loan or credit has been identified as a major input in the development of agricultural and non-agricultural business for a long time. Accessing sustainable microfinance performance is an essential thing leading to rural development in Myanmar.

Microfinance institutions are categorized into three sectors in Myanmar: formal, semi-formal and informal sector (Kaino, 2006). The formal financial institutions are legally authorized institutions such as Myanma Agricultural Development Bank (MADB), savings and credit cooperatives, public pawn shops and private licensed pawnshops.

The semi-formal sector is composed of local non-government organizations microfinance institutions (NGO-MFIs) including NGOs

supported by UNDP under Human Development Initiative program.

The informal sector is composed of illegal activities such as the use of illegal pawnshops, borrowing from money lenders who charge usurious rates, the use of advanced payment contracts for agricultural crops between traders and farmers, and lending and borrowing without interest among relatives.

The main international non-governmental microfinance organization is Livelihoods and Food Security Trust Fund (LIFT). According to the end of 2014, LIFT had provided institutional support to 15 microfinance organizations (LIFT, 2015).

In real situations, microfinance in Myanmar is characterized by two major types: Myanma Agricultural Development Bank (MADB) among the formal microfinance institutions. MADB

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disburse loans to farmers who are household heads of the family. The main requirement to get MADB loan is having land ownership certificate describing owning acres of the farmer. Mostly, MADB clients are males who are household head.

Another one is Private Agency Collaborating Together (PACT) among the semi-formal microfinance institutions. PACT microfinance project or "Sustainable Livelihoods through Microfinance for the Poor" was introduced in 1997 under the UNDP welfare program. In contrast to MADB, the aim of PACT is to promote income generating activities among the poor, especially, non-agricultural business as well as agricultural business. So, PACT clients are mostly non-farmers. PACT disburses loans to females. On the other hand, both these institutions use the group lending methods and have achieved good performances during the last decade. The general information of MADB and PACT are shown in Table 1.

Usefulness of any agricultural credit program does not only depend on its availability, accessibility and affordability, but also on its proper and efficient allocation and utilization for intended uses by beneficiaries (Oboh, V.U. and Ineye, D.E., 2011). Therefore, it is an essential thing to access sustainable microfinance performance improving

socioeconomic status and social capital leading to rural development in Myanmar. Therefore, in this study, two major microfinance institutions: MADB which represents the formal microfinance sector and PACT which represents semi-formal microfinance sector in Myanmar will be focused.

Objectives

1. to study the allocation of MADB loan and PACT loan in crop production other business and purposes for the livelihoods of the selected rural households

to investigate MADB and PACT loan performances on socioeconomic and social capital improvement of rural society leading to sustainable microfinance performance

Methodology

In this study, purposive sampling was used to get the primary data from two separate study areas. In Ayartaw township, 80 MADB clients and 80 PACT clients were selected from three villages. Similarly, in Bogale township, 80 MADB clients and 80 PACT clients were selected from five villages. The general features on surveyed villages

Table 1 General information on MADB and PACT

| Particulars | MADB | PACT |
|-------------------------------------|-------------------------|-------------------------|
| | (fiscal year 2014-2015) | (fiscal year 2014-2015) |
| Loan amount (million MMK) | 1248000.15 | 120000.00 |
| No of clients (million) | 2.80 | 0.90 |
| Charged interest rate per annum (%) | 5.00 | 14.40 (estimated) |
| Charged interest rate per month (%) | 0.41 (estimated) | 1.20 (estimated) |
| Charged interest rate biweekly (%) | | 0.60 |

Source: MADB Head Office, 2015 and PACT Management Diary, 2015

Table 2 General features on surveyed villages in Ayartaw Township

| Particulars | Name of the villages | | | Total size | Sample size | Percentage of sample size (%) |
|---------------------------|----------------------|------|------|------------|-------------|-------------------------------|
| | Nay Yar | Hnin | Ywar | | | |
| | Khinn | Thar | Thit | | | |
| No. of household | 297 | 180 | 153 | 630 | 160 | 25.40 |
| No. of total population | 1102 | 937 | 796 | 2835 | | |
| Male | 583 | 429 | 403 | 1415 | | |
| Female | 519 | 508 | 393 | 1420 | | |
| No. of farmers | 128 | 119 | 98 | 345 | 80 | 23.20 |
| No. of non-farmers | 103 | 121 | 87 | 311 | 80 | 25.70 |
| Cultivable land (hectare) | 533 | 445 | 398 | 1377 | | |

Source: Survey data, 2015

are shown in Table 2 and Table 3.

Primary data were gathered by conducting personal interviews with MADB clients as well as PACT clients using semi-structured questionnaires to get both qualitative and quantitative data. In order to ensure consistency of the findings, some information was collected by interviewing some heads of the villages and some prestige persons of the villages. Cross checking information were also taken by doing this way.

Results and discussion

Socioeconomic status of MADB client households and PACT client households

Occupation

Primary occupation of MADB clients was

farming (100%) in both townships. Secondary occupation of Ayartaw MADB clients were varied such as weaver/tailor (25%), grocery/street vendor (13%), carpentry/masonry (13%), animal husbandry (9%) and agricultural laborer (8%). Secondary occupation of Bogale MADB clients were animal husbandry (11%), agricultural laborer (9%), motor-bike taxi/boat-man (9%), and carpentry/masonry (8%) etc. In Ayartaw and Bogale PACT clients, their primary occupation were agricultural laborer (75%) and (74%) respectively. Secondary occupation of Ayartaw and Bogale PACT clients varied grocery/street vendor (50%) and (40%), housework (24%) and (25%), agricultural laborer (13%) etc. It is shown in Table 4 and Table 5.

Table 3 General features on surveyed villages in Bogale Township

| Particulars | Name of the villages | | | | | Total size | Sample size | Percentage of sample size (%) |
|---------------------------|----------------------|----------|--------------|--------------|-------------|------------|-------------|-------------------------------|
| | Phoe Shwe Lonn | Kan Kone | Tae Pin Hnit | Nyi NOUNG Wa | Ma Yan Kawe | | | |
| No. of household | 84 | 184 | 97 | 120 | 132 | 617 | 160 | 25.90 |
| No. of total population | 279 | 648 | 398 | 420 | 433 | 2178 | | |
| Male | 136 | 326 | 202 | 217 | 205 | 1086 | | |
| Female | 143 | 322 | 196 | 203 | 228 | 1092 | | |
| No. of farmers | 32 | 90 | 52 | 84 | 83 | 341 | 80 | 23.50 |
| No. of non-farmers | 52 | 94 | 45 | 46 | 47 | 284 | 80 | 28.20 |
| Cultivable land (hectare) | 89 | 192 | 96 | 141 | 149 | 668 | | |

Source: Survey data, 2015

Table 4 Primary and secondary occupations of respondents (MADB clients) in study areas

| Item | Ayartaw | Bogale |
|-------------------------------------|-------------------|-------------------|
| | Respondent number | Respondent number |
| Primary occupation (total) | 80 (100%) | 80 (100%) |
| Farmer | 80 (100%) | 80 (100%) |
| Secondary occupation (total) | 80 (100%) | 80 (100%) |
| No secondary job | 24 (29%) | 48 (60%) |
| Animal husbandry/fisheries | 7 (9%) | 9 (11%) |
| Grocery/street vendor | 10 (13%) | - |
| Agricultural laborer | 6 (8%) | 7 (9%) |
| Carpentry/masonry | 10 (13%) | 6 (8%) |
| Motor-bike taxi/boat-man | - | 7 (9%) |
| Weaver/tailor | 20 (25%) | - |
| Others | 3 (4%) | 3 (4%) |

Source: Survey data, 2015

Income and land utilization

All of MADB and PACT respondent households had farm income as well as non-farm income by taking both primary and secondary occupations. Annual average farm and non-farm income in 2014 are shown in Table 6 for both study areas.

Average farm income of MADB clients in Ayartaw township (2.7 million MMK) was higher

than those in Bogale township (2.1 million MMK) as the price of rice was higher and having opportunities to grow different kinds of crops on both wet land (2.15 hectares) and dry land (1.35 hectares) in average. Bogale had only wet land (3.02 hectares) in average for crop production. (Table 7)

Average non-farm income of MADB clients (2.0 million MMK) in Ayartaw was also higher as

Table 5 Primary and secondary occupations of respondents (PACT clients) in study areas

| Item | Ayartaw | | Bogale | |
|-------------------------------------|-------------------|--|-------------------|--|
| | Respondent number | | Respondent number | |
| Primary occupation (total) | 80 (100%) | | 80 (100%) | |
| Animal husbandry/fisheries | 7 (9%) | | 5 (6%) | |
| Grocery/street vendor | 7 (9%) | | 5 (6%) | |
| Agricultural laborer | 60 (75%) | | 59 (74%) | |
| Weaver/tailor | 4 (5%) | | 4 (5%) | |
| Others | 2 (3%) | | 7 (9%) | |
| Secondary occupation (total) | 80 (100%) | | 80 (100%) | |
| No secondary job | 5 (6%) | | 10 (13%) | |
| Farmer | 4 (5%) | | 2 (3%) | |
| Animal husbandry/fisheries | 2 (3%) | | 6 (8%) | |
| Grocery/street vendor | 40 (50%) | | 32 (40%) | |
| Agricultural laborer | 10 (13%) | | 10 (13%) | |
| Housework | 19 (24%) | | 20 (25%) | |

Source: Survey data, 2015

Table 6 Annual average income (2014) of respondent households in study areas

| Type of income | MADB clients (N=160) | | PACT clients (N=160) | |
|--------------------|----------------------|---------------|----------------------|--------------|
| | Ayartaw (N=80) | Bogale (N=80) | Ayartaw(N=80) | Bogale(N=80) |
| (million MMK) | | | | |
| Av farm income | 2.7 | 2.1 | 1.1 | 0.9 |
| Av Non-farm income | 2.0 | 1.1 | 2.3 | 1.5 |
| Av Total income | 3.8 | 2.8 | 2.7 | 2.1 |

Source: Survey data, 2015

Table 7 Average land utilization by the respondents in study areas

| Type of land (hectares) | MADB clients (N=160) | | PACT clients (N=160) | |
|--------------------------|----------------------|---------------|----------------------|--------------|
| | Ayartaw(N=80) | Ayartaw(N=80) | Ayartaw(N=80) | Bogale(N=80) |
| Av wet land | 2.15 | 3.02 | 0.67 | 0.98 |
| Av dry land | 1.35 | - | 0.88 | 0.40 |
| Av horticultural land | 0.08 | 0.08 | 0.52 | 1.00 |
| Av total land area | 3.62 | 3.10 | 1.05 | 1.00 |
| Av borrowed land area | 3.62 | 0.04 | - | - |
| Av rent land area | 0.03 | 0.02 | 0.84 | 0.40 |
| Av total production area | 3.60 | 2.94 | 1.09 | 1.02 |

Source: Survey data, 2015

cloth weaving business was in good condition there. In the case of PACT clients, farm income and non-farm income in Ayartaw were higher but it was not too different in both areas.

Food consumption

Comparing MADB and PACT client households' consumptions of food and non-food items, MADB households were generally better than PACT households. Rice consumption expense was higher in Bogale MADB households. Cooking oil expenses were higher in both client households in Ayartaw. Average purchasing expenses on food and non-food items of the MADB and PACT clients for the year 2014 are shown in Table 8.

Family saving

Concerning with saving money, 71% of MADB client households in Ayartaw township had no

saving. Although 19% had saving cash, 5%, 3% and 1% of MADB client households buying gold and saving cash, buying gold only and buying agricultural land respectively. However, in Bogale township, 88% of MADB client households had no saving.

On the other hand, more than 90% of the PACT client households in both townships had no saving for the future but they could save cash temporarily to repay biweekly collection of PACT. Buying gold as a kind of saving was found in two study areas (3%). Saving condition is described in Table 9.

Social capital of respondent households

Access to education

Around 20% of MADB and PACT households in both areas finished primary school level in both areas. About 70% of MADB and PACT households

Table 8 Average purchasing expenses of MADB respondent households in study areas

| Average purchasing expenses | MADB clients | | PACT clients | |
|----------------------------------|-------------------|------------------|-------------------|------------------|
| | Ayartaw (N=80) | Bogale (N=80) | Ayartaw (N=80) | Bogale (N=80) |
| food items (*000 MMK) | 1500 | 1400 | 1400 | 1100 |
| Rice | 300 | 400 | 300 | 300 |
| Cooking oil | 200 | 100 | 200 | 100 |
| Miscellaneous food items | 1400 | 210 | 1000 | 840 |
| non-food items (*000 MMK) | 2000 | 1300 | 1200 | 900 |
| Education | 700 | 400 | 600 | 300 |
| Health | 300 | 300 | 100 | 100 |
| Water, power and fuel | 100 | 100 | 100 | 100 |
| Cloth | 200 | 100 | 100 | 100 |
| Donation and social | 700 | 300 | 300 | 200 |
| Recreation | 200 | 100 | 100 | 200 |
| Phone bill | 200 | 100 | 100 | 100 |
| Travelling | 200 | 100 | 100 | 100 |
| Other non-food items | 200 | 100 | 100 | 30 |

Source: Survey data, 2015

Table 9 Family saving of the respondent households

| Saving condition | MADB clients(N=160) | | PACT clients (N=160) | |
|-----------------------|---------------------|------------------|----------------------|------------------|
| | Ayartaw (N=80) | Bogale (N=80) | Ayartaw (N=80) | Bogale (N=80) |
| No saving | 57 (71%) | 70 (88%) | 73 (91%) | 75 (94%) |
| In cash | 15 (19%) | 5 (6%) | 2 (3%) | 1 (1%) |
| In cash + buying gold | 4 (5%) | 2 (3%) | 2 (3%) | 1 (1%) |
| Buying agri land | 1 (1%) | 1 (1%) | 1 (1%) | 1 (1%) |
| Buying gold | 3 (4%) | 2 (3%) | 2 (3%) | 2 (3%) |

Source: Survey data, 2015

finished secondary school level. (Table 10)

Female participation in decision making of loan allocation/ family expenses/ other family purposes

In both townships, percentage of female participation in decision making of family expenses / other family purposes was found greater than 50% in MADB and PACT client households because 1 to 50% decision making by both male and female together. Female participation percent 51 to 80 in household decision making were made by about 40% of both client households in different areas. In few cases, decision making was totally made by females. There was not zero female participation in PACT client households in both places. (Table 11)

Family member participation in the organizations in the village

In both townships, about 30% of household family members (both male and female) could participate in some organizations in the village as they had willingness to do team work due to the

experiences of joining in MADB and PACT microfinance institutions respectively. (Table 12)

Discussion on MADB/PACT loan performances by MADB/PACT clients

Loan allocation in the business

MADB loan was disbursed for crop production and clients used it in crop production especially, (83.8%) in Ayartaw and (70.7%) in Bogale. It can be used for miscellaneous expenses: subsistence living requirements (5.1%), education (3.4%), buying and selling goods (4.0%) in Ayartaw. In Bogale MADB households, the loan was allocated in subsistence living requirements (12.9%), repay for debt (10.2%), education (2.1%), etc. So, MADB clients in both townships wanted to continue to borrow money from MADB.

Similarly, interviewees of PACT clients in both townships discussed that PACT loan is the most useful in work as well as in miscellaneous expenses. As PACT loan was intended for income generating activities, 55 % of PACT loan was used for buying and selling goods and 21-25% was for animal

Table 10 Access to education of the respondent households

| Access to education | MADB client households (N=160) | | PACT client households (N=160) | |
|---------------------|--------------------------------|--------------|--------------------------------|--------------|
| | Ayartaw (N=80) | Bogale(N=80) | Ayartaw(N=80) | Bogale(N=80) |
| Primary | 15 (19%) | 14 (18%) | 15 (19%) | 15 (19%) |
| Secondary | 56 (70%) | 57 (71%) | 55 (69%) | 57 (71%) |
| High school | 8 (10%) | 8 (10%) | 9 (11%) | 7 (9%) |
| University | 1(1%) | 1 (1%) | 1(1%) | 1 (1%) |

Source: survey data

Table 11 Female participation in decision making of loan allocation/ family expenses/ other family purposes

| Decision making (percent) | MADB client households | | PACT client households | |
|---------------------------|------------------------|----------------|------------------------|----------------|
| | Ayartaw (N=212) | Bogale (N=176) | Ayartaw (N=194) | Bogale (N=179) |
| Not at all | 3(1%) | 2(1%) | - | - |
| 1-50 | 108(51%) | 92(55%) | 100(52%) | 92(51%) |
| 51-80 | 91(43%) | 70(42%) | 78(40%) | 75(42%) |
| 100 | 10(5%) | 2(1%) | 16(8%) | 12(7%) |

Source: survey data, 2015

Table 12 Family member (both male and female) participation in the organizations in the village

| Organization | MADB clients (N=160) | | PACT clients (N=160) | |
|---------------------------|----------------------|---------------|----------------------|---------------|
| | Ayartaw (N=80) | Bogale (N=80) | Ayartaw (N=80) | Bogale (N=80) |
| Village governance | 4 (5%) | 3 (4%) | - | - |
| Village development works | 12 (15%) | 8 (10%) | 8 (10%) | 12 (15%) |
| Social purposes | 8 (10%) | 9 (11%) | 16 (20%) | 12 (15%) |

Source: survey data, 2015

husbandry. It was used for subsistence living requirements (3.9%) in Ayartaw and (11%) in Bogale, for education (6.7%) in Ayartaw and (5.1%) in Bogale. Loan allocation of MADB and PACT households are described in Table 13.

Satisfaction on MADB microfinance performances by its clients

In current situation, MADB loans are disbursed according to the acres describing in land ownership certificate of the clients. MADB loans are disbursed up to 10 acres. Most of MADB clients satisfied with this system. Relating to loan amount, 75% of the clients satisfied with it in current situation, 15% percent clients wanted to increase it to cover cost of crop production and 10% percent clients who own the land more than 10 acres wanted to get MADB loan for their all own acres in both places.

All MADB clients satisfied with interest rate for loan because it is the lowest rate in Myanmar credit market. Most of the clients were not willing to save at MADB because it was difficult to withdraw.

Ayartaw MADB clients (45%) and Bogale MADB clients (50%) felt convenience at MADB to borrow and repay loan because they said that they could buy fertilizers, pesticides and household use items after getting loan and they could get knowledge going there and coming back home. However, the rest of both clients said that it took time to go there and come back home, it disturbed work. It was not comfortable to stay at MADB to get and repay loan. They suggested that bankers come to the village and disbursing and collecting loans at the village.

In Ayartaw, 70% clients were not willing to borrow money from MADB by using land as a mortgage. In contrast, 37% clients in Bogale were not willing to borrow money from MADB by using land as a mortgage. Furthermore, 70% MADB

clients in Ayartaw were not willing to get loan from other organizations as interest rate is high. However, 35% clients in Bogale were not willing to get loans from other organizations by using land as a mortgage. Most of MADB clients in Bogale were in debt and they thought that they could escape from debt condition to some extent if they could borrow money from MADB or other organizations by using land as a mortgage if it is possible. Concerning with repayment time, 80% Ayartaw MADB clients and 44% Bogale MADB clients were satisfied with the annual repayment schedule of MADB. Satisfaction on MADB loan performances by the clients are shown in Table 14.

Satisfaction on PACT microfinance performances by its clients

In both areas, all PACT clients satisfied with PACT loan disbursement system because they got PACT loan just by applying the business plan and collateral was not needed. Relating to loan amount, all PACT clients satisfied with current loan amount because they can increase or decrease their borrowed loan amount within maximum limit.

Almost all PACT clients satisfied with interest rate on loan because they felt that it was fair and reasonable rate in Myanmar credit market. PACT clients from Ayartaw (23%) and from Bogale (20%) were willing to save money as voluntary at PACT because they wanted to get capital for work and to spend for miscellaneous expenses. So, most of the PACT clients (80%) were not willing to save money as voluntary because they wanted to invest money in business instead of saving as voluntary at PACT. All PACT clients felt convenience to borrow and repay loan as PACT staffs came to the villages and doing disbursement and collection of loan at the villages. All PACT clients were not willing to borrow money from organizations by using land as

Table 13 Allocation of MADB and PACT loans by the clients

| Loan allocation (percent) | MADB clients (N=160) | | PACT clients (N=160) | |
|---------------------------------|----------------------|---------------|----------------------|---------------|
| | Ayartaw (N=80) | Bogale (N=80) | Ayartaw (N=80) | Bogale (N=80) |
| Agriculture | 83.8 | 70.7 | 5.7 | 3.1 |
| Animal husbandry | 0.3 | 0.3 | 24.8 | 21.2 |
| Subsistence living requirements | 5.1 | 12.9 | 3.9 | 11.0 |
| Health care | 1.2 | 1.9 | 2.1 | 0.6 |
| Education | 3.4 | 2.1 | 6.7 | 5.1 |
| Repay for debt | 2.1 | 10.2 | - | 3.7 |
| Buying and selling goods | 4.0 | 1.9 | 56.9 | 55.3 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |

Source: survey data, 2015

a mortgage.

Concerning with repayment schedule of PACT, 81% Ayartaw PACT clients and 80% Bogale PACT clients satisfied with current biweekly repayment system. The rest 19% in Ayartaw and 20% in Bogale wanted to repay PACT loan once a month instead of biweekly. Satisfaction on PACT loan performances by the clients are shown in Table 14.

Conclusion and policy implication

Comparing the MADB client households between two townships, Ayartaw MADB client households have better condition to earn own farm income due to high price of rice and crop diversification there. Moreover, they also got non-farm income from cloth weaving, grocery business, carpentry and masonry. On the other hand, MADB client households in Bogale township had low farm income as they occupy the wet land only. The price of rice in Bogale township is lower than that of Ayartaw township. Most of MADB client households in Bogale township also get farm income by doing as agricultural laborer & non-farm income was earned by doing motor-bike taxi and fishing. Therefore, the income diversification is notable point for rural community.

In the case of PACT client households between two townships, most of PACT client households in Ayartaw township were agricultural laborers and

relied on farm income and non-farm income from cloth weaving, grocery, street vendor & animal husbandry. Similarly, most of PACT client households in Bogale township were agricultural laborers and have farm income. They also had non-farm income from fishing, motor-bike taxi, grocery and street vendor. So, PACT client households in both places earned income not too differently.

Food and non-food consumption of MADB and PACT client households in Ayartaw township was generally better than that of those in Bogale township. Education cost was the most serious household expenditure which is burden for the families in both places. Rural community made effort to spend education expenses by using MADB and PACT loans.

Social and donation cost such as cost for wedding, traditional religious donation ceremonies and different kinds of festivals seemed to be burden for the families in both places. But, it seems that donation cost in Ayartaw township was more as there were many traditional religious donation ceremonies. It can be assumed that microfinance performance could contribute rural community's social and cultural practices one way or another. Allocation of MADB and PACT loans by the clients was not only intended on agriculture and income generating activities but also on subsistence living requirements, education and debt payment.

In microfinance performance, low-income

Table 14 Satisfaction on MADB/PACT microfinance performances by the clients

| Particulars | MADB clients (N=160) | | PACT clients (N=160) | |
|--|----------------------|----------|----------------------|----------|
| | Ayartaw | Bogale | Ayartaw | Bogale |
| | (N=80) | (N=80) | (N=80) | (N=80) |
| • Loan amount | 60(75%) | 60(75%) | 80(100%) | 80(100%) |
| • Interest rate | 80(100%) | 80(100%) | 78(98%) | 77(96%) |
| • Willing to save money at MADB/PACT | 10(13%) | 10(13%) | 18(23%) | 16(20%) |
| • Convenience feeling in borrowing and repaying loan | 35(45%) | 40(50%) | 80(100%) | 80(100%) |
| • Not willing to borrow MADB/PACT loan by using land as a mortgage | 55(70%) | 30(37%) | 80(100%) | 80(100%) |
| • Not willing to borrow loan from other organizations | 55(70%) | 28(35%) | 80(100%) | 80(100%) |
| • Convenience with repayment time (Annual repayment for MADB/ Biweekly repayment for PACT) | 60(80%) | 35(44%) | 65(81%) | 60(80%) |

Source: survey data, 2015

households were not only to access income-producing activities and subsistence consumption but also to improve social status and social capital. Besides, while loan disbursing and collection are performed, microfinance institutions are playing on the creation of social capital improvement such as participation, grouping and social dealing.

Loan amount covering the actual crop production cost and disbursing loan for all own acres for MADB clients should be considered. PACT Schedule for paying back also should be considered for microfinance users in the study areas. However, further studies should be conducted on taking more in-depth research to investigate and analyze the roles of various microfinance sources in rural Myanmar.

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