

**ANALYSIS OF MEMBER PERFORMANCE : A CASE OF BRAC'S
RURAL DEVELOPMENT PROGRAMME**

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Abstract

A comparative analysis of high performing and other BRAC members has been made to determine factors responsible for differences in their performance. It was found that both the success cases and other members owned similar amount of land at the time of joining BRAC programmes. Among the success group the performances of self employed, literate, and female headed households were significantly higher compared to other members. Members with traits of leadership, higher initial endowment, higher involvement in relatively high return activities, higher entrepreneurial skill and higher social position achieved greater success. The success members also had close kinship ties with other members in the organization. Multiple loan use was also found as one of the influencing factors behind their success.

In Bangladesh a large number of NGOs and the Grameen Bank have been working during the last two decades for poverty alleviation and empowerment of the poor, specially women. They have provided mainly credit to their client households assuming that the poor were efficient and could utilize loan in a productive way. According to Mohammad Yunus the poor have enormous capacity and potential. Only if they get credit on reasonable terms they can generate incomes for themselves and their families (Yunus, 1997). He also suggests that a virtuous circle can be established: 'low income, credit, investment, more income, more credit, more investment, more income' (quoted in International Development Support Services 1994: 6). It appears that Yunus has treated 'the poor' as an undifferentiated group. The notion of sustained growth in income, production, credit and investment captures only a part of those who borrow credit from different micro-credit institutions. It was also revealed from different studies carried out within and outside the country that only a part of the poor households that borrowed experienced success. This argument was confirmed by Montgomery, Bhattacharya and Hulme that credit had differential effect for different groups of poor people. The differing abilities of borrowers, their initial economic and social positions and the wider economic environment were the reasons of differences in members' performance (Hulme and Mosley, 1997). The impact assessment study of BRAC's rural development programme conducted in 1996-97 included, among others, an analysis of the factors responsible for differences in the performance of group members organized by BRAC. The results of analysis of these factors are presented in this paper.

BRAC is a Bangladeshi non-government organization which initially started its operation in 1972 to provide relief and rehabilitation to war ravaged victims of Sulla in Sylhet district . Today, it is the largest multi-dimensional rural development organization in Bangladesh. Its main goals are to alleviate poverty and empower the rural poor, especially the women. Rural Development Programme (RDP), the core programme of BRAC, was launched in 1986. Under the RDP, the rural poor are organized into village organizations (VOs) and are provided with credit, skill development and awareness education and other necessary support for raising their income and employment opportunities and their level of empowerment.

Methodology

A comparative analysis of 196 selected success cases i.e. those members who have performed extremely well and other 1072 active BRAC members was made. The study covers both quantitative and qualitative information. Data sources included a household survey and case studies. A structured questionnaire was used to conduct the household survey and the households were randomly selected from 25 RDP area offices (AOs). However, in purposively selecting the success cases five new AOs formed within one year prior to data collection were excluded.

From the 196 success cases five were purposively selected for in-depth case study. Semi-structured checklists were used to elicit information from these cases and the information thus obtained were cross-checked with their household survey data. The purpose of these qualitative case studies was to try to understand the 'hidden' reasons behind the individual member's success or failure resulting from BRAC interventions.

Results and Discussions

Differences in well-being status of the success cases and other BRAC members

A comparative analysis of the material well-being status of the success cases and the other BRAC members was made to bring out the differences between the two groups considering the following indicators.

Initial endowment: Due to lack of baseline data, amount of land possessed at the time of joining BRAC is considered as a major indicator of initial endowment. Among others sex, age, occupation and education of the household head are the variables which can not be influenced by RDP intervention in the short run they are also included under endowment variables. In terms of pre-BRAC landholding and age of the household head, no notable difference was noticed between the two groups. However, 15% of the success cases came from households headed by female while for other BRAC members it was only 9.3%. Studies revealed that generally female-headed households belong to the poorer section of the society owning less assets and net-worth (Alamgir, 1998, Halder, 1998). A higher percentage of female-headed households of the success cases indicates their lower initial condition compared to others. It was found that 43% of the success household heads were literate compared to 27% of other BRAC members. Proportionately more success household heads were self employed and less wage employed. In rural areas, self employment is more prestigious than wage employment. The higher percentage of self employed households of the success cases indicate their better-off position in the society.

Table 1. Indicators under initial condition of the success cases and other BRAC members.

Indicators	Success cases n=196	Other BRAC members n=1,072	Success vs. other BRAC members (t value)
Pre-BRAC land (decimals)	39	36	0.29
Age of the household head (yrs)	41.7	40.3	1.54
Female headed households (%)	15.3	9.3	2.54
% of literate household head	42.9	27.0	4.52
% of self employed	67.4	52.2	3.95
% of wage employed	17.4	30.3	-3.72

Household characteristics: Average household size and proportion of income earner to household size were higher for the success cases. Significantly more female members of the success cases were involved in income earning activities which contributed to their lower dependency rate.

Table 2 shows the comparative well-being of all success cases and other sample BRAC members irrespective of their membership length. Results show that on the whole the success households were better-off than the other BRAC members. The quality of life of the success cases in terms of housing facilities including per capita floor space of living houses and value of living houses, the average level of household education, per capita food and total expenditure was better than that of their counterparts. The success households received more inputs from BRAC and other institutions, and owned more than two times higher non-land assets, 150% more savings and 87% higher net-worth compared to other BRAC members.

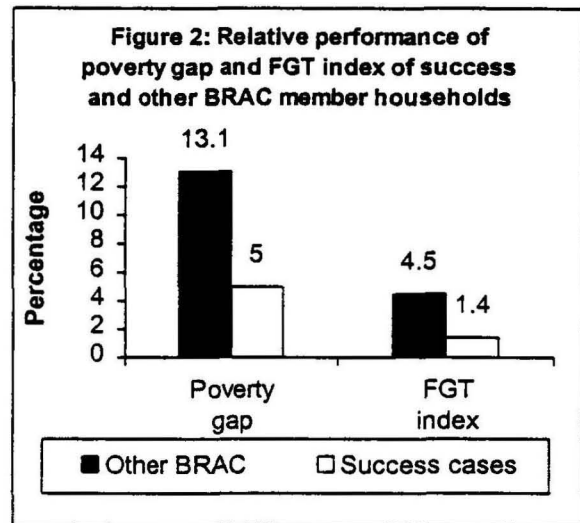
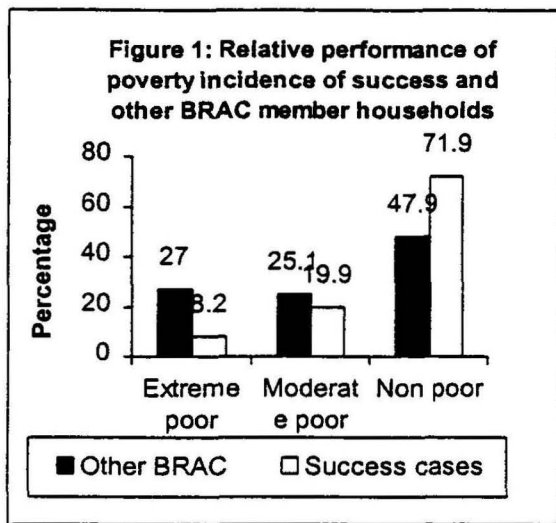
Table 2. Mean differences of indicators of material well-being between success cases and other BRAC members (all age groups).

Indicators	Success cases n=196	Other BRAC n=1072	Success Vs Other BRAC <i>t value</i>
Household size (No)	5.5	5.0	3.15
Number of income earner	1.82	1.50	4.67
% of income earner to household size	34.6	32.3	1.68
% female to total income earner (%)	13.4	9.6	2.02
Average level of hh education (score)	139	99	6.44
Per capita floor space (sft.)	82	70	2.15
Value of living houses (Tk.)	20,359	9,718	9.07
Total number of BRAC loan	3.82	2.23	12.16
Total BRAC loan (Tk.)	17,118	7,558	16.80
Last three years institutional loan(Tk.)	15,322	6,813	16.24
BRAC savings (Tk.)	1,991	932	13.85
Total savings (Tk.)	3,113	1,245	14.79
Monthly per capita expenditure (Tk.)	820	687	2.97
Per capita calorie intake per day	2,371	2,306	1.63
Total non land assets (Tk)	37,952	17,125	11.68
Net worth (Tk.)	117,941	63,009	6.72

Poverty status of success and other BRAC households: Figure 1 presents the poverty incidence¹ of the success cases compared to other BRAC member households. Percentage of extremely poor households was only 8.2% among the success cases. For other BRAC households

¹Head count ratio is calculated based on cost of basic needs approach. For more detail see Halder S R, *Measurement of poverty and its correlates* in Husain A. M. .M. Poverty Alleviation and Empowerment, 1998

it was 27%. On the other hand, percentage of households above poverty line were about 80% and 48% respectively for success and other BRAC. The poverty gap² and FGT³ indices, indicating the depth of poverty and its severity were 5.0% and 1.4% respectively for the success households. These indices were 260% and 330% respectively higher for the other BRAC member households (Figure 2).



Use of IGA generated income: Income generated by members from IGAs was spent in most cases for household needs such as food consumption, education of children, treatment, buying clothes, etc. (Table 3). Percentage of income used for consumption was significantly higher for other BRAC members than the success cases. Members from the success households spent significantly more on children’s education, buying clothes and treatment than other BRAC member households.

Ownership and control over assets and mobility: The study takes account of a few aspects of women’s empowerment like ownership of asset, and whether they have control over them to convert them into cash any time without permission from their husbands. The list of assets owned by female household members was identified during questionnaire pre-testing. It was also

²Poverty gap is defined by the mean distance below the poverty line as a proportion of that line where the mean is formed over the entire population, counting the nonpoor as having zero poverty gap.

³The squared poverty-gap index of Foster, Greer and Thorbecke is defined as the mean of the squared proportionate poverty gaps (again the mean is formed over the entire population, counting the nonpoor as having zero poverty).

assumed that to own a piece of land, or to have a chicken by her own was not the same. For comparability all the assets were given scores considering their life time, value, and the main user of such assets. For land, cow, rickshaw, van, sewing machine, TV, spinning machine, and handloom the score given was three for each item, two was given for goat, big trees with minimum current price of Tk. 100, watch, and radio. For other items included in the list the score given was one. The reason for giving different scores for different types of asset ownership is that traditionally in a patriarchal society like that of Bangladesh females do not usually own any durable assets like a piece of land which are difficult to manage. The male ownership of such assets are well protected by different laws and social norms. The higher the aggregate score, the more assets a female member has on her own. According to Table 4, 5.5% more members from the success households owned any kind of assets. Among those who owned any asset, the proportion of those who had control over them fully or partially was also significantly higher for the success households. Average value of assets owned by the individual member was also significantly higher for the success group (more than 60%). However, in spite of higher percentage of success households having control (full or partial) over assets they own, the percentage of assets owned and controlled was similar for both of these two groups.

Table 3. Use of IGA generated income by member category (%)

Use of IGA income	Success n=196	Other BRAC n=1,072	Success Vs BRAC (t value)
Food consumption	45.1	64.9	-5.57
Children's education	23.5	13.6	3.65
Treatment	26.7	21.2	1.79
Purchase of clothes	3.6	0.2	4.20
Others	1.1	0.2	1.53
Total	100	100	

Table 4. Ownership and control over assets by member category.

Variables	Success	Other BRAC	Success Vs
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	N=196	N=1,072	Other BRAC (<i>t value</i>)
% of members owning any kind of asset	96.4	90.9	2.61
% of members having control over assets	76.5	63.5	3.54
Average assets owned by the member herself (score)	12.2	10.0	10.31
Average assets controlled by the member herself (score)	10.3	6.6	9.65
Control over % of total assets owned	85.8	85.8	-0.02

Table 5 shows the differences in relative performance of success cases and other BRAC members in terms of some selected empowerment indicators. As shown in the table, success households were significantly better-off in all variables like ownership of land, living houses, savings, poultry and livestock, and other variables in respect of ownership and control over these assets. Member's visit to the nearest bazaar by herself during the last three months before the date of survey was considered as the indicator of women's mobility. Results show greater mobility of members among the success group. Success households may, therefore, be considered as more empowered than other BRAC members.

Factors contributing to success

Individual characteristics of members: Although there was no significant difference between groups in terms of their marital status, the percentage of literate members was significantly higher among the success cases. Significantly higher proportion of the females headed the success case households who are empowered in making any household decision. In addition to BRAC membership, 3.6% members of the success cases were also members of other NGOs. For other BRAC members it was only one percent (Table 6). Seventy-one percent of members of the success cases received skill training which was nearly three times higher compared to other BRAC members.

Table 5. Performance of BRAC members in empowerment indicators.

Empowerment correlates	Sample groups (%)		Suc. Vs Other BRAC (<i>t value</i>)
	Success n=196	Other BRAC n=1,072	
Ownership of land	34.2	18.2	5.13
Ownership of houses	20.9	8.8	5.12
Ownership of cow	38.3	15.3	7.73
Ownership of goat	29.6	20.4	2.86
Ownership of poultry	83.2	68.8	4.09
Ownership of rickshaw/van	10.7	3.6	4.32
Ownership of jewellery	82.7	64.2	5.11
Control over owned land	17.35	9.4	3.32
Control over owned cow	20.4	6.8	6.23
Control over owned goat	21.4	12.9	3.17
Control over owned poultry	66.8	49.4	4.54
Control over owned rickshaw/van	6.6	1.1	5.15
Control over owned jewellery	52.6	34.8	4.76
Own savings	90.8	88.3	1.01
Visited local market by herself	26.0	16.3	3.27

Table 6. Individual characteristics of members.

Indicators	Success n=196	Other BRAC n=1,072
Marital status		
Unmarried	0.5	1.0
Married	90.3	86.3
Divorced/separated	7.7	10.8
Else	1.5	1.9
Chi-square		ns
Education		
Illiterate	2.0	9.4
Only can sign	61.7	72.9
1-5 class	18.4	12.7
Else	17.9	5.0
Chi-square		<i>p</i> <0.000
Relation with household head		
Household head	14.3	7.6
Wife of household head	80.6	82.3
Else	5.1	10.1
Chi-square		<i>p</i> <0.002
NGO involvement		
Only BRAC	96.4	99.0
BRAC and other NGOs	3.6	1.0
Chi-square		<i>p</i> <0.01
Training received from BRAC		
Yes	70.9	26.2
No	29.1	73.8
Chi-square		<i>p</i> <0.000

VO membership status: Table 7 shows that 61% of the success members were involved in the management of the VOs against 14% of the other BRAC members. These success members

providing leadership frequently come into direct interaction with BRAC field staff and take part in various management decisions.

The case studies found that they took initiatives in forming VOs their villages and became president or any other office bearer of the VO managing committee. As members of managing committee they also enjoyed more BRAC facilities such as receiving higher amount of loans and had higher income than general members.

Table 7: Status of sample BRAC members in VOs

VO status	VO status		IGA involvement		pre/present land holding		Other BRAC n=1072		Success n=196	
	Other BRAC n=1072	Suc. n=196	Other BRAC n=1072	Suc. n=196	Other BRAC n=1072	Suc. n=196	Ave. loan amount	Ave. income	Ave. loan amount	Average income
President	4.2	34.2	51.1	89.6	37/42	59/80	9531	1243	19182	9740
Secretary	2.7	7.1	51.7	64.3	25/30	21/30	7931	1828	17250	3275
Cashier	2.3	11.2	72.0	77.3	35/29	45/51	4520	1038	15416	7231
Small group leader	5.2	8.7	67.9	82.4	21/40	27/27	10759	1425	16470	13904
General member	85.5	38.8	41.9	72.4	37/43	24/31	7337	1045	15912	7120
Average			44.6	79.1	36/41	38/50	7558	1094	17118	8342

Involvement in IGAs: Seventy nine percent of the success cases were involved in income generation activities against 45% of the other BRAC members though a smaller percentage (25.5%) of them were involved in IGAs before joining BRAC than other BRAC members (28.4%). Proportionately more success cases members were involved in multiple IGAs. Again, the success cases received training in 41% IGAs they were involved in while the other members received training only in 11% of IGAs they were involved in. The returns received from their IGAs were eight times higher for the success cases.

Findings on five selected success cases revealed that women from households with no adult earning members and having higher dependency were involved in any IGA. These women were also found to have necessary skill, willingness and enthusiasm to improve their existing socio-economic conditions (Husain ed., 1998).

Survey results show that the total number of activities they were involved in were more than the total number of respondents as many of them were engaged in multiple IGAs (Table 9). Compared to their pre-BRAC involvement, number of activities presently involved had increased significantly for both the groups of members, but the rate of change was much higher for the success cases (69% and 38% respectively for the success and other members). Major activities of their involvement for both the groups were poultry, goat and cow rearing, and fisheries. Before joining BRAC these were also the major areas of their involvement. Tailoring, *kantha* stitching, and net making, which are included in cottage industries were the next broad areas. In spite of some major changes, these two groups of activities retained their predominant position among all IGAs. Members who were doing the same job as before had expanded their activities by increasing their capital investment. With BRAC support more women were now cultivating vegetables for commercial purposes. This is one of the most profitable activities, which give continuous earning throughout the year.

Table 8. Involvement in IGA of success and other BRAC sample members.

Indicators	Success n=196	Other BRAC n=1,072
% of members presently involved	79.1	44.6
No of IGAs involved per member	1.90	1.45
% of Pre-BRAC involvement of those currently involved	32.3	51.5
Training in such IGA they run	41.0	14.8
Average annual income of those currently involved	10,549	2458

Small trading is another profitable area. The reduced proportion of day labourers specially for other BRAC members and the increment of other activities explain that due to BRAC intervention females are now more interested in running activities independently. The number of individuals involved in such activities created by BRAC also increased over time. The table indicates that BRAC selected more members from the success cases and created employment opportunities for them. BRAC has trained up and locally employed those members who were more enthusiastic, had entrepreneurial skill, were literate, and also those who were more needy.

Kinship and loan privileges enjoyed: The case studies recorded some aspects which the survey could not cover. The success cases were members who were involved in the management committee or had a close relative in the committee. They also played a major role in VO formation. They had many relatives in their VOs. Many of them were also busy with multiple income generating activities and received a number of loans from BRAC in their name and in the name of their relatives, because the activities they were running needed more finance. The credit disbursement rules of BRAC do not allow individual members to receive loan beyond a given amount at a certain period of time. It was costly for them to borrow money from the locally available sources, for example, from *Mahajans*. Their inadequate assets neither allowed them to have loan from the bank by providing collateral. Under the circumstances, they ‘managed’ BRAC credit in others’ names, which was a violation of BRAC credit rules. The actual user of borrowed fund took the responsibility to pay weekly installments. In one such case the incumbent also paid the weekly savings of these members by herself on condition that after withdrawal of their membership she would inherit their savings too.

Table 9: Present and Pre-BRAC IGA activities by member category.

Activities	Present (%)		Pre-BRAC (%)		Average annual income (Tk)	
	Success n=295	Other BRAC n=693	Success n=175	Other BRAC n=501	Success n=196	Other BRAC n=1,072
Employed in activities created by BRAC	10.9	2.7	-	2.2	4,560	2,005
Poultry, livestock, fisheries	51.2	50.6	56.0	48.1	5,210	1,587
Cottage industries	13.6	22.4	21.1	24.8	8,190	1,971
Wage employment	4.1	9.8	3.4	12.4	5,178	2,591
Small Trading	12.5	10.8	10.9	8.2	15,739	3,768
Vegetable cultivation	6.4	2.2	6.3	2.2	9,553	2,387
Other skilled labour	1.4	1.0	2.2	2.2	7,400	2,617
Average	100	100	100	100	10,549	2,458

Conclusion and policy implications

Analysis of the performance of the success cases and other BRAC members shows that the former had attained significantly higher level of success. The success households had lower dependency ratio, higher per capita floor space and better quality of living houses with higher construction value. They received more training, had higher income, expenditure, net worth, non-land assets and better employment status than the other BRAC member households.

An analysis of the factors contributing to the high level of success for the success cases shows that 61% of them were involved in the management of VOs against 14% for others, 79% were involved in IGAs against 45% for the others, and 41% received training against 11% for the rest. There was a higher prevalence of their involvement with multiple IGAs, and at the same time they enjoyed some special privileges such as having close kinship ties in the VO and enjoyed multiple loans for raising their socio-economic status.

The above findings have some valuable implications for micro-credit programme and policies for alleviating poverty. The success cases showed that they had combined the traits of leadership and entrepreneurial skills with enjoyment of special privileges such as multiple loan use. One can deduce from the above that:

- (i) It is not only access to credit but also other personal characteristics such as traits of leadership of the poor that bring success;
- (ii) All the poor do not have the same capacity to use loans and to achieve success. In this sense the poor are not a homogenous group;

Thus, a blanket micro-credit policy that puts stress upon easy access to credit alone cannot achieve desired result. Depending on the capacity of using loan along with other associated success variables such as traits of leadership, special skills and entrepreneurship, a flexible loan policy may have a greater chance of achieving success. As mentioned by Hulme and Mosley micro-credit schemes give borrowers an important 'one step up' in income, however, 'survival skills' rarely provide the technological or entrepreneurial basis for all borrowers to move on to the 'escalator' of sustained growth of income (Hulme and Mosley, 1997);

- (iii) Special programmes are necessary for those who are disadvantaged in respect of skill, entrepreneurship and leadership capacity.

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