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**A NOTE ON REASONS OF DROPOUT FROM BRAC's
MATLAB
VILLAGE ORGANIZATIONS**

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INTRODUCTION

Profile of BRAC

BRAC, a private development organization started its activities in February 1972. The twin objectives of BRAC are poverty alleviation and empowerment of the women. BRAC utilizes a target people Approach with its main focus on the landless poor who sell their manual labour for survival and own no more than .50 acre of land. BRAC attach high priority to involve women and other disadvantaged groups falling in this category in the cycle of development activities.

Rural Development Programme (RDP) is the core of all BRAC activities in terms of approaching BRAC's activities. It is a multidimensional programme, introduced in BRAC in 1986 to assist the landless poor to organize themselves into Village Organizations (VO) for their socio-economic upliftment.

Profile of BRAC's Village Organisations

BRAC introduced the Rural Development Program (RDP) in 1986 to assist the poor and landless to organize themselves into Village Organizations (VO) for their socio-economic upliftment. Major components of the program are:

- a) Savings and credit
- b) Employment and income generation
- c) Social Development and
- d) Support Service

The objectives of the village organizations are to :-

- ◆ develop a well disciplined organization of the rural poor with particular emphasis on women
- ◆ develop the capacity of the poor with a view to their sustainable development and
- ◆ enable the rural poor to participate in national development process.

The target group is defined as “the households that own less than 50 decimals of land, own no implements of production and in which the principal worker has had to sell at least 100 days of labor over the past year to subsist.”

Weekly meetings, the regular forum of VO members, are held at a previously identified spot. Every VO has a fixed day for weekly meetings which usually takes place in the mornings. Savings deposits and loan repayment are made at these meetings. Economic decisions such as the selections of loanees, resolution and deed agreements also take place at these meetings. Each VO is made up of 45-50 members.

BRAC has introduced a special approach for savings mobilization. VO members are encouraged to save a minimum of TK 2 which is collected at each VO's weekly meeting and credited to the members' individual pass books. In addition to the voluntary weekly contribution of members' savings, savings are also mobilized through lending to them. A 5% deduction is made from each loan when disbursed. The deducted amount is also credited to the respective member's savings account. BRAC pays a 6% interest on members' savings.

Profile of DROPOUT of VO members

Dropouts are those members who severed their relationship with or were expelled by BRAC. Reasons for dropout may be summarized by four conditions:

1. Retirements of VO members.
2. Expulsion.
3. Death.
4. Self quitter.

Retirement of VO members:

VO members can retire as for the following conditions:

- a. Illness due to old age.
- b. If the VO members cross 55 years.
- c. Physical disability.
- d. Crippled.
- e. Migration.
- f. Other special reasons.

Expulsion:

The VO members may be expelled from the VO depending on the following reasons:

If -

- a. their works go against the organization.

- b. they misuse and misappropriate the fund of joint economic activities.
- c. they misappropriate the funds of the organization.

The decision of expulsion or removal should be approved at the presence of 2/3 VO members and through the approval of 3/4 of the present VO members.

Profile of Matlab

Matlab is situated about 55 km south-east of Dhaka city, the capital of Bangladesh. It is a large thana of Chandpur district with a population of about 400,000. The area is a delta and is intersected by numerous canals and branches of two major rivers, the Meghna and the Gumti. During the monsoon most of the land is flooded. The climate is subtropical and the Tropic of Cancer passes through the area.

About 85% of the population is Muslim, and the remainder mostly Hindu. There are on average 5 to 6 people in a household and each household typically owns a one or two-roomed house, with an earth floor and with walls and roof made of jute sticks, corrugated iron sheet or thatch. Some household have a separate shed, kitchen or other outer building. A number of households usually paternally related to eachother, live a common courtyard in a unit called a "bari". Several baris form a village. The average village has grown in size from 1200 people in 1963 to over 1400 in 1990. Although village range in size from a few hundred people to well over two thousand.

Objective

The main objectives of this study are

- a) to report the extent of dropouts
- b) to identify the socio-economic backgrounds of the dropout/expelled members
- c) to examine major reasons for dropout/expulsion and
- d) to conduct in-depth studies on the effects of dropout/expulsion from BRAC VO activities.

Methodology

The present study on Reasons for Dropout is both qualitative and quantitative in nature. The Qualitative part of the study includes eight case studies on dropout reasons. Further, information were collected through a semi-structured questionnaire.

Listings of individuals who had dropped out from BRAC activities within the last 33 months (from the time of the commencement of the program in Matlab) were obtained from the RDP central office in Matlab where a number of dropouts were reported. This list is formulated by the PO (Accounts) through Savings Return Register.

Each household (HH) was visited by the authors. A total of 40 women out of 133 dropouts were interviewed using an open ended questionnaire relating to socio-demographic factors, as self and husband's occupation, number of children, sources of income, number of members in household, length of membership in VO, number of loans obtained/returned, etc. during June-July '95.

Each interview took approximately 30 minutes at the homestead and was conducted with verbal consent of both the interviewees and her husband/mother-in-law.

Summary of Findings

The study results identified some major reasons for dropout and expulsion of VO members. These are summarized in order of the number of times they appeared on the case sheets:

- S (1) Husbands donot allow their wives to come to the weekly meetings.
- S (2) Some husbands force their wives to attend meetings because of the prospect of being able to take a loan. Wives leave VO because they feel that their husbands are not going to invest the money properly and not pay back the loan.
- O (3) Migration to town and cities in search of jobs.
- S (4) BRAC will convert the VO members to Christianity. After the members die they will be buried in black cloths (as Christians).
- R (5) VO meetings take too long (2-3 hours). Some have to walk long distances and through water to attend meetings. They cannot send their children to school that day and they are unable to attend to household chores.
- O (6) Existence of other NGOs in the area which offer better and quicker facilities than RDP. A Grameen Bank member can obtain a loan within a week of attaining membership in contrast to a BRAC member who is eligible after 8 weeks.
- R (7) Unable to pay the weekly deposit either due to lack of money or due to family restrictions from home. Husbands claim the cash from their wives and don't give them to pay either the weekly deposit or loan installments. Husbands misbehave with wives when they go to ask for money for weekly deposit.
- ~~O~~ (8) The members go to visit their natal home for 3/4 months. Therefore, memberships were canceled because they were unable to attend weekly

meetings and continue with saving activity.

- (9) Memberships were canceled due to non payment of loan installment.
- (10) Members were unable to count and sign their names. Therefore, they could not take a loan and thus left BRAC.
- (11) Members were found ineligible for VGD (Vulnerable Group Development) cards as initially expected. Therefore they left the VO.
- (12) Members were unable to attend the mandatory one month long FE/SAE* class.
- (13) Illness or death of the VO members.
- (14) Fundamentalists convinced the members that their prayers are not going to be accepted by Allah if they attended the meetings.
- (15) The rate of interest of BRAC on savings is not high enough (6%). It is more profitable to save in a bank.
- (16) Believes that members should be older and/or widowed women as it involves interaction with men thus interfering with the *Pardah* system.

Number of Dropouts in Matlab:

Matlab RDP 1, started its activities in February, 1992. In June 1995 total VO members were 5,199 and total dropout members were 133. The crude rate of dropout was 2.59%¹. Table 1 shows the dropout rates in more detail. There has been an interesting trend in the rate of dropout by year in Matlab. In 1993 the rate was 0.83%, in 1994 it was 0.87%, by June 1995 it was 1.13%.

*FE - Functional Education

SAE - Social Awareness Education

¹ According to MIS RDP, the rate of dropout in RDP (throughout the country) by June 1995 was 1.13%. While the male dropout rate was 5.94%, the female dropout rate was 0.99%.

Case Studies:

Forty case studies (in-depth interviews) were conducted in the project entitled "Reasons for dropout from BRAC's Matlab Village Organizations". A sample of statements given by respondents are given below.

a) Criticism of BRAC loan and repayment modes and rates; Over expectation of member rewards.

Parveen Akther, member 41 from Bhangarpar lives at her father-in-law's house. She has two children. Her son, Habibur Rahman is six while her daughter, Kakoli Akther is three. At present she is a housewife. Her husband, Abdul Hai, owns a store opposite Jaganath College in Dhaka. He lives in Dhaka while she lives alone with her children at their village home. Her mother-in-law passed away many years ago.

Her father's home is in Upadhi (Bakul Bari) where she was born along with her other four sisters and a brother. Being 23 she is the eldest while her youngest sister is 6 years old.

Parveen has a primary school education but since she was married off at a very young age she could not continue her studies. She was married when she was 12. Parveen's father is a bus driver who works in Dhaka. Her younger sister, Shefali, has been married for the last 5 years. Shefali is 17-18 years old.

She became a member when the VO was initially set up. Her father-in-law made her join BRAC because he considered it to be 'fashionable'. Her father-in-law has passed away. When he became ill he stopped her from going to the meetings. She had to stay at home

and take care of him. Her husband also forbid her to go to the meetings because his father would've gotten annoyed. He died within a month of becoming ill. After that she couldn't attend the meetings because nobody was there to take care of her children.

She understands that she would've benefited by remaining a VO member. She felt that I had gone to her with good intentions. She said, "I know you are trying to help me."

Parveen has no intentions of returning to the VO. She had to go to Bhangarpar to deposit her money which is a 10 minute walk from her home. This means that she had to go to a different Bari. This was not possible for her everyday. She was not allowed to take her children along with her. Moreover, the children had school. She had to dress them and feed them before sending them off to school. She also had to take care of her hens and ducks (6 ducks and 15 hens).

Parveen doesn't believe that she is well off. This is why she has become a member of a "Somobay Sometee". The "Somobay Sometee" meetings are held in her courtyard. According to her, BRAC meeting take too long. She had to sit in one place for 2-3 hours. If one member does not show up the rest of the members were made to sit and wait for her which she believes is not fair.

She said, "Suppose person X takes a loan. Even if her husband or child falls ill, she has to return the loan installment in time every week. If she doesn't, the other members will be PUNISHED. Who wants to be a member of such a society?" Parveen understands that it is her responsibility to return the money she borrows. She also said, "One should be able to return the installment money through another person. At times it is physically impossible to attend the meetings. Why does BRAC not understand this?" Therefore she has not benefited from being a member of the VO.

She pointed out that if one takes a loan for TK 1000, BRAC *keeps* TK 200 and gives TK 800. She doesn't like this. BRAC charges TK 27 for books, pens, etc. "The rate of interest

is not high enough. If the principle is TK 75 the interest will be TK2. Banks give a higher rate of interest. Why should I save with BRAC?"

Parveen said, "BRAC has not kept its promises. The PO (Program Organizer) had said that 25 out of 72 members would get a VGD (Vulnerable Group Development) card. However only one person got the card. The PO also said that I will have to deposit TK 2 and come home. I was aware of the month long FE classes. The PO said that 25 people will attend the one month FE class initially. Then the next 25 people will attend. Three months after classes are over the 25 members will be able to take a loan. But loans were given out after six months. 10/12 chicks will be distributed to members initially. TK 75 will be subtracted over the months. These chicks are too small and ill and they die with in a few days."

b) Delay in obtaining credits

Abha Rani is a 35 years old married housewife with three sons and one daughter. She hails from Charmokundi (VO 2001). Her husband Shri Dinobando Sarkar weaves nets. She had been a member for four weeks and left the VO three months ago. Thus she has never taken a loan. She paid for her savings book when she joined the VO. As she could not go to the meetings her husband asked the officer for the book. Officer , Mr. Azad, misbehaved with her husband and asked her to go to the office to collect the book (rule). She has not collected or received the book as yet. Her husband was extremely angry to see us.

c) Migration

Shamsun Nahar is a forty years old housewife. She has 2 sons and 3 daughters. Her husband owned a grocery shop in Durgoan (VO code 2019). She had been a member for one year but has never taken a loan. She and her family moved to Dhakirgoan in search of a better job for her husband.

d) Repayment defaulter

Shamela Begum is a 22 years old woman from Durgoan (VO 2019). She has a son and a daughter. She had taken a loan of Taka 2000 once for wood business. However she was a defaulter and didn't pay back her loan installment in time. Her husband works at the Forest Department as a peon at the moment. Previously he used to work for the business.

Shamela and her children were sent to her father's house for 5 months as her husband could not afford to keep her at Durgoan. In the meantime, he ran after Forest Department officials for his job. He says that he could not afford to keep his family with him because he spent every penny he earned on bribes for the officers of the Forest Department. Thus his wife could not pay back the loan installment each week. Now he has managed the job that he has wanted for a long time and so he has brought back his family to his village. They have paid back the money they owed BRAC. This happy couple want to set up a nursery in their village and therefore, Shamela wants to rejoin the VO. She had been a member for two and a half years.

e) Religious Fanatism

Shahera is a 26 year old housewife from Durgoan. She has one son and one daughter. She had been a member for one year but has never taken a loan. Her husband doesn't allow

her to attend BRAC meetings as he believes that BRAC will convert her into a Christian. She had been a member for one year.

f) Existence of other NGOs in the area

Beauty was married at the age of 18. She is 32 years old and has two sons (ages 12 and 8) and 2 daughter (ages 10 and 4). Her husband is a wood cutter and as a result lives away from home most of the time. She became a member of the VO in the absence of her husband. Her husband thought that she had become a member of Grameen Bank. When he found out the truth he forbid her to attend the meetings anymore. He wanted her to take out a loan instantly. Grameen Bank give out loans within one month of membership while a BRAC VO member at that point was eligible to take a loan after six months of membership. BRAC members are now eligible to take out loans after 8 weeks of membership. The length of Beauty's membership was only one month.

g) Re-channelization of loan money

Mahfuza, a thirty years old housewife was married at the age of 18. She has two sons and two daughters. Her husband is a "household worker" (Jack of all trades"). She was a member for 2 years. She had taken a loan of Taka 2000 to buy a cow. She then sold the cow and made a house. She was thus expelled from the VO because she had broken loan discipline.

h) Religious Fanatism --- Misleading messages

Noor Jahan is 35 years old. She lives in Durgoan with her husband, 2 sons and 3 daughters. Her husband is a landless farmer. She has never taken a loan. She voluntarily dropped out of the VO because she was unable to attend the weekly meetings. She would have to fight with her husband to give in the weekly deposit money. Her husband believed that BRAC officers were preaching Christianity as they were encouraging women to become self-sufficient. However, he still allowed her to remain a member because his ultimate aim was to attain a VGD card. Unfortunately Noor Jahan was unable to get the VGD card as only 3 out of 45 members got it. She wasn't allowed to attend meetings anymore.

Table 1. Yearly Dropout (Matlab)

Period	Total VO member		Total Dropout		Rate of Dropout		Total Rate of Dropout
	male	female	male	female	male	female	
1992	-	1372	-	-	-	-	-
1993	-	3732	-	31	-	0.83%	0.83%
1994	36	4893	-	43	-	0.87%	0.87%
1995	36	5163	-	59	-	1.13%	1.13%*

Source: RDP, Matlab

* Over six monthly

Table 2. Total Dropout in RDP

Total VO member upto June'95		Total Dropout Jan-June'95		Rate of Dropout		Total Rate of Dropout
male	female	male	female	male	female	
11936	418998	709	4146	5.94%	0.99%	1.13%

Source: MIS, RDP, Head Office.

MATLAB, CHANDPUR (AT A GLANCE: UPTO JUNE,1995)

1. Total Union	: 22
2. Total Villages	: 411
3. Total Households(HH)	: 76266
4. Total Population	: 445607
	- 219732(Male)
	- 225873(Female)
5. Literacy rate	: 36.1% (M=41.8, F=30.1%)
6. No. of NGO working	: 4 (BRAC; ICDDR,B; NIJERA KARI; GRAMEEN BANK)
7. No. of Bank	: 16
8. No. of Union covered(BRAC)	: 10
9. No. of Village covered(BRAC)	: 67
10. No. of hhs covered (BRAC)	: 5199
11. No. of Village Organizations(VO)	: 132
12. No. of VO Members(RDP)	: 5199
13. Total Weekly Savings	: 1611434 TK.
14. Total Compulsory Savings	: 1070924 TK.
15. Total Savings Return	: 19393 TK.
16. Total Savings[(13+14)-16]	: 2662965 TK.
17. No. of VO member dropped	: 133 (Rate: 2.59%)
18. No. of VO member admitted	: 5332
19. Total Loan disbursed	: 19177000 TK.
20. Total member received Loans	: 6950
21. Total Loan Outstanding	: 8528976 TK.
22. Total members of Outstanding Borrower	: 3699.

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3. Annual Report, RDP, 1994.
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5. Why VO members drop out, Md. Kaisar Ali Khan and AMR Chowdhury, July 1995, RED.

RECOMMENDATIONS

1. VO meetings should be completed within one hour. VO members should be encouraged to maintain time schedule.
2. At present, VO members are eligible for loans after 7/8 weeks of their membership. It is recommended that this period should be reduced to 2/3 weeks.
3. The concept of *VGD card holder membership* should be clearly explained to the VO members.