Report
on

Perceived Changes in Quality of Life Among Urban Female Microfinance Borrowers: A Study of PKSF's Agrosor Loan

PREPARED FOR

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DECLARATION

I certify that this report does not incorporate, without acknowledgement, any material previously submitted for a degree or diploma at any university, and that to the best of my knowledge and belief it does not contain any material previously published or written by another person, except where due reference is made in the text.

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Supervisor's Declaration

This is to certify that Ramisa Fariha has carried out her internship in partial fulfilment of the requirement for the degree of Bachelor of Social Science in Sociology on the topic “Perceived Changes in Quality of Life Among Urban Female Microfinance Borrowers: A Study of PKSF's Agrosor Loan” during internship at Palli Karma-Sahayak Foundation. The report embodies the original work of the candidate to the best of our knowledge.

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CHAPTER ONE: ORGANIZATIONAL BACKGROUND

1.1 Introduction

Internships are an important part of academic education because they allow students to connect classroom learning with real professional experience. For a Sociology student, this connection is especially meaningful, since Sociology is fundamentally about understanding how institutions, systems, and social structures shape the lives of people in a society.

As a fourth-year student at East West University, I am currently completing my internship at the Palli Karma-Sahayak Foundation (PKSF), Bangladesh's apex microfinance institution, where I am placed in the Credit Operations Unit under Panel 3 of the Information Technology and Digital Solutions Department. This placement is giving me direct insight into how a large development institution manages its financial relationship with hundreds of partner organisations across the country, and how those relationships ultimately shape the lives of millions of low-income Bangladeshis.

This report documents the organisational profile of Palli Karma-Sahayak Foundation, describes the division I am currently working in, explains the reasons behind my choice of this internship, and addresses the ethical considerations I am maintaining throughout. The internship is still ongoing, and it has already deepened my academic understanding and sharpened my interest in a career in the development sector.

1.2 Background of PKSF

The Palli Karma-Sahayak Foundation (PKSF) is an apex development organisation established by the Government of Bangladesh in May 1990. It is registered as a company not for profit under the Companies Act of 1913/1994 with the Registrar of Joint Stock Companies. As a wholesale microfinance institution, Palli Karma-Sahayak Foundation does not lend directly to individual borrowers. Instead, it channels concessional funds and technical support to more than 200 Partner Organisations (non-governmental organisations, cooperatives, and community-based organisations) that in turn extend credit and complementary services to poor and low-income households across Bangladesh.

Palli Karma-Sahayak Foundation was created to address a persistent problem: the rural and urban poor in Bangladesh had no meaningful access to formal financial services. They lacked collateral,

credit histories, and any connection to commercial banks. Informal moneylenders partially filled this gap but at rates that often-trapped borrowers in debt rather than helping them out of it. By channeling affordable credit through locally embedded partner organisations, Palli Karma-Sahayak Foundation was designed to make responsible financial services accessible at scale.

Over the decades, Palli Karma-Sahayak Foundation has expanded significantly in both reach and ambition. Bangladesh itself has undergone remarkable development since independence: the country was reclassified as a lower middle-income country by the World Bank in 2015, and on 16 March 2018 it formally met the conditions for graduation from Least Developed Country status. Microfinance, through institutions like Palli Karma-Sahayak Foundation, has been part of that story. By 2010, Palli Karma-Sahayak Foundation had reframed its central mission around human dignity rather than income poverty alone. The idea behind this is straightforward: lasting improvement in people's lives depends on progress across several areas at the same time.

1.3 Vision of PKSF

The vision of Palli Karma-Sahayak Foundation (PKSF) is to build a Bangladesh where poverty has been fully eradicated, where the development and governance paradigm is inclusive, people-centered, equitable, and sustainable, and where all citizens live healthy, educated, empowered, and humanly dignified lives. This vision goes beyond income poverty: it reflects the organisation's belief that poverty affects every dimension of a person's life (health, education, dignity, and the ability to participate meaningfully in society) and that all these dimensions must be addressed together.

1.4 Mission of PKSF

The mission of Palli Karma-Sahayak Foundation (PKSF) is to implement policies and action programmes that address the multiple dimensions of human poverty through a life-cycle approach, responding to the needs of poor households at every stage of life rather than at a single point. The programmes and services it supports through partner organisations span education, health and nutrition, workforce development, infrastructure, inclusive financing for economic activities, social capital development, climate change adaptation, gender equity, and social advocacy. The core conviction is that lasting poverty reduction cannot come from a single intervention but requires simultaneous progress across several areas of life.

1.5 Ongoing Programmes and Projects

Palli Karma-Sahayak Foundation (PKSF) runs ongoing programmes funded by the organisation itself, and time-bound projects typically supported by external development partners.

1.5.1 Core Microfinance Programmes

Jagoron

Jagoron ('awakening') is PKSF's foundational credit programme, launched in October 1990 for the rural poor through family-based income activities and extended to urban areas in 1999. Urban borrowers are mostly women: landless, living in slums, and vulnerable to eviction. Kabeer (2001) found that genuine empowerment for such women required more than credit; it needed greater agency and decision-making power within the household, which group-based microfinance supported through the solidarity and social learning among participants.

Agrosor

Agrosor, launched in 2001 as the Micro Enterprise Programme, is PKSF's micro-enterprise credit programme for borrowers needing larger capital. Enterprises investing up to BDT 1.5 million (excluding land and buildings) qualify, and individuals can access up to BDT 1.0 million through the 181 partner organisations implementing it. The IFAD-funded PACE Project (launched January 2015) adds non-financial technical support and now serves around 1.40 million micro-entrepreneurs (Palli Karma-Sahayak Foundation [PKSF], 2016).

Sufolon

Sufolon ('harvest') is PKSF's agricultural credit programme, launched in 2006. Its distinctive feature is repayment in a single instalment after the borrower sells their produce, suited to seasonal activities like crop cultivation, beef fattening, and fisheries. It grew out of the Micro Finance for Marginal and Small Farmer Project (MFMSFP), launched in 2005 to serve agriculture, a sector mainstream provider largely avoided because of its high risk.

Buniad

Buniad ('foundation' in Bangla) is PKSF's programme for the ultra-poor, running since 2004. It combines flexible microcredit with non-financial services (primary health care, technical support, disaster capacity building, and nutrition and social awareness training) to help ultra-poor

households build sustainable income and move out of extreme poverty. Islam and Mamun (2011) found that PKSF partner organisation clients in secondary cities reported improved healthcare access and asset accumulation after two years, suggesting the combination of credit and support services produces measurable change over time.

1.5.2 Special Programmes

ENRICH (Enhancing Resources and Increasing Capacities of Poor Households***)***

Enhancing Resources and Increasing Capacities of Poor Households towards Elimination of their Poverty (ENRICH) is a holistic household development programme launched in 2010 as part of PKSF's reorientation around human dignity. Unlike the credit-focused Jagoron and Agrosor, it delivers education, health, technical training, and financial services as a single package to each enrolled family (Palli Karma-Sahayak Foundation [PKSF], 2020).

ABASON

ABASON ('housing' in Bangla) is PKSF's housing support programme, addressing the shelter dimension of poverty. Housing insecurity is a serious constraint for urban borrowers: Nabi et al. (2018) found that eviction from informal settlements was the primary cause of loan default among a significant share of urban Dhaka borrowers, showing how housing instability and financial vulnerability are directly linked.

1.6 Internship Placement of Mine: Credit Operations Unit, Panel 3

I am currently placed in the Credit Operations Unit under Panel 3 of the Information Technology and Digital Solutions Department of Palli Karma-Sahayak Foundation (PKSF). The Credit Operations Unit manages the financial relationship between Palli Karma-Sahayak Foundation and its partner organisations. Its core work includes assessing partner organisations' fund requirements, processing loan approvals and disbursements, monitoring credit portfolios, tracking repayment recovery, preparing financial reports, and coordinating with other divisions when cross-departmental decisions are needed.

So far, I have been attending internal review meetings where partner organisation performance data is discussed, assisting in preparing disbursement and recovery summary reports, and following the documentation process through credit approval decisions. The placement is giving

me a practical understanding of how a large apex development institution manages resources across a decentralised network of implementing organisations. Being under Panel 3 of the Information Technology and Digital Solutions Department is also exposing me to the digital systems that make managing over 200 partner organisations operationally feasible.

1.7 Justification of the Internship at PKSF

Palli Karma-Sahayak Foundation (PKSF) was chosen by me because it offered a direct and meaningful connection between my Sociology studies and real institutional practice in development finance. Sociology is concerned with understanding how social structures shape people's lives, and poverty is one of the most powerful of those structures in Bangladesh. Palli Karma-Sahayak Foundation, as the country's apex microfinance funding body, sits at the centre of the national effort to address that poverty. Working inside this organisation let me see how institutional decisions actually translate into outcomes for millions of low-income households, something academic reading alone cannot provide.

The Credit Operations Unit in particular is showing me how credit flows from Palli Karma-Sahayak Foundation through partner organisations to communities across the country. This has deepened my understanding of the link between institutional finance and social change. The skills I am developing (financial data analysis, report preparation, professional communication, and working within a formal institutional structure) are also directly relevant to a future career in the development sector.

1.8 Ethical Issues at Workplace

Throughout this internship I maintained strict confidentiality regarding all internal data, financial records, and partner organisation information I encountered, and nothing confidential has been reproduced in this report. I have tried to represent Palli Karma-Sahayak Foundation (PKSF) honestly rather than uncritically, drawing only on publicly available information. This report is entirely my own work, and I have not overstated my role or the extent of my access within the organisation.

CHAPTER TWO: INTRODUCTION

2.1 Background of the Study

Bangladesh is at an inflection point of development. From a poor country frequently hit by natural calamities, it has experienced persistent economic growth, sharp declines in extreme poverty, and significant gains in many human development outcomes during the last three decades. This transition is facilitated by the expansion of microfinance, the provision of small-scale financial services to low-income households otherwise excluded from the banking system.

Bangladesh is, in large part, the birthplace of modern microfinance. Founded by Professor Muhammad Yunus in the 1970s, the Grameen Bank model demonstrated that poor people are creditworthy, and that small loans disbursed through social collateral could fund small enterprises and lift household income. Since then, the microfinance sector in Bangladesh has grown into one of the largest and most sophisticated in the world, reaching over 30 million clients through hundreds of non-governmental organizations, government institutions, and informal banking arrangements (Microcredit Regulatory Authority, 2022). Within this landscape, a unique role is filled by the Palli Karma-Sahayak Foundation (PKSF), an institution formed in 1990 by the Government of Bangladesh. PKSF serves as an apex body and wholesale microfinance institution, supplying loans at affordable interest rates along with technical support to more than 200 Partner Organizations (POs) nationwide. POs use this funding to offer micro-loans, micro-enterprise loans, savings products, and insurance to poor and low-income populations in both rural and urban areas (PKSF, 2020).

Most of the early literature on microfinance concentrated on rural Bangladesh. Bangladesh's cities, however, have urbanised at a pace that has outstripped the literature's attention to them. Dhaka, Chittagong, Khulna, and Rajshahi have all expanded rapidly as rural residents move in, pushed by agricultural distress, climate-induced displacement, and the search for better livelihoods. The result is a distinct and largely overlooked population: an urban poor whose conditions of insecurity differ sharply from those of their rural counterparts, and who deserve attention on their own terms. Urban slums and impoverished neighbourhoods now house tens of millions of people living in substandard, insecure housing, depending heavily on informal sector work and with limited access to public services. For many of these households, microfinance is one of the few mechanisms available for savings, asset-building, and improved financial wellbeing. It is this context that

makes it important to examine whether and how microfinance changes these households' lives in ways they themselves would recognize as meaningful.

2.2 Statement of the Problem

Despite the spread of microfinance programmes in urban Bangladesh and the scale of investment made through institutions such as PKSF, a clear gap remains in our understanding of how beneficiaries themselves see and experience changes in their quality of life. Most microfinance impact studies in Bangladesh rely on numerical, externally defined measures: income levels, consumption spending, school enrolment rates, asset indices. These measures matter, but they do not necessarily capture the full range of wellbeing changes that participants experience and value (Kabeer, 2001; Sultana & Husain, 2010).

This study focuses on a population that is overwhelmingly female: across PKSF-supported microfinance programmes, women make up most registered borrowers, and it is their experience of programme participation that the research questions in this chapter are built around. Quality of life is a multi-sided, personal idea shaped by culture, and what counts as a real improvement in living standards is rarely captured fully by a single indicator. Consider a woman running a small tailoring business in a Dhaka slum: her sense of dignity in the neighbourhood, her freedom from the worry of debt to informal moneylenders, her ability to send her daughter to school, are all parts of wellbeing that numerical surveys tend to flatten into single figures or simply leave out. Sen (1999) makes the broader point that development should ultimately be judged by the expansion of human freedoms and capabilities, not by income or consumption alone.

Urban microfinance in Bangladesh also operates in a different setting from its rural counterpart. Urban borrowers face higher living costs, less stable informal job markets, a greater risk of eviction from informal settlements, and weaker social networks than rural borrowers embedded in settled community structures (Nabi et al., 2018). Because of these differences, findings from the large body of rural microfinance research cannot simply be transferred to urban beneficiaries. A careful, qualitative study of how urban PKSF beneficiaries understand their own lives is therefore both justified and needed.

2.3 Rationale and Significance of the Study

This study is driven by three linked reasons: empirical, policy, and ethical.

On the empirical side, existing research on microfinance impact in Bangladesh leans heavily toward rural settings and numerical methods. The urban experience of PKSF-supported borrowers has had relatively little careful study: how they are selected, how they define a better life, which parts of their lives change the most, and what problems remain despite participation. This study fills that gap by producing perception-based evidence that adds to the existing numerical record.

On the policy side, PKSF and its partner organisations need evidence of whether their urban programmes deliver the quality-of-life improvements they are meant to, and whether those improvements match beneficiaries' own priorities. Programmes designed without input from participants risk directing resources toward outcomes that matter to donors and managers but not to the people the programmes are meant to help. By placing beneficiaries' own concerns at the centre, this study offers concrete guidance on how programmes might be redesigned, how targeting could be improved, and where complementary services could be integrated.

On the ethical side, participatory development research rests on a basic principle: beneficiaries can judge their own wellbeing, not merely passive recipients of programmes designed by others. The urban microfinance borrowers at the centre of this study navigate gender, class, and urban poverty simultaneously, and their accounts of their own lives carry an authority that no outside metric can fully substitute. This study keeps to that principle by using a perception-centred, qualitative approach, so their voices are placed at the centre of the analysis rather than treated as a footnote to it.

2.4 Research Objectives

2.4.1 General Objective

The general objective of this study is to explore beneficiaries' perceptions of changes in their quality of life after receiving PKSF-supported financial services in urban Bangladesh.

2.4.2 Specific Objectives

To achieve the general objective, the study pursues the following three specific objectives:

- **SO1:** To assess perceived changes in quality of life of PKSF Agrosors' female loan takers across economic, social, and household dimensions after receiving microfinance support.
- **SO2:** To explore the challenges female of PKSF Agrosor loan continue to face and the aspirations they hold for their futures.

2.5 Research Questions

The study is guided by the following three research questions:

RQ1: What changes in quality of life do female of PKSF Agrosor loan perceive after receiving microfinance support, and which dimensions have improved the most?

RQ2: What challenges persist despite programme participation, and what are beneficiaries' aspirations for the future?

Together, these questions move from description (who is included and on what terms) to experience (how people perceive the changes and what that experience feels like) to critique (what remains unresolved, and what people hope for next). The reasoning behind this progression, and its connection to the Capability Approach, is taken up directly in section 1.6.

2.6 Theoretical Framework

This study draws on four theoretical perspectives, each illuminating a different facet of the relationship between microfinance access and quality of life change. The Capability Approach is the primary lens: it supplies the underlying logic of the research questions above, since asking what people can do and be, rather than simply what they possess, is itself a Sen-inspired move. The remaining three frameworks support and extend this lens rather than compete with it. Maslow's hierarchy explains why quality of life gains tend to unfold in a particular sequence over time; the Sustainable Livelihoods Framework breaks down which household assets microfinance affects and how; and the Multidimensional Poverty framework offers a structured checklist against which beneficiaries' own accounts can be checked for completeness, without constraining what they are allowed to say matters to them.

2.6.1 The Capability Approach

Amartya Sen's (1999) Capability Approach provides the main guiding framework for the study. Sen argues that the right measure for judging development is not income or utility but ***capabilities***, the real freedoms people must have in lives they have reason to value. For microfinance beneficiaries, these capabilities include the freedom to do productive work with dignity, to provide adequate food and healthcare for the family, to access education, to take part in community life, and to have genuine say in household decisions. Naila Kabeer (2001) applied this framework to microfinance impact in Bangladesh, showing that empowerment requires more than access to credit; it requires an expansion of agency and voice. This study uses the Capability Approach as

its main lens, treating beneficiaries' own accounts of quality-of-life change as evidence of capability expansion, or, where such gains are absent, of capability constraint.

2.6.2 Maslow's Hierarchy of Needs

Abraham Maslow's (1943) model of human motivation moves from basic survival needs through safety, belonging, esteem, and self-fulfilment. It offers a developmental framework for reading the step-by-step nature of quality-of-life improvement documented in the Bangladesh microfinance literature. Evidence consistently shows that adequate food and healthcare access tend to improve before social participation and longer-term goals become important to beneficiaries. This pattern fits Maslow's idea that higher-order needs come into play only once more basic needs are reasonably met. For this study, Maslow's framework helps explain why beneficiaries at early loan-cycle stages and those further along report different experiences of improvement, and why the largest quality of life gains may require sustained involvement rather than short-term credit access alone.

2.6.3 Sustainable Livelihoods Framework

The Sustainable Livelihoods Framework (SLF), developed by Chambers and Conway (1992), views household wellbeing in terms of five types of capital: **human capital** (skills, health, education), **social capital** (networks, trust, group membership), **financial capital** (savings, income, credit access), **physical capital** (housing, tools, infrastructure), and **natural capital** (land, environmental resources). Microfinance most directly adds to financial capital but also brings changes across the other types. SLF suits urban settings well, where institutions such as city corporations, labour markets, transport networks, and formal financial systems shape livelihoods in ways that differ from rural areas. This framework guides the study's analysis of which types of capital beneficiaries see as most improved after taking part in the programme.

2.6.4 Multidimensional Poverty Framework

Alkire and Foster's (2011) Multidimensional Poverty Index (MPI) framework, applied globally through the UNDP's Human Development Reports and adapted for the Bangladesh context, offers an ordered way to identify and track deprivation across education, health, and living standards at the same time. Rather than treating poverty as a single income cut-off, the MPI recognises that a household may rise above income poverty while remaining deprived in health or education, or the reverse. This framework provides a checklist of well-being areas against which beneficiaries'

reported changes can be compared, keeping the study's analysis thorough while still leaving room for the parts of quality of life that participants themselves emphasise and that the MPI may not fully capture.

2.7 Scope and Delimitations of the Study

This study focuses on urban microfinance borrowers enrolled in programmes supported by PKSF through its partner organisations in selected city corporation areas of Dhaka and Chittagong, where PKSF's urban portfolio is most concentrated. The choice to focus on urban rather than rural beneficiaries reflects both the gap identified in the existing literature and the challenges facing urban low-income households in Bangladesh's fast-growing cities.

Because the large majority of PKSF's urban borrowers are women, the study's findings speak most directly to women's experience of microfinance participation; men's perspectives, where present in the sample, are reported but are not the study's central focus. The study takes a perception-centred, qualitative approach, giving priority to beneficiaries' own accounts of change rather than relying on external impact measures. This choice of method is deliberate: the research questions are mainly about meaning, interpretation, and personal experience, which surveys alone cannot fully address. Numerical data from PKSF programme records and relevant secondary sources help provide context, but the main evidence comes from beneficiaries' own accounts gathered through qualitative methods.

The study does not claim to establish cause and effect, that is, to show conclusively that quality of life changes are caused only by microfinance and not by other factors operating at the same time, such as general economic growth, government welfare programmes, or changes within the household. Instead, it records how beneficiaries themselves see the link between programme participation and changes in their lives, treating their own views as a meaningful form of evidence for programme evaluation and policy design.

CHAPTER THREE: LITERATURE REVIEW

3.1 Introduction

Microfinance has been central to Bangladesh's poverty reduction strategy for over four decades. Since Grameen Bank introduced its group-based credit model in the 1970s, the sector has grown to serve millions of urban and rural households. The Palli Karma-Sahayak Foundation (PKSF), set up in 1990 as a top-level funding body, channels funds through partner organizations (POs) to reach low-income urban communities with credit and support services (PKSF, 2020).

3.2 Beneficiary Profiles and Selection Criteria

Hulme and Mosley (1996), in a major comparative study, showed that microfinance institutions tend to target the 'moderately poor' rather than the ultra-poor, since households with some earning capacity present a lower credit risk. Later research in Bangladesh has confirmed this pattern repeatedly.

Rahman (1999), in a field study of Grameen Bank clients, found that women made up over 95% of borrowers on paper, yet control of the loans often stayed with male household members. He also found that programme managers quietly favoured 'deserving poor' households, those seen as hardworking and able to repay, over the very poorest. This left a steady gap in targeting at the bottom of the income range.

Amin et al. (2003), studying microcredit participation in northern Bangladesh, found that selection favoured women with strong peer networks and prior business experience. The selection mechanism they identify is not specific to rural settings. Within the selected programme areas, group solidarity rules functioned as informal filters: women without these social ties were often left out, even though they were frequently among those most in need. This shows how programme design can end up reproducing the exclusion it set out to fix.

Nabi et al. (2018) assessed how PKSF partner organizations targeted clients across Dhaka and Chittagong. They found that while 72% of enrolled clients fell below the national poverty line, only 31% counted as 'extreme poor' by the Progress out of Poverty Index. The authors concluded that urban PKSF microfinance mainly reaches the **'near poor'**, a vulnerable group but not the poorest, which raises questions about how ultra-poor households can move up over time. This targeting gap bears directly on SO1 of the present study: if PKSF's urban programmes systematically under-reach the most deprived, then the profile of beneficiaries this study

encounters will itself reflect that selection bias, and the perceptions gathered may speak more to the near-poor experience than to the experience of extreme poverty.

3.3 How Beneficiaries Perceive and Define Improved Quality of Life

Kabeer (2001), drawing on extensive fieldwork with Grameen and BRAC clients in Bangladesh, identified five things that women themselves named as part of a better quality of life: material security; control over daily decisions; dignity and social respect; reduced exposure to shocks; and hopes for their children's future. Kabeer built this framework directly on Sen's (1999) Capability Approach, arguing that the value of microfinance lies in widening the freedom to achieve, not in income alone.

Sultana and Husain (2010), using focus groups with urban clients in Dhaka's Mirpur and Demra areas, found that beneficiaries linked 'bhalo jibon' (good life) with three meals a day, children's schooling, ownership of basic household goods, and freedom from moneylenders. Emotional wellbeing, especially relief from debt-related worry, came up almost as often as material concerns. This finding is worth more weight than a single citation might suggest it points directly to dimensions of wellbeing, dignity, freedom from anxiety, that a standard household survey would likely miss, and it shapes how the present study's interview questions are framed around locally meaningful language rather than imported survey categories.

Chowdhury (2009), in a critical assessment of the microfinance evidence base, separates what microfinance reliably delivers, consumption smoothing and a safety net against shocks, from the much weaker evidence that it moves households durably above the poverty line. He further notes that borrowers who already hold advantages such as business skills and education are the most likely to rise above the poverty line, which suggests that advancement outcomes, children's education, better housing, and participation in community life, cluster among better-resourced and longer-tenured participants. These align with Maslow's (1943) higher-order needs, which become salient only once basic survival is reasonably secure.

3.4 Changes in Lives After Receiving Microfinance Support

3.4.1 Income, Savings, and Asset Accumulation

Khandker (2005), using Bangladesh panel data from 1991 to 2000, found that microfinance participation led to clear gains in per capita consumption, with benefits spilling over to non-borrowing households in the same communities. A 100 Taka rise in cumulative borrowing was

linked to an 18 Taka yearly rise in per capita spending, modest per loan but substantial across many loan cycles. Khandker credited microfinance with roughly 40% of the poverty reduction observed in programme villages, marking it as an important driver of poverty exit, though not the only one.

Savings behaviour is a closely related but separately important dimension in the PKSF literature since many partner organisations bundle compulsory or voluntary savings products alongside credit. Islam and Mamun (2011), examining PKSF partner organization clients in Khulna and Rajshahi, found that 63% of respondents reported better access to healthcare within two years of joining, and most reported steady asset gains across loan cycles. Clients mainly used loans for working capital, such as stock for small trade and raw materials for home production, reflecting the cash-flow needs of unstable urban livelihoods rather than a preference for fixed-asset purchases. Where savings products were available, clients tended to use them as a buffer against the very irregularity of urban informal income that working-capital loans were meant to smooth over, suggesting that savings and credit serve complementary rather than separate functions in beneficiaries' financial lives.

PKSF's own longitudinal evaluation of its PRIME programme offers a useful, if rural, point of comparison for the scale of asset growth that sustained microfinance participation can produce. Households in PRIME's northern operating area saw the average value of their productive assets rise from around Tk 6,959 in 2007–08 to roughly Tk 133,969 by 2015–16, a nineteen-fold increase over eight years of programme support (PKSF, 2016). While PRIME specifically targets the ultra-poor in disaster-prone rural districts rather than the urban near-poor that this study focuses on, the scale of asset accumulation it documents over a comparable time horizon is a useful benchmark against which to weigh the more modest, working-capital-oriented gains that urban PKSF clients in the existing literature report.

3.4.2 Housing

Housing improvement is harder to document in the urban PKSF literature with the same statistical precision as income or education since few studies isolate it as a standalone outcome. What evidence exists tends to come from longitudinal case material rather than cross-sectional survey percentages. PKSF's own evaluation of its PRIME programme, while focused on rural ultra-poor households rather than the urban near poor at the centre of this study, documents the pattern

qualitatively: case households such as that of Komola Begum, a PRIME participant since 2009, used income gains from diversified livelihood activities to gradually renovate a thatched house into more durable construction over several years (PKSF, 2016). This pattern, asset accumulation translating into incremental shelter improvement rather than a single large investment, is consistent with how housing changes are described elsewhere in the broader Bangladesh microfinance literature, and it is the kind of self-reported, sequenced change that interview-based fieldwork for the present study is well placed to capture in the specifically urban context, where housing insecurity (rented rooms, informal tenancy, eviction risk) raises the stakes of any such improvement considerably.

3.4.3 Children's Education

Rahman and Khandker (1994) found an early link between women's microfinance participation and children's school enrolment, especially for daughters, attributable to both income and empowerment effects. Mahmud (2003) later described what she called the 'education aspiration effect': participation not only raised current enrolment but also lifted mothers' hopes for their children's schooling toward higher secondary or university level. This forward-looking dimension of quality of life is one that one-off impact studies tend to undervalue, since it shows up only when beneficiaries are asked what they hope for rather than what they currently have.

3.4.4 Women's Empowerment and Social Participation

Hashemi et al. (1996) recorded empowerment gains among Grameen and BRAC clients, including greater mobility, a larger role in household financial decisions, and more self-confidence, along with reduced domestic violence in some cases. Rahman (1999) offered an important counterpoint: pressure to repay could leave women more exposed to coercion and abuse at home. These contradictory findings are not simply a case of one study being wrong; they likely reflect real variation in how individual households experience credit pressure, which is precisely why a study based on people's own accounts, rather than aggregate averages, is needed to make sense of them.

Sultana and Husain (2010) found that women who had been in microfinance groups for more than five years reported far higher community participation and social confidence than newer members. This suggests that social quality of life gains build up slowly and need sustained programme involvement before they become visible.

3.5 Persistent Challenges and Future Aspirations

Despite these gains, ongoing problems continue to hold back quality of life. Rahman (1999) described a debt trap in which women borrowed from informal lenders to repay formal MFI instalments, which kept them in debt rather than out of it. Islam and Mamun (2011) found that 41% of their urban sample owed money to more than one MFI at once, and the overlapping repayment schedules created constant cash-flow stress, a structural weakness that microfinance cannot resolve on its own.

Nabi et al. (2018) found that business disruption caused by eviction from informal settlements was the main reason for loan default among 27% of urban Dhaka borrowers. This finding deserves more weight than it typically receives in the literature: it shows that urban microfinance outcomes are tied not just to credit design but to **housing rights and urban governance**, domains entirely outside PKSF's or any MFI's control. It connects directly to SO3 of this study, since the challenges beneficiaries describe are unlikely to be only financial in nature, and eviction risk is a strong candidate for the kind of structural obstacle that persists regardless of how well a credit programme is run. Health shocks were also a leading cause of asset loss in the literature, draining savings and forcing emergency borrowing, which suggests that credit on its own needs to be paired with some form of social protection.

As for future hopes, the qualitative Bangladesh literature reports goals centred on getting ahead across generations: children's education to at least higher secondary level, owning a home, and a small lasting business. Mahmud (2003) links participation to raised maternal aspirations for children's schooling, which beneficiaries in turn describe as a route to professional employment and secure, dignified futures for daughters. These aspirations, rooted in local culture and oriented toward the future, are central to judging whether beneficiaries see microfinance as a genuine path toward the life they want, rather than simply a means of getting by.

3.6 Synthesis

Taken together, these studies show a consistent pattern: microfinance in Bangladesh, especially through PKSF and its partner organisations, produces measurable positive effects on consumption, savings behaviour, health access, children's education, and asset accumulation, with stronger and broader effects among longer-term participants. Housing improvement also appears in the literature, though the evidence here is thinner and more anecdotal than for other dimensions,

suggesting it is an area where the present study's interview-based approach may add genuine value. Beneficiaries themselves define quality of life in ways that extend well beyond income, encompassing dignity, security, and hopes for their children, closely aligned with the Capability Approach that frames this study.

What this body of work leaves underexplored is the specifically urban PKSF experience: the literature is still dominated by rural or near-urban studies, even though urban microfinance operates under conditions, informal employment, unstable housing, social isolation, and high living costs, that rural findings cannot fully account for. Most impact studies also rely on standardised surveys that miss the finer meanings beneficiaries attach to their own experiences. By centring on how beneficiaries themselves perceive changes in their quality of life and treating their own interpretations as the primary evidence rather than a supplement to numerical indicators, this study aims to add evidence from Bangladesh's fast-growing cities that the existing literature has not yet captured.

CHAPTER FOUR: METHODOLOGY

4.1 Research Design

This study uses a descriptive, perception-centred research design to examine how urban female microfinance borrowers under PKSF's Agrosor loan programme perceive changes in their quality of life. A structured questionnaire combining closed-ended and one open-ended item was used to collect primarily quantitative data, supported by beneficiaries' own words on what a good quality of life means to them (Q15). This design prioritises the respondents' own accounts of change over external impact indicators, consistent with the study's guiding objectives and with Sen's (1999) Capability Approach.

4.2 Population and Sampling

The population for this study is urban women who have received microenterprise loans under PKSF's Agrosor programme through partner organisations. A purposive sampling technique was used to select 20 respondents, all of whom are female borrowers, reflecting the study's specific focus on women's experience of urban microfinance. Respondents were selected to represent a range of loan cycles, membership durations, and occupations within the urban informal economy, so that the sample would capture both newer and long-tenured borrowers' perspectives.

4.3 Data Collection Instrument

Data were collected using a structured questionnaire divided into seven sections (A–G), covering demographic profile, loan history, loan use, economic and material well-being, education and health, social status and empowerment, and challenges and aspirations. The questionnaire consisted mainly of closed-ended questions with categorical response options, along with one open-ended question (Q15) asking respondents to define a good quality of life in their own words. The instrument was pre-tested with two respondents before full administration, which helped identify and correct ambiguous wording, particularly around sensitive topics such as loan repayment.

4.4 Data Collection Procedure

The questionnaire was administered in person by the researcher. Before each session, respondents were briefed on the purpose of the study, and rapport was built prior to asking questions on

sensitive financial matters. This approach was informed by lessons from the pre-test, where respondents were more forthcoming once some trust had been established.

4.5 Data Analysis

Quantitative responses were entered and cleaned in Microsoft Excel, and descriptive statistics, frequencies and percentages, were calculated for each variable. Findings are presented by dimension (economic, education and health, social and empowerment, challenges and aspirations) and illustrated with charts. The open-ended response to Q15 was analysed thematically, with responses grouped by recurring themes such as food security, children's education, and freedom from debt.

4.6 Ethical Considerations

Participation in the survey was voluntary, and informed consent was obtained from each respondent before data collection. Respondents were assured of confidentiality, and their identities are not disclosed in this report; identifiers such as R001–R020 are used in place of names.

4.7 Limitations of the Study

The study is based on a small, purposive sample of 20 respondents and does not aim to be statistically representative of all urban Agrosor borrowers. As a cross-sectional study, it captures perceptions at a single point in time rather than change over time, and all data are self-reported. As noted in section 1.7, the study does not claim to establish a causal relationship between microfinance participation and quality of life change.

CHAPTER FIVE: DATA ANALYSIS

5.1 Respondent Profile

A total of 20 respondents participated in this survey. Twenty females were reflecting the female composition of PKSF-supported urban microfinance programs in Bangladesh. All respondents were active borrowers under partner organizations operating in urban areas.

Table 1: *Demographic characteristics of respondents (N=20)*

Characteristic	Value
Total respondents	20
Female	20 (100.0%)
Male	0 (0.0%)
Mean age	39.4 years
Age range	28–52 years
Mean household size	4.7 members
Household size range	3–6 members

Source: Primary survey data, 2026

Table 2: *Educational attainment (N=20)*

Education level	Frequency	Percentage
Primary (Class 1–5)	10	50.0%
Lower secondary (Class 6–8)	8	40.0%
Secondary (Class 9–10)	2	10.0%
Total	20	100.0%

Source: Primary survey data, 2026

Half the respondents had completed only primary schooling up to Class 5, and a further 40% had reached lower secondary level. Only two had reached secondary level. This educational profile is consistent with the target population of PKSF-supported urban microfinance programs.

Table 3: *Occupation of respondents (N=20)*

Occupation	**Frequency**	**Percentage**
Cloth/Textile/Tailoring	8	40.0%
Transport	2	10.0%
Poultry/Livestock	2	10.0%
Garment	2	10.0%
Grocery shop	2	10.0%
Food/Vegetable trader	1	5.0%
Beauty parlor	1	5.0%
Tea stall	1	5.0%
Multi-activity	1	5.0%
Total	20	100.0%

Source: Primary survey data, 2026

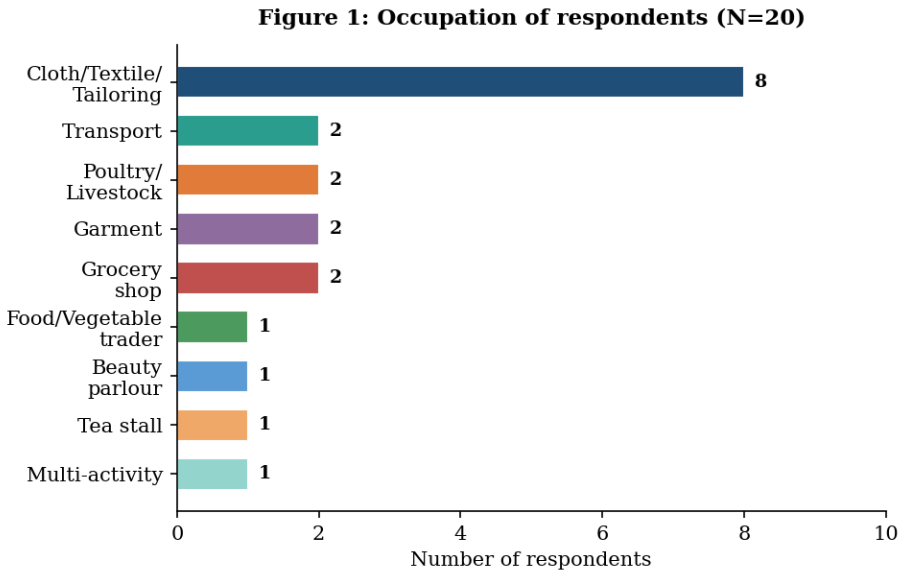

Figure 1: *Occupation of respondents (N=20)*

Cloth, textiles, and tailoring-related self-employment was the most common occupation at 40%. The remaining respondents worked across a spread of small informal trade and service occupations typical of Bangladesh's urban informal economy.

Table 4: *Monthly household income (N=20)*

Income range	Frequency	Percentage
15,001–20,000 BDT	11	55.0%
20,001–30,000 BDT	7	35.0%
30,001–50,000 BDT	2	10.0%
Total	20	100.0%

Source: Primary survey data, 2026

Table 5: *Loan profile of respondents (N=20)*

Variable	Category	Frequency	Percentage
Membership duration	1–3 years	3	15.0%

Variable	Category	Frequency	Percentage
	4–6 years	6	30.0%
	7–10 years	7	35.0%
	More than 10 years	4	20.0%
Loan cycle	2nd loan	3	15.0%
	3rd loan	6	30.0%
	4th or 5th loan	7	35.0%
	6th or more	4	20.0%
Loan type	Business loan	18	90.0%
	Livelihood loan	2	10.0%
Loan amount	100,001–200,000 BDT	6	30.0%
	200,001–500,000 BDT	11	55.0%
	Above 500,000 BDT	3	15.0%

Source: Primary survey data, 2026

The sample reflects an experienced borrower population. Over half were in their fourth loan cycle or beyond, and 55% had been members for more than six years. Business loans dominated at 90%, and 55% received loans between 200,001 and 500,000 BDT. These are established microentrepreneurs rather than first-time borrowers.

5.2 Loan Use and Economic Activity

Table 6: *Primary use of loan received (N=20, multiple responses permitted)*

Loan use	Frequency	% of respondents
Buy goods or raw materials	14	70.0%

Loan use	Frequency	% of respondents
Expand existing business	13	65.0%
Buy tools or equipment	5	25.0%
Start a new business	4	20.0%
Cover family expenses	0	0.0%
Repay another loan	0	0.0%

Note: Respondents could select more than one option. Source: Primary survey data, 2026

The dominant users were purchasing goods or raw materials at 70% and expanding the existing business by 65%. No respondent used the loan to cover family expenses or repay another loan, indicating that loan use in this sample is primarily productive rather than consumptive or debt-servicing.

Table 7: *Main source of income before receiving the loan (N=20)*

Pre-loan income source	Frequency	Percentage
Small business/trade	10	50.0%
Daily labor	5	25.0%
Family support/dependent	3	15.0%
Self-employment	1	5.0%
Agriculture	1	5.0%
Total	20	100.0%

Source: Primary survey data, 2026

After receiving the loan, 10 respondents (50%) expanded the existing income activity, 5 (25%) started a new one, and 3 (15%) bought additional goods or equipment. Loans are functioning as working capital to sustain and grow existing informal enterprises.

5.3 Perceptions of Quality of Life

Respondents were asked in an open-ended question (Q15) what a good quality of life means to them. Their responses converge on a consistent set of themes: food security, children's education, freedom from debt dependence, and having an independent source of income.

Table 8: *Selected respondent definitions of a good quality of life (Q15)*

ID	Definition
R001	Being able to feed my family three times a day and sending my children to school without worry.
R005	Three meals a day and seeing my children healthy. I do not want more than that.
R011	Financial freedom and not having to depend on my husband for every small expense.
R012	Peace of mind, no debt burden, and the ability to pay for my children's education.
R016	Peace in the home, children doing well at school, and not worrying about rent every month.
R020	Being able to support my family from my own business and not needing to borrow from anyone.

Source: Primary survey data, 2026

These responses reflect the dimensions of well-being that Kabeer (2001) identified among microfinance borrowers in Bangladesh: material security, freedom from informal debt, educational aspirations for children, and economic autonomy. The emphasis on not depending on others runs consistently across responses.

Table 9: *Overall perceived change in quality of life (N=20)*

Response	Frequency	Percentage
Significant improvement	7	35.0%
Some improvement	13	65.0%

Response	Frequency	Percentage
No change	0	0.0%
Things have become worse	0	0.0%
Total	20	100.0%

Source: Primary survey data, 2026

Every respondent reported some improvement, with 35% describing the change as significant and 65% as some improvement. No respondent reported no change or deterioration. This is a strong positive finding, though it should be read with the caveats appropriate to a small purposive sample.

5.4 Economic and Material Well-being

Table 10: *Changes in economic and material dimensions of well-being (N=20)*

Dimension	Response	Frequency	Percentage
Income change (Q17)	Moderately increased	17	85.0%
	Slightly increased	2	10.0%
	Increased significantly	1	5.0%
Financial stress (Q18)	Somewhat less worried	13	65.0%
	Much less worried	7	35.0%
Housing change (Q19)	Some improvement	16	80.0%
	No change	4	20.0%
Residence security (Q20)	Fairly secure	12	60.0%
	Somewhat at risk	8	40.0%
Food access (Q21)	Improved food quality	16	80.0%
	Increased quantity	4	20.0%

Source: Primary survey data, 2026

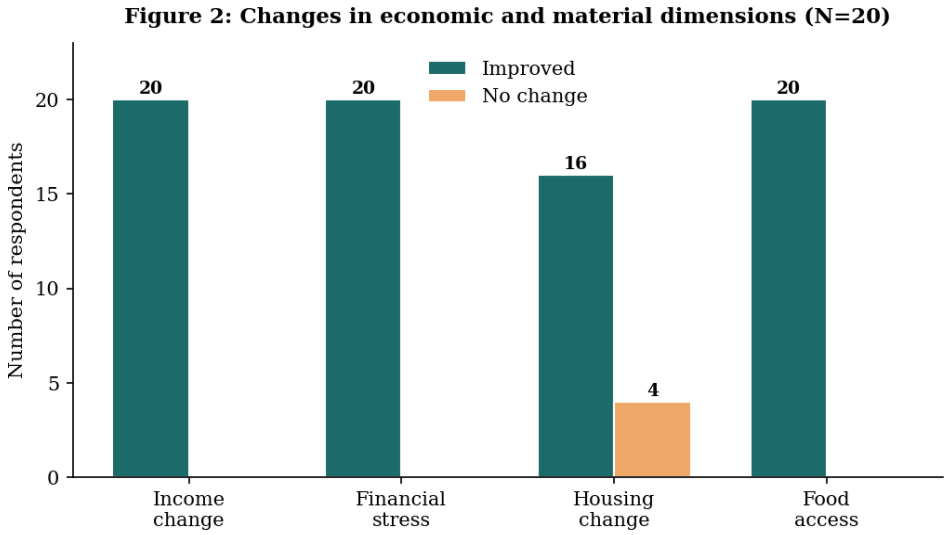

Figure 2: *Changes in economic and material dimensions (N=20)*

All 20 respondents reported income growth, with 85% describing a moderate increase. Financial stress declined for every respondent, and food access improved for all, primarily through better food quality rather than quantity alone. Housing improvement was more limited: 80% reported some improvement, but 40% remain at risk of eviction or displacement. Housing insecurity persists as a structural constraint for urban informal settlers regardless of income gains.

5.5 Education and Health

Table 11: *Changes in children's education (Q22, N=18 with school-age children)*

Education change	Frequency	% of applicable respondents
Better school attendance	18	100.0%
Increased spending on fees, books, uniforms	18	100.0%
Reduced risk of school dropout	17	94.4%
Access to private tuition	1	5.6%
Not applicable (no school-age children)	2	—

Source: Primary survey data, 2026

Education changes were among the most consistent findings in the survey. All 18 respondents with school-age children reported better attendance and increased education spending, and 94.4% reported reduced dropout risk. These improvements reflect both the income effect and the aspiration effect visible in the Q15 responses, where children's education featured prominently as a core element of a good life.

Table 12: *Changes in healthcare access (Q23, N=20)*

Response	Frequency	Percentage
Easier access to doctors or clinics	16	80.0%
No change	4	20.0%
Total	20	100.0%

Source: Primary survey data, 2026

80% of respondents reported easier access to healthcare, and none reported deterioration. This improvement is mediated primarily through the income effect, as higher earnings reduce the need to postpone treatment because of cost.

5.6 Social Status and Empowerment

Table 13: *Changes in social status and empowerment (N=20)*

Dimension	Response	Frequency	Percentage
Social status (Q24)	Some improvement	13	65.0%
	Much improved	7	35.0%
Decision-making (Q25)	Decide jointly	14	70.0%
	Decide independently	6	30.0%
Loan control (Q26)	Decide jointly	14	70.0%

Dimension	Response	Frequency	Percentage
	Decide entirely	6	30.0%
Confidence (Q27)	Somewhat more confident	13	65.0%
	Significantly more confident	7	35.0%

Source: Primary survey data, 2026

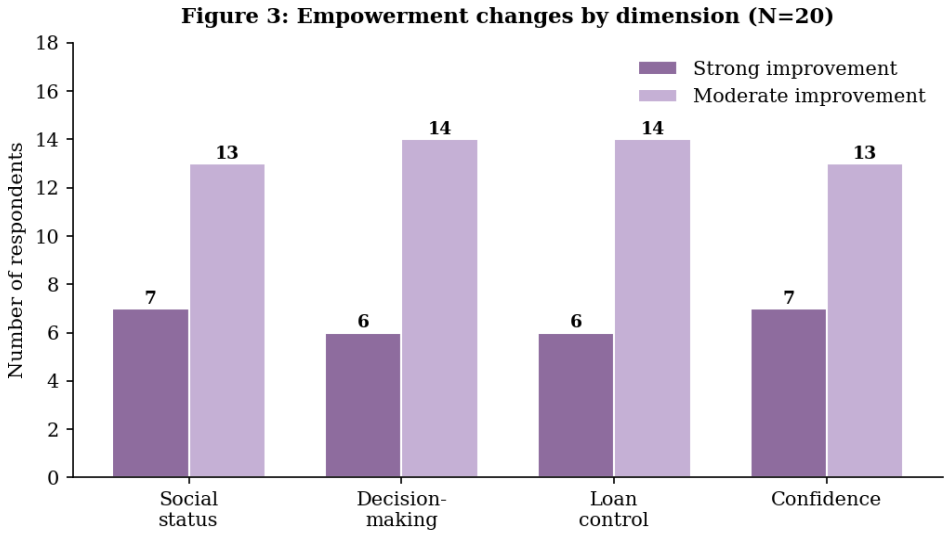

Figure 3: *Empowerment changes by dimension (N=20)*

All respondents reported improvements in social status and confidence. Decision-making and loan control showed more nuanced patterns: 30% now decide household matters independently while 70% described joint decision-making. This reflects the complexity of household power dynamics documented in the Bangladesh microfinance literature, where credit access improves bargaining position without necessarily producing full financial autonomy.

Table 14: *Dimension perceived as having improved most (Q28, N=20)*

Dimension	Frequency	Percentage
Income/earnings	15	75.0%
Financial security/reduced stress	5	25.0%

Dimension	Frequency	Percentage
Total	20	100.0%

Source: Primary survey data, 2026

Income and earnings were identified as the most improved dimension by 75% of respondents, followed by financial security and reduced stress at 25%. This is consistent with the primary pathway through which microfinance operates, with economic gains preceding broader social and psychological improvements.

5.7 Challenges, Debt, and Aspirations

Table 15: *Current challenges in improving quality of life (Q29, multiple responses, N=20)*

Challenge	Frequency	% of respondents
Loan repayment pressure	19	95.0%
High cost of living	14	70.0%
Business instability	13	65.0%
Family responsibilities limiting work	2	10.0%
No major challenges	2	10.0%

Note: Multiple responses permitted. Source: Primary survey data, 2026

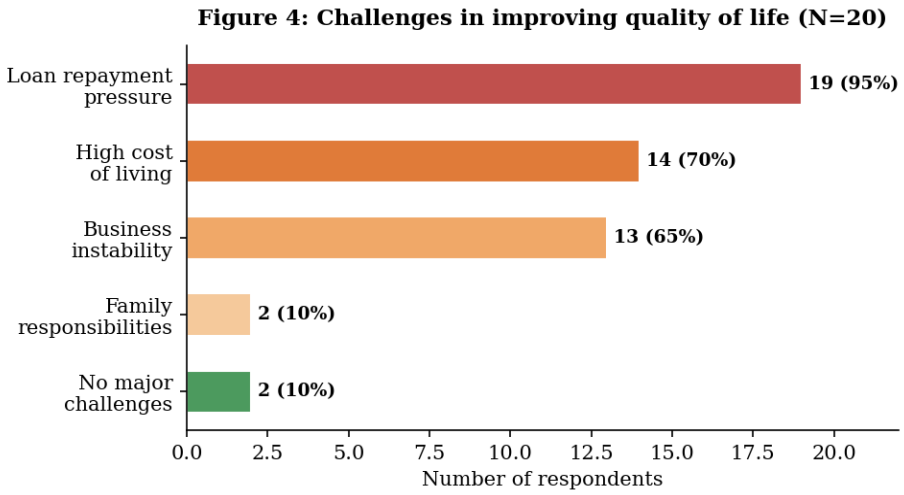

Figure 4: *Challenges in improving quality of life (N=20)*

Loan repayment pressure was cited by 95% of respondents, the highest of any challenge in the survey. This is striking because no respondent reported using their loan to repay another loan, meaning the pressure relates to the formal PKSF installment schedule itself rather than business cashflows. High cost of living at 70% and business instability at 65% were also prominent, reflecting the precarious environment of urban informal enterprise.

Table 16: *Repayment difficulty and informal borrowing (N=20)*

Variable	Response	Frequency	Percentage
Repayment difficulty (Q30)	Manageable	14	70.0%
	Sometimes difficult	5	25.0%
	No difficulty	1	5.0%
Informal borrowing (Q31)	Occasionally	16	80.0%
	Never	4	20.0%

Source: Primary survey data, 2026

95% of respondents experienced some degree of repayment difficulty. More significantly, 80% reported having occasionally borrowed informally to meet MFI installment deadlines. While none

described this as frequent, it confirms that informal lenders remain part of the financial ecosystem of these households, a pattern widely noted in the Bangladesh microfinance literature.

Table 17: *Respondents' aspirations for the future (Q32, multiple responses, N=20)*

Aspiration	Frequency	% of respondents
Children's professional employment	20	100.0%
Business expansion	20	100.0%
Financial independence from loans	20	100.0%
Better health and healthcare	20	100.0%
Owning own home	18	90.0%
Children's higher education	17	85.0%
Greater community respect	1	5.0%

Note: Multiple responses permitted. Source: Primary survey data, 2026

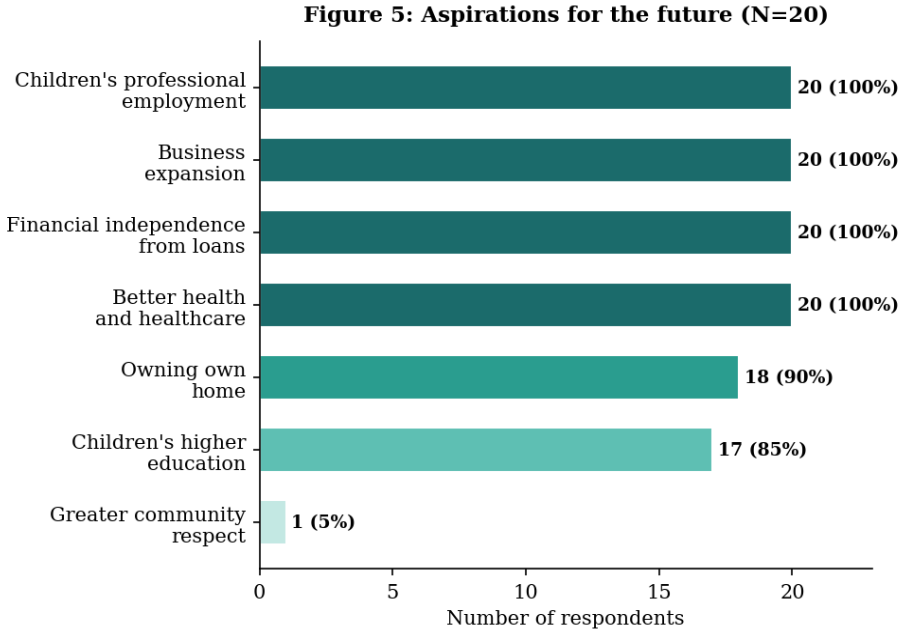

Figure 5: *Aspirations for the future (N=20)*

Aspirations were overwhelmingly intergenerational and economic. Children's professional employment, business expansion, financial independence, and better health were each cited by all 20 respondents. Homeownership at 90% and children's higher education at 85% followed closely. The universal aspiration for financial independence from loans is notable: all respondents simultaneously reported that their loan improved their life and that they hope eventually not to need loans at all. This reflects an understanding of microfinance as a transitional tool rather than a permanent condition.

5.8 Summary of Findings

The analysis reveals a broadly positive picture of perceived quality of life change among the 20 respondents, with several important qualifications.

On the positive side, all respondents reported some degree of improvement. Income gains were universal. Food access, healthcare, and children's education improved substantially. Social confidence and status improved for every respondent. The qualitative responses to Q15 show that respondents hold multidimensional, contextually specific definitions of well-being that emphasize dignity, autonomy, debt freedom, and educational futures for children, closely aligned with the Capability Approach.

Qualifications are equally important. Fixed loan repayment schedule of pressure is the dominant ongoing challenge, cited by 95% of respondents, and 80% reported occasional informal borrowing to meet MFI installments as those payments don’t match with his/her business cashflows. Housing improvement was modest and residence security remains a concern for 40% of respondents. While social empowerment gains are visible, joint rather than independent decision-making remains the norm for 70% of respondents, indicating that household power dynamics remain partially constrained even as economic autonomy improves.

Taken together, these findings suggest that PKSF-supported microfinance is functioning as a meaningful income and welfare support mechanism for this population, while also generating repayment pressures on fixed schedule that constitute a persistent structural challenge requiring program attention.

CHAPTER SIX: DISCUSSION AND RECOMMENDATIONS

6.1 Discussion

6.1.1 Beneficiary Profile and Selection

The respondents are established borrowers rather than new entrants: 55% have been members for more than six years and are on their fourth loan cycle or beyond, 90% hold business loans rather than livelihood loans, and more than half have borrowed between 200,001 and 500,000 BDT. Cloth, textile, and tailoring work accounts for 40% of occupations, with the remainder spread across small urban trade. This matches the literature's account of who urban PKSF programs reach. Hulme and Mosley (1996) found that microfinance institutions gravitate toward the moderately poor rather than the ultra-poor, since households with some existing earning capacity carry less credit risk, and Nabi et al. (2018) found that PKSF's urban clients in Dhaka and Chittagong are mainly “near poor” rather than the poorest, with only 31% of enrolled clients counting as extreme poor despite 72% falling below the national poverty line.

The predominantly female, socially networked, already-active profile seen here also echoes Amin et al. (2003), who found that selection into microcredit in northern Bangladesh favors women with existing business experience and strong peer networks, while women without those ties are more often excluded even when in comparable need. This matters for how the rest of the findings should be read: this is a study of people for whom microfinance has already been working, in some form, for years, not a study of a fresh cohort's entry into the program.

6.1.2 Perceived Changes in Quality of Life

Every respondent reported some degree of improvement, with universal gains in income and reduced financial stress. This echoes Khandker's (2005) panel-data findings linking microfinance participation to real gains in per capita consumption, and Islam and Mamun's (2011) evidence of steady asset accumulation among PKSF clients in Khulna and Rajshahi. Food access and healthcare improved for the large majority (80% each), and all 18 respondents with school-age children reported better attendance and higher education spending. This pattern is consistent with Chowdhury's (2009) distinction between microfinance's reliable consumption-smoothing role and its weaker record on durable poverty exit, and with Rahman and Khandker (1994) and Mahmud's (2003) findings on rising education spending and the “education aspiration effect” that lifts mothers' hopes for their children's schooling.

Housing was the weakest dimension: 80% reported some improvement, but 40% remain at risk of eviction or displacement, consistent with the thinner housing evidence discussed in the literature review and with Nabi et al.'s (2018) finding that eviction-driven business disruption is a leading cause of loan default among urban Dhaka borrowers. Read the Sustainable Livelihoods Framework, this makes sense: microfinance builds financial capital most directly, and its conversion into physical capital, secure housing among it, depends on conditions, chiefly tenure security, that the loan itself does not touch.

Respondents' own definitions of a good life, food security, children's schooling, freedom from debt, and independent income, closely track Kabeer's (2001) five components of empowerment and Sultana and Husain's (2010) “bhalo jibon” findings from Dhaka's Mirpur and Demra areas. Confidence and status improved for everyone, but 70% still make household and loan decisions jointly rather than independently, a pattern that sits between Hashemi et al.'s (1996) empowerment gains and Rahman's (1999) caution that credit does not automatically transfer control. When asked which dimension had improved most, 75% named income and earnings, consistent with Sultana and Husain's (2010) finding that social participation gains build up more slowly than economic ones, becoming visible among members with five or more years of tenure.

6.1.3 Persistent Challenges and Future Aspirations

Repayment pressure was the most common challenge (95%), but without the multi-lender debt-stacking that Islam and Mamun (2011) found in 41% of their urban sample; instead, 80% of respondents borrow informally simply to meet PO’s Installment deadlines. It suggests that installment timing rather than loan-stacking is the more immediate issue for this population. Residence insecurity, reported by 40% of respondents, reinforces the urban-specific risks identified in the introduction: higher living costs, weaker social networks, and greater eviction risk than rural borrowers face (Nabi et al., 2018).

Aspirations are entirely intergenerational: all 20 respondents named children's professional employment, business expansion, financial independence from loans, and better health as goals, and 90% and 85% respectively named home ownership and children's higher education. This matches Chowdhury (2009) and Mahmud's (2003) framing of microfinance as a transitional tool

rather than a permanent arrangement, something beneficiaries use to build toward a future in which they no longer need it.

6.1.4 Theoretical Synthesis

Together, the findings fit Sen's (1999) Capability Approach best: real freedoms have expanded unevenly across domains, strong in income, food, health, and education, weaker in housing security and full decision-making autonomy, consistent with Kabeer's (2001) argument that genuine empowerment requires more than access to credit. Maslow (1943) explains the sequencing within these gains: basic needs are met first, and community respect ranks lowest among stated aspirations precisely because status gains have already occurred. The Sustainable Livelihoods Framework (Chambers & Conway, 1992) explains the unevenness across capital types, financial and human capital gains are strong and consistent while physical capital, chiefly housing, lags behind, and Alkire and Foster's (2011) multidimensional poverty framework captures the same pattern from another angle: a household can plausibly exit deprivation in education and health while remaining deprived in secure housing.

6.2 Recommendations

6.2.1 For PKSF and Partner Organizations

A dedicated housing product, or a referral link to existing government urban housing schemes, would address the weakest-performing dimension in this study rather than leaving housing gains to happen as an indirect byproduct of general business credit. More flexible installment timing, tied to the seasonal or day-to-day cash flow of informal urban trade, would ease the repayment pressure that is driving informal borrowing, without necessarily weakening repayment discipline overall. Pairing credit with a modest health micro-insurance product would address health shocks as a cause of asset loss and emergency borrowing (Nabi et al., 2018). Financial literacy or household-negotiation sessions offered alongside the loan, rather than as a separate program, could help close the gap between rising confidence and still-limited decision-making autonomy.

6.2.2 For Policy

Because housing and residence insecurity fall largely outside what microfinance can address on its own, closer coordination between PKSF, partner organizations, and city corporation authorities on tenancy protection and eviction risk would help, consistent with the Sustainable Livelihoods

Framework's emphasis on how city-level institutions, not just credit, shape what urban households can achieve with the assets they hold.

6.2.3 For Future Research

This study drew on a small purposive sample of 20 respondents, and a larger sample with panel data across loan cycles would make it possible to test directly whether the most-improved dimension shifts from income toward social and relational gains as tenure lengthens, something this cross-sectional snapshot cannot settle on its own. Housing also remains the dimension least served by existing research, both here and in the wider literature reviewed earlier, and deserves focused attention rather than treatment as a secondary outcome of business credit.

6.3 Conclusion

This study sets out to explore how urban PKSF-supported microfinance beneficiaries perceive changes in their own quality of life, and to identify who these beneficiaries are, what has changed for them, and what continues to challenge them. The 20 respondents are established microentrepreneurs, all of whom are women, with years of program membership and businesses built primarily around urban textile, trade, and service work, a profile consistent with what the literature has already identified as PKSF's typical urban, near-poor client base rather than the ultra-poor.

Our data demonstrates that although microfinance helps families raise their incomes, secure better food, access healthcare, and keep their children in school, systemic hurdles remain. Housing situations are still highly unstable, and domestic decisions are usually made collectively rather than by the female borrowers alone. On top of this, fixed repayment schedules frequently push participants back into informal borrowing networks.

Because these findings are drawn from self-reported surveys within a small, non-probability sample, they should not be broadly generalized to Bangladesh's entire urban population. Nevertheless, they offer a rare window into the practical, day-to-day realities of navigating micro debt. This localized focus helps fill a gap left by broad, number-driven reports and research centers exclusively on rural dynamics.

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APPENDICES

APPENDIX A: RESEARCH QUESTIONNAIRE

Beneficiaries' Perceptions of Quality-of-Life Changes Following PKSF-Supported Microfinance Participation

Urban Bangladesh | Confidential

Dear Respondent,

This questionnaire is part of an academic research study exploring how participation in PKSF-supported microfinance programmes has affected quality of life for urban beneficiaries in Bangladesh. Your responses are entirely voluntary and will remain strictly confidential. There are no right or wrong answers; we are interested only in your personal experience and views.

Estimated time: 30–45 minutes Enumerator: _____ Date: _____

SECTION A: RESPONDENT AND LOAN PROFILE

Q1. Name (optional)

_____

Q2. Age

years _____

Q3 level of Education

Q4.Occupation

Q5. Number of family members (including yourself)

_____

Q6. Monthly household income (approximate)

☐ Below 15,000 BDT

☐ 15,000 – 20,000 BDT

☐ 20,001 – 30,000 BDT

☐ 30,001 – 50,000 BDT

☐ Above 50,000 BDT

Q7. How long have you been a member of this organisation?

☐ Less than 1 year

☐ 1 – 3 years

☐ 4 – 6 years

☐ 7 – 10 years

☐ More than 10 years

Q8. Which loan cycle are you currently in?

That is, how many loans have you received from this organisation in total?

☐ 1st loan

☐ 2nd loan

☐ 3rd loan

☐ 4th or 5th loan

☐ 6th loan or more

Q9. What type of loan or financial support have you received?

Tick all that apply.

☐ Business loan

☐ Livelihood loan

☐ Housing loan

☐ Education loan

☐ Emergency loan

Other: _____

Q10. What was the approximate amount of your most recent loan?

☐ Below 50,000 BDT

☐ 50,000 – 100,000 BDT

☐ 100,000 – 200,000 BDT

☐ 200,000 – 500,000 BDT

☐ Above 500,000 BDT

SECTION B: LOAN USE AND ECONOMIC ACTIVITY

Q11. How did you primarily use the loan you received?

Tick all that apply.

☐ Start a new business

☐ Expand or grow an existing business

☐ Buy goods or raw materials

☐ Buy tools or equipment for work

☐ Cover family expenses (food, rent, utilities)

☐ Pay for education

☐ Pay for health treatment

☐ Repay another loan (formal or informal)

Other: _____

Q12. If you used part of the loan to repay another loan, was that other loan from:

Skip this question if Q9 did not include 'Repay another loan.'

☐ A formal institution (bank, MFI, NGO)

☐ An informal moneylender (mahajan)

☐ A neighbour, friend, or family member

☐ Not applicable — I did not use the loan for repayment

Q13. What was your main source of income before receiving the loan?

☐ No income

☐ Daily labour

☐ Small business or trade

☐ Formal job or service

☐ Agriculture

☐ Self-employment (e.g., tailoring, rickshaw, domestic work)

☐ Family support or dependent

Other: _____

Q14. Has the loan helped you start or expand any income-generating activity?

☐ Yes — started a new income activity

☐ Yes — expanded an existing activity

☐ Yes — bought more goods or materials

☐ Yes — bought tools or equipment

☐ Not yet (loan received recently)

☐ No change

SECTION C: PERCEPTIONS OF QUALITY OF LIFE

Q15. In your own words, what does a 'good quality of life' mean to you?

Please describe freely. There is no correct answer.

Q16. Have you noticed any overall change in your life since receiving microfinance support?

☐ Significant improvement

☐ Some improvement

☐ No change

☐ Things have become worse

SECTION D: ECONOMIC AND MATERIAL WELLBEING

Q17. How has your monthly household income changed after receiving the loan?

☐ Increased significantly (more than 50,000 BDT per month)

☐ Moderately increased (20,000 – 50,000 BDT per month)

☐ Slightly increased (less than 20,000 BDT per month)

☐ No change

☐ Decreased

Q18. How has your sense of worry or stress about household finances changed since receiving the loan?

☐ Much less worried — I feel financially more secure

☐ Somewhat less worried

☐ No change

☐ More worried than before

Q19. Have there been changes in your housing or living conditions after receiving the loan?

☐ Significant improvement (e.g., roof, latrine, added room)

☐ Some improvement

☐ No change

☐ Conditions have worsened

☐ Not applicable

Q20. How secure do you feel about your current place of residence?

☐ Very secure — I own or have a formal lease

☐ Fairly secure

☐ Somewhat at risk of eviction or displacement

☐ I have been evicted or displaced in the past

Q21. Has your household's access to food and nutrition improved after receiving the loan?

☐ Improved food quality overall

☐ Increased protein intake (fish, meat, eggs, milk)

☐ Increased quantity of food

☐ No change

☐ Food situation has worsened

SECTION E: EDUCATION AND HEALTH

Q22. Have there been any changes in your children's education or related expenses?

Tick all that apply. If you have no school-age children, please tick 'Not applicable.'

☐ Better school attendance

☐ Increased spending on books, uniforms, or school fees

☐ Access to private tuition or coaching

☐ Reduced risk of school dropout

☐ No change

☐ Not applicable — no school-age children

Q23. Has your access to healthcare services improved after receiving the loan?

☐ Easier access to doctors or clinics

☐ Reduced burden of treatment costs

☐ Better access to medicines

☐ More use of regular health check-ups

☐ No change

☐ Healthcare access has become more difficult

SECTION F: SOCIAL STATUS AND EMPOWERMENT

Q24. How do you perceive changes in your social status or respect within the community?

☐ Much improved respect and recognition

☐ Some improvement in respect

☐ No change

☐ Decreased respect or position

Q25. Have there been any changes in your involvement in household decision-making?

☐ I now decide most household matters independently

☐ I now decide jointly with my family

☐ My involvement has increased somewhat

☐ No change

☐ My involvement has decreased

Q26. Do you personally manage or have a say in how the loan money is used?

☐ Yes — I decide entirely how the loan is used

☐ Yes — I decide jointly with my spouse or family

☐ Partially — I have some say but not full control

☐ No — another household member manages the loan funds

Q27. Has your participation in the microfinance group increased your confidence or ability to speak up?

☐ Yes — significantly more confident

☐ Yes — somewhat more confident

☐ No change

☐ I feel less confident than before

Q28. Which aspect of your life has improved the most after receiving the loan?

☐ Income / earnings

☐ Food / nutrition

☐ Housing / living conditions

☐ Health / healthcare access

☐ Children's education

☐ Social status / respect in community

☐ Financial security / reduced stress

☐ No improvement

Other: _____

SECTION G: CHALLENGES, DEBT, AND ASPIRATION

Q29. What challenges do you currently face in improving your quality of life?

Tick all that apply.

☐ Low or irregular income

☐ Pressure of loan repayment instalments

☐ Difficulty maintaining a stable business or job

☐ High cost of living (food, rent, utilities)

☐ Health problems in the household

☐ Family responsibilities limiting work

☐ Risk of eviction or housing insecurity

☐ No major challenges at present

Other: _____

Q30. Do you experience any difficulty in repaying your loan instalments?

☐ High repayment pressure — I often struggle

☐ Irregular income sometimes makes it difficult

☐ Sometimes difficult but generally manageable

☐ No difficulty — repayment is comfortable

Q31. Have you ever borrowed money from an informal source (e.g., moneylender, neighbour) to repay your MFI loan instalment?

☐ Yes — this happens frequently

☐ Yes — this has happened occasionally

☐ No — I have never needed to do this

☐ Prefer not to say

Q32. What are your main hopes or goals for yourself and your family in the future?

Tick all that apply.

☐ My children completing higher education

☐ My children finding secure, professional employment

☐ Owning my own home

☐ Expanding my business to a larger scale

☐ Achieving financial independence from loans

☐ Improved health and healthcare security

☐ Greater respect and voice in the community

Other: _____

Thank you very much for your time and cooperation.

All responses are confidential and will be used for academic research purposes only.

APPENDIX B: PHOTOS OF THE RESEARCH FIELD



Photo 1: Field interview with a PKSF-supported beneficiary at her home-based tailoring unit. Photo by Amir Hossen, 2026.



Photo 2: Sewing machines and stitched garments inside a beneficiary's home-based tailoring workshop. Photo by Amir Hossen, 2026.



Photo 3: Administering the survey questionnaire with a beneficiary at her place of work. Photo by Amir Hossen, 2026.



Photo 4: Discussion with beneficiaries and partner-organisation staff at a scrap-recycling enterprise. Photo by Amir Hossen, 2026.



Photo 5: Researcher with beneficiaries at a clothing retail shop financed through microcredit. Photo by Amir Hossen, 2026.