

meeting. All business is transacted both in front of the borrowers as well as the bank worker. In addition, the borrowing capacity of a member of a group is not the jurisdiction of the bank, but is determined by the group members and other borrowers belonging to other groups.

The last factor is in stark contrast to how a loan is disbursed in India. The regional rural bank officer, often burdened with as many as 1,000 accounts, has little idea to whom the bank is lending money. There are published reports which show that there is no file for each account, and thus no record of any discussion that might have taken place between the officer and the borrower. The last vestige of evidence of a transaction gets wiped out when the bank officer is transferred or retired.

Whereas the GBB is oriented toward developing the assets of both the borrowers and the bank, the Indian regional rural banks have adopted a rejection-based screening system. The individual-based screening of clients, which does little to help develop mutual trust between the bank and the lender, does not even take advantage of the existing social institutions such as the *gram panchayats* or village councils.

The Comilla model of development

Before the BFF was established in the 1960s, Bangladesh had formulated a rural development model. The model, which was first put to use in the district of Comilla, and thus came to be known as the Comilla model, has been extensively documented and studied abroad as well as within Bangladesh. The model, which was a new system of cooperative credit, was later subsumed under the Bangladesh Rural Development Board and replicated widely throughout the country.

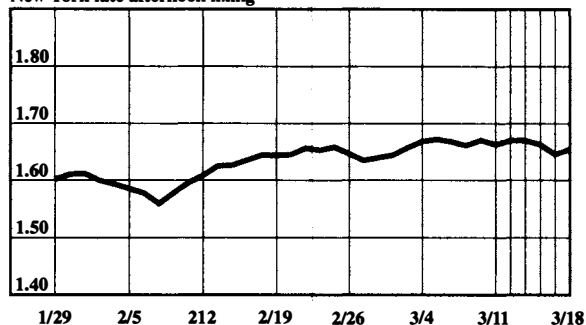
The premises of the Comilla model were: that the villagers themselves have the best understanding of the rural situation; that it is within the means of the villagers to bring about a change in these conditions, and that they must do so through individual and cooperative action; and that the villagers, once assured of the means of development through the guarantee of a sustained flow of income, must initiate the change.

The Comilla model thus established the villager as the decision-maker. The village came to be recognized as the starting process of modernization through small but persistent efforts, and the social structure of the village was not only not tampered with, but was used to help the villagers. The strict discipline that was imposed within these societies demanded, among other things, weekly meetings with compulsory attendance, both regular training and regular savings deposits, and planning production on a joint basis. Not to be underestimated is the fact that the credit system thus introduced took the farmers out of the clutches of both the moneylenders and the traders. However, where the Comilla model failed, and the GBB succeeded in filling the gap, is the protection that was not available to those who could not join, including the landless.

Currency Rates

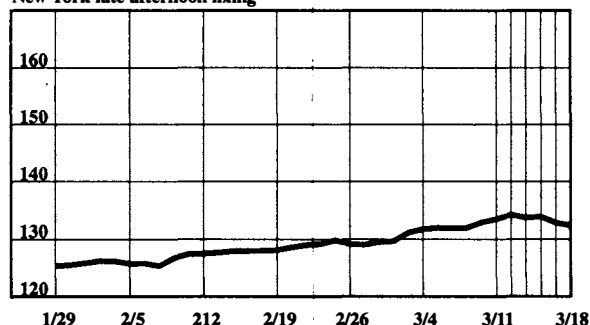
The dollar in deutschemarks

New York late afternoon fixing



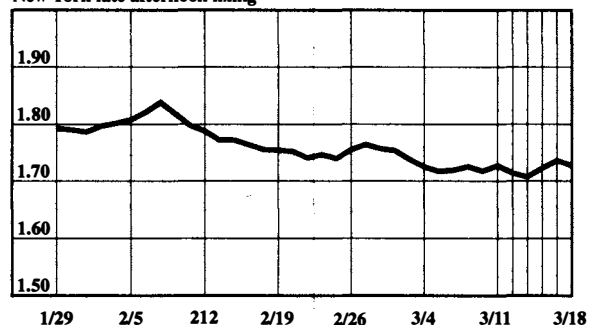
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

