

Cause and Effect Analysis of Membership Discontinuation: A Case Study

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Abstract

Research and evaluation division of BRAC initiated the case study to look into the dropout matter for in-depth understanding of the causes and effect and policy implication of the issue. Two BDP area offices, one from low and one from high NGO concentrated area, were selected. Six VOs were selected including 3 from each area. Twelve dropout members from selected 6 VOs were taken for the case studies. Selected PRA techniques' such as, group discussion, physical mapping, in-depth interview, and wealth ranking exercises were used to collect information from dropout members, VO members, area office staff, and other community people. A questionnaire survey was also done on 108 dropout members on some selected indicators. The study shows that the multidimensional reasons interplay, aggravate and give grounds for dropout. Inflexible savings and credit management policy, and various deductions are found to be the most common interneccine causes of member's discontentment and dropout. In spite of long time membership, some members remain vulnerable to big economic and health related crisis and a little shock plunge them into dropout. Some members are also dropping out to join other NGOs to minimize opportunity cost in terms of distance, deductions etc. Well being status of some dropout members was at risk as their nutrition intake decreased, household assets diminished compared to when they were BRAC members and, in some cases, social support also decreased. Comparatively poorer members were exposed to vulnerability. While, some other dropout members who joined other NGOs experienced continuous economic improvement started during BRAC membership.

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Cause and Effect Analysis of Membership Discontinuation: A Case Study

Executive summary

Most of the microfinance institutions face the challenge of minimizing the rate of membership dropout as it adversely affects the smooth running of the programme in terms of cost effectiveness and members' well being. Recent studies show that high rates of membership dropout are cramping the efficacy of the microfinance institutions in offering quality services to its members. BRAC has given importance on the issue and dropout was included as a theme in two consecutive Impact Assessment Studies (IAS) of BRAC's Rural Development Programme (RDP). Although, in the recent past, BRAC members' reducing dropout rates prove the improvement of the situation however there was no study to read off the **process** of members' dropout and its effects on the microfinance institution. Research and Evaluation Division (RED) of BRAC initiated the case study to delve into the matter in understanding policy implications of the issue.

Objective of the study

This study aimed to explore the causes and process of dropout and its effects on members as well as microfinance institution.

Methodology

Two RDP area offices were selected for this case study. One office was selected from high NGO concentrated area and another was selected from low NGO concentrated area to understand the role of competition on dropout and its differential effects. To understand dropout scenario this case study included three Village Organisations (VOs) from each area. A questionnaire survey was done on 108 dropout members of six VOs to understand their overall condition on some selected indicators. Twelve dropout members from six selected VOs were taken for case studies to understand the in-depth causes and effects of membership discontinuation.

Results

Reasons for dropout

The reasons for membership discontinuation are multidimensional and complex. The range of reasons for client exit that surfaced from the discussion sessions with group members and BRAC staff were diverse.

Membership process and dropout

Sometimes members are given false hope to attract them to be a member. Attracted by the expectation many women gravitate to the BRAC programme some of whom are not creditworthy but deserve direct employment or economic supports. However, getting no such support from BRAC some members exit the VO after testing one or two loans.

Savings and dropout

This study found the 'inflexible' system of returning savings as one of the major causes of member's dropout.

Inflexibility and poorer member's dropout: During crisis period members frequently request BRAC staff to withdraw their own savings, and being denied some members drop out.

Higher savings of poorer members and dropout: Encouraged by BRAC some poorer members save higher amount of money than their usual asset base and entrepreneurial capacity. Yet whenever such members slide into any crisis and ask for the savings to cope, they are denied withdrawing partial savings. This causes them to drop out.

Savings return system of other organization: Experiencing comparatively flexible savings system of other microfinance institutions some BRAC members complain and in the pretext of trifle bickering some of them leave the VO to enjoy the facility.

Savings and loan equation: The members who enjoy equal or small amount of loan than their own cumulative savings want not to be pressurized with abusive words and expressions due to

repudiation of one or two instalments, and if the dealing goes beyond expectation they leave the VO.

Savings interest distribution and dropout: Some members want to prove their ownership on their own savings by receiving cash interest accrued from it but being refused some members exit the VO.

Credit management and dropout

The members identified some weak aspects of BRAC's microfinance system.

Rate of interest: BRAC members always refer to the high rate of interest compared to other NGOs as one of the major causes of their dissatisfaction and with the pretext of little altercation some members dropped out.

Deduction from the loan: Credit linked with inputs such as seeds, seedlings and poultry birds are severely disliked which caused some members to dropout.

Inflexible loan amount: The entrepreneurial members' capacity and loan requirements cannot be equated to other general members. However, having no flexible loan ceiling some dissatisfied members left the VO.

Force loan: In the NGO prone area, in some cases, comparatively weak members (savings-category members) were obligated to take loan. This caused dropout of some members.

Decreasing loan ceiling due to savings withdrawal: Due to the direct relationship between savings and loan amount, most of the partial-savings-withdrawers lose their higher loan ceiling and being irritated some members dropped out.

Instalment during festival: Some microfinance institutions defer 1-2 loan instalments during Eid festival but not BRAC. This caused some members to become angry and lead to dropout.

Purchasing savings passbooks: Some members purchase other members' passbook to get larger loan that lead some of the multiple loan users to dropout.

Socio-economic or health crisis and dropout

Although the microfinance services of BRAC have improved the well-being status of its members it was unable to protect some members from intensive health and economic crisis. Such crisis leads to default and dropout in the sequel.

Management problem and dropout

A substantial number of current and dropout members mentioned that the unacceptable behaviour and embezzlement of members' savings by BRAC staff causing some member's dropout.

Overlap members and dropout

In the more NGO concentrated areas, some members are involved in more than one NGOs to receive larger loan. These members are prone to dropout either to get rid of the pressure of larger loan instalment or to settle for the convenient one.

Staff dissatisfaction and dropout

Some BRAC staff were frustrated and said, "Many of our group members earn more than us; we work for their well-being but who work for us?" This disconcerting thinking usually led to many rough behaviour and irregularities and result in some members' discontinuation.

Retirement and dropout

Some older members are leaving the VO as a normal course. According to rules the members who cross the age of 55 years must retire from the VO. Some members are reaching this age every year and leaving BRAC, which sometimes are misread as dropout.

Distance and dropout

In the high NGO concentrated area, due to bad communication system, some members dislike to come to the office and if they get reliable microfinance office nearby they leave the VO.

Effects of dropout from members' point of view

Well-being of the dropout members is being endangered: It was found from the case study that well-being status of some dropout members was in jeopardy as their nutrition intake was decreasing and household assets were diminishing compared to when they were BRAC members. Comparatively indigent portion of the VO members were exposed to vulnerability.

Purchasing land and other assets and income effects: The study reveals that the income of dropout members reduced and the rate of purchasing land and other assets also decreased that indicates the dropout members' sluggish economic improvement compared to BRAC regime.

Changes in women's lives

Decreased mobility: It was found that mobility of the dropout members decreased. This mobility remained same for those who were involved in other NGOs after leaving BRAC although it was not equally applicable for the members of high NGO concentrated area.

Changes in social status: Half of the dropout VO member experienced increased social status after joining BRAC, but a considerable portion of them relapsed into declining social status after their exit from BRAC.

Increased social alienation

Some dropout members were losing their social support due to the loss of credit worthiness caused by the membership discontinuation. This kind of withdrawal of social and institutional support was alienating the members and reducing them into chronic poverty.

Recourse informal loan

Some dropout members had to take expensive informal loans to pay off outstanding BRAC loan and to cope in the crisis for the members who did not join in any NGO later.

Entrepreneur development at the cost of non-entrepreneur members

In the microfinance system the non-entrepreneur VO members are used as a safeguard for other entrepreneur investors in the form of group's joint liability. Most of these non-entrepreneur

members successfully repay two or three loans but with the increment of loan size and instalment they collapse.

Effects of dropout from the micro finance institution's point of view

Friends are turning into foes: Some VO members are becoming suspicious of microfinance programme's effectiveness and their resentment about BRAC Microfinance Institution's management system is mounting high, and all these turn some members into foes.

Individual entrepreneurship is discouraged: The uncomfortable commotions wrought by the dropout situation shakes off some genuine investors by creating disturbance in taking timely loan, repaying instalment, hammering default members etc., that eventually disappoints individual entrepreneurs.

Cost of microfinance increases: The membership discontinuation incurs the BRAC microfinance programme in substantial amount of cost for recruiting, training and monitoring new members, and by reducing cost-effective amount of disbursement.

Recovery rate decreases: Loan recovery rate of the concerned VOs gradually diminishes as other members of this group indulge themselves in escaping instalments.

Tarnish social acceptability: Dropout related tumult sometimes creates unacceptable environment in the community that upset other villagers and this antagonistic environment tarnish social acceptability that hinders smooth running of the programme by demoralizing staff motivation.

VO cohesion weakens: Membership discontinuation reduces the group cohesion by breaching the VO rules, breaking the credit and savings disciplines and deteriorating unity of the members.

Introduction

Membership discontinuation is a major concern for NGOs, especially, for the microfinance institutions as it inhibits the service delivery system both from demand and supply point of view. Dropout often related to loan default. This is costly for the institutions. Moreover, they incur further cost, as they need to recruit new members. In East Africa the annual rate of client dropout ranges between 25-60% (Wright 2001). ASA experienced 20% dropout during 2000 and TRDEP of Bangladesh experienced 28% dropout in the same year. Shakti Foundation lost 14% of its members in 2000 (Meyer 2002). This underlies dissatisfaction with the financial services being offered. In BRAC, dropouts were over 15% in 1992 and almost 11% in the following year (Wright 2000). Impact assessment study (IAS-I) of BRAC's Rural Development Programme (RDP) reported 17% dropout in 1993 (Mustafa, et al. 1996). In 1994, the rate of dropout decreased sharply to 4% (BRAC, 1997). BRAC included the 'dropout issue' in both the impact assessment studies (IAS) of BRAC RDP to understand the magnitude and causes of the problem and its policy implication. However, no study has yet been initiated to investigate the psychological and economic pressure that leads members to dropout either voluntarily or forcibly, and the effects of dropout on their material well-being, NGO involvement, social and empowerment status after leaving BRAC. Therefore, the Research and Evaluation Division of BRAC decided to look into the matter through a qualitative case study to have an in-depth insight of these issues.

Objective of the study

This study aims to explore the causes and process of members' dropout from BRAC microfinance programme and its effects on members as well as the institution.

Methodology

Definition of dropout

The definition of member discontinuation or dropout varies across institutions. Some East African microfinance institutions deem those who do not have outstanding loans as dropout, even if they retain savings with them. In Bangladesh majority of the microfinance NGOs count a client as a dropout when s/he closes both loan and savings accounts. BRAC considers dropout members as those who have ceased to continue the activities of the village organisation (VO),

including, turning up in weekly and monthly meetings, paying savings and loan instalments and breaking engagement with BRAC-assisted income generating activities. This cessation of membership can either be accomplishment through withdrawal of membership status by BRAC on disciplinary grounds, or unwillingness on the member's part to sustain membership.

Area selection

Two RDP area offices were selected for this case study. One office was selected from a high NGO concentrated area i.e., where many microfinance NGOs were competing to deliver microfinance services to the poor people and another was selected from a low NGO concentrated area. Thus, one office from Tangail district was chosen as high NGO concentrated area and another one from Barisal district was included as a low NGO concentrated area. The logic behind focusing on the presence of other NGOs in exploring membership discontinuation was to understand the role of diversified microfinance products on dropout and its differential effects in different settings.

Village organisation selection

Along with BRAC staff of the concerning area office three VOs were selected from each area. The selection criteria of the VO was that a substantial portion of the members dropped out from the VO in course of time but the VO was active and all the VO related activities were continuing. Thus, six VOs were selected for the study.

Data collection

For this qualitative case study, data were collected using various PRA (Participatory Rural Appraisal) techniques and questionnaire survey method. The techniques include:

- ⊙ Wealth ranking
- ⊙ Group discussion
- ⊙ In-depth interview
- ⊙ Questionnaire survey

Wealth ranking

To understand comparative socioeconomic condition of the dropout members this study conducted wealth-ranking exercises for all the six VO catchment areas including all the community members. The area where most of the members resided in was defined as catchment area. A wealth-ranking card was prepared for this exercise.

Group discussion

Group discussion technique was used to explore the perception of group members and BRAC staff regarding magnitude, causes and effects of dropout as well as VO formation process and present condition of the VO as explanatory factors of dropout. A semi-structured questionnaire was prepared to aid the discussion session of six case study VOs and another one was used to help the discussions with BRAC staff of two areas.

In-depth interview

An in-depth interview was taken from the selected dropout members to understand the causes, process, and impact of their membership discontinuation as well as their present status and attitudes towards the issue.

Questionnaire survey

A questionnaire survey was done on 108 dropout members from six case study VOs to have overall status of dropout members on some selected indicators. This information, in no way, indicates to the magnitude of membership discontinuation of that particular VO since the members who were not available on the day of interview were excluded from the survey.

Case selection

To understand causes and effects of dropout this study conducted a case study of 12 dropout members from six selected VOs. Two dropout members, one who did better and one who did bad after dropout, were selected by the group members from each VO.

Limitations of the study

1. Selected two areas, one from low and another from high NGO concentrated areas, were not representative of the whole gamut of BRAC microfinance institutions. The preconceived comparison of cause and effect analysis of membership discontinuation between low and high NGO concentrated area might arise some degree of confusion in explaining the results as there were some other dimensions of dropout those were not explored, economic aspects for example.
2. The BRAC staff selected three village organizations from each area office wherefrom a considerable number of members dropped out but the VO activities were continuing properly.
3. Information was collected from different sources but congregated under the same issue. Therefore, the statement, perception or attitude reflected in a specific issue cannot be teased out rather altogether constructs a common connotation.
4. Survey was conducted only on 108 dropout members on some selected indicators, which also cannot be representative.
5. It is difficult to assume the sole responsibility on a single cause of dropout as members remain dissatisfied with village organisation due to varied reasons but react severely on a specific event. Therefore, sometimes seeming reason of dropout may not appear to be strong enough to dropout.

Results

Reasons for dropout

The reasons for membership discontinuation are multidimensional and complex. In most of the cases dissatisfaction crystallizes through a number of events and spurts out centring on one or two blazing issues. The largely articulated reasons for client exit, surfaced from the discussion with group members and BRAC staff, were many.

Membership process and dropout

Due to the complicated nature of membership process owing to the competitiveness of microfinance institutions, psychosocial inertia to the women's participation in organisation, previous bad experience of deception of some organisations, and overall apathy to the organisation make VO forming process complex. To fulfil the VO formation target, sometimes members are given false hope (promise of exaggerated programme support, etc.) and sweet talks by some office staffs. Attracted by the expectations many women joined the BRAC programme some of who are actually not well suited for microfinance services in terms of their present vocation and family structure. Most of these members only want to have employment or direct economic support (such as, VGD card, wage labour, etc.) from BRAC. However, the hopes fade away soon in the vortex of microfinance activities and the frustrated member cling to the VO unwillingly so far as a commotion of dropout they catch in.

Savings and dropout

'Inflexible' savings refund system of BRAC is one of the major causes of member's dropout that was reported by group members, dropout members and BRAC staff. The term 'inflexibility' that encourage dropout has diverse implications for different members:

a. Inflexibility and dropout of poorer members: The relatively poorer members want to withdraw certain portion of their savings either to meet their familial needs or to repay loan instalments. During crisis period this trend increases among comparatively poorer members who frequently request BRAC staff to permit them to withdraw certain portion of their own savings. Since the BRAC office usually disagrees to do this, some members cease to repay loan instalment.

b. Higher savings of poorer members and dropout: BRAC encourages its members to save a substantial amount of money for their future security. Being encouraged some poorer members save higher amount of money than their usual asset base and entrepreneurial capacity. As a result, whenever a member slides into any crisis she levels at the savings to cope with. Some of these members sometimes plan to invest their own money to avoid repayment pressure. Some others want to use both the loan and their own savings. However, in most of the cases BRAC office refrains the member from withdrawing partial savings and give the grounds for member's dropout. Sometimes, this higher savings of less enterprising members lure the other phoney non-member investors who convince them to hand over their loan money that frequently leads to default and membership discontinuation. In most cases the non-member loan receivers fail to maintain the repayment schedule due to lack of required commitment to the organisation and being pressurized the member meet up the outstanding loan from her own savings and dropout.

c. Savings return system of other organization: Savings refund system of other organisations is comparatively more flexible than BRAC system where members can withdraw their own savings to a certain proportion with no trouble, ASA for example. Sometimes members are allowed to adjust their weekly loan instalment with their own savings. Experiencing the facility in the same village some BRAC members complain and with a trifle bickering they break with the VO to enjoy these facility.

d. Savings and loan equation: In older village organisations many members saved a substantial amount of money according to their own definition and status. The members who enjoy equal amount of loan to their savings amount want not to be pressurized with abusive words and expressions owing to their repudiation of one or two instalment as they hold higher amount of savings in BRAC account. If the dealing goes beyond members' expectation they become angry at the organisation and break with it.

e. Ambiguity in savings refund system: 'The savings refund system of BRAC is under some stringent stipulations, which are difficult to fulfil' according to some BRAC staff. Some staff members are unaware of the savings refund rules and some knew three months time is required for approbation of savings refund from head office. 'BRAC has intense affinity to members'

savings and despite the presence of a savings refund rule, practice encourages its violation' said another BRAC staff. As per rule, a member can withdraw half of her savings in a year but in practice the current members are not getting their savings back unless they decide to exit the VO. All these savings related ambiguities are creating dissatisfaction among members as well as BRAC staff that result in some members' dropout.

f. Savings interest distribution and dropout: Mode of savings-interest repayment is another loophole that occasions for major discontentment among dropout members. Most of the members want to get the interest amount at hand due to varied reasons. Some want to prove their ownership on savings by withdrawing interest income to their husbands who usually remain suspicious about women's pecuniary dealing with BRAC. Some women want to receive the amount in hand to buy some necessary things for household use, which they cannot ask for their husband. Distribution of interest income among the members in cash could do a lot to bring back confidence of the members and their family members.

g. Institutional inflexibility and dropout: There are some events, quite unique in nature, which occur in the area level where local management has to intervene. During field investigation a man came to an area manager and asked him to refund his wife's savings and let her dissociate the VO. But the manager listened to the problem quietly and with sympathy and conversed with the man gently. The manager offered the couple a loan instead of savings refund, but they remained obdurate. The manager then came round and put forward the advantages of a live member. But the couple was not convinced and the manager then offered them 50% withdrawal as per procedure to keep her membership alive. When calculated the member needed Tk. 7,000 but they deserve Tk. 6,500. After a long conversation and disappointment the member took Tk. 6,500. After their departure the manager happily exclaimed, "I thought for Tk. 500 I was about to lose a good member and it was only for the strict official rule". In this case some sort of flexibility and authority can prevent some unwanted dropout.

Credit management and dropout

As a microfinance service institution BRAC is facing many other competitors with flexible micro credit operation system. Other NGOs are also providing their products and services in the same village that members can compare easily with BRAC services. The BRAC members identified some weak aspects of BRAC's micro credit programme.

a. Interest rate and dropout: BRAC members always refer to the high interest rate charged by BRAC compared to other NGOs. Borrowers have expressed this opinion that BRAC's rate of interest is higher than rates of other organisations. As they found that they have to pay more to BRAC for the same amount of loan given by other NGOs (Iftekhhar 1999). This causes dissatisfaction among BRAC VO members and some members left the VO.

b. Deduction from the loan and dropout: Deduction from the loan amount is a vigorously objected negative point mentioned by the VO members. 'Forced savings is one of the most inconvenient costs of microfinance that prohibits investment in exchange of idle savings' spelled out one of the group members. Charges of seeds, seedlings and poultry birds are severely criticised deductions set forth by informant groups. Sometimes members have to pay the VO president some amount as stipulated to give them loan and all these deductions lessen their total investment amount. This discontentment sometimes results in dropout.

c. Inflexible loan amount and dropout: Inflexible loan size is another difficulty faced by the area offices. There are different ability group in the VO in terms of entrepreneurial capability and loan requirement, which cannot be equated to other general members and cannot be satisfied with the general loan slab set by the programme. Zaman (1996) showed that a member may try and join more than one organisation if the loan size she receives from one is insufficient to meet her investment need. This inflexibility sometimes fuel members' dissatisfaction that instigate them to exit the VO.

d. Forced loan and dropout: In the NGO concentrated areas the BRAC office finds it difficult to have required number of members to disburse targeted amount of loan in time. Being pressurized some area office staff relax the loanee selection criteria. This causes selection of comparatively

weak members who at the end find it difficult to repay the amount and decides to get rid of the VO activities. In a village organisation there are few members who want to stay with the VO activities without taking loan and by depositing security savings. These kinds of members are in some cases, motivated strongly to take loan when they request for partial savings withdrawal. The members who cannot brush aside the request, take loan and enmesh themselves in investment and repayment related problems and aspire to get rid of this fiasco.

e. Decreasing loan ceiling due to savings withdrawal and dropout: Some members withdraw their savings due to varied reasons. Some of these members also want to keep their membership alive to sustain loan facility from BRAC. But due to the direct relationship between savings and loan amount most of these partial-savings-withdrawers lose their higher loan ceiling. These kinds of members become irritated and turn to other NGOs for higher amount of loan.

f. Instalment during festival and dropout: Now microfinance institutions are competing with each other. As an incentive package some of them discard 1-2 loan instalments during Eid festival, but BRAC does not forgo any. The members consider repayment during festival as an extra pressure of BRAC that mirrors its lack of sympathy for the members. Actually, the members who are already pressurized by loan repayment for long time seek respite for the time being and having repudiated they think and react negatively to expound it as an anti-social organisation.

g. Purchasing savings passbooks and dropout: Some members purchase other members' passbook for getting oversize loan. In some cases these multiple loan user members find it difficult to manage the entire loan amount and start dropping instalment one after another. Being pressurized the seller members blurt the fact and withdraw their savings to meet the outstanding loan and dropout.

h. Use of loan and dropout: Use of loan is an important factor to carry on profitable economic enterprise. The study showed that most of the members used their loan to buy some fixed assets such as land, corrugated tin, tubewell, cow, goat, food grain, etc. Some members also constructed or renovated their houses. A substantial number of members plan to repay the instalment from their traditional source of income coupled with little income from the purchased

assets. No doubt, this confers the members some asset base, which play an important role in coping with crisis but gives a little income. It was found that the household cash inflow was not always sufficient to pay the weekly instalment and 40% of the borrowers repaid their loans partially or exclusively from sources other than project income (Rukhsana and Habib 1997). Initially, the loan instalments remain manageable for these members but as the time goes by the loan amount increases and the weekly instalments become larger. If the income from purchased assets does not commensurate with the amount needed to supplement traditional income to repay loan instalment, the members get up to trouble. In some cases the members become unable to repay their instalments from their present income and drop one or two instalments that lead to ultimate dropout. The similar finding was reported in another study that revealed the poverty gap amongst the poorest members was reduced after joining BRAC and then started rising after four years of membership (Shantana and Husain, 1998). However, the genuine investors, who make profits, do not feel any pressure to repay higher instalments.

Limitations of microfinance and dropout

In a village many NGOs are working and most of the target population are involved in some one or other credit groups. These numbers consist of a considerable part of the rural population. Only a small proportion of this populace is credit worthy but most of them are active members of the credit groups. There are different types of loans in the formal sector that include consumers loan, agriculture loan, industrial loan, housing loan, trading loan, etc. In the urban society consumers loan is encouraged among the persons who earn a steady income. Conversely, it is desirable that the rural poor would invest their loan in productive purposes that yield some proceeds. People have their own limitation to be an entrepreneur that depends mostly upon their education, experience, ability, willingness, networking, benign economic infrastructure, and competitive market, etc. It is difficult to perceive that hundreds of small entrepreneurs will grow in a village to wage on their enterprise since purchasing capacity of that particular society remain more or less unchanged, outside market facility remain restricted, production cost remain higher for the small enterprises compared to large enterprises of same kind, and all these factors bar the investment of small borrowers. As a result, a small quotient of the money, taken to the village by different NGOs, are being used to create products and services rather most of the members are trying to create an asset base by purchasing homestead and cultivable land, making houses,

establishing tube-well, purchasing cow or goats and some others also have started small trading or stock business which promotes, mainly transfer of assets. This transfer of assets is doing little to create utility and to improve overall well-being status of the populace thereby. However, the most important positive changes that have been wrought on the borrower's household is the capacity to protect income erosion through renovating houses, spending on health and protecting themselves from seasonal unemployment. However, due to lack of direct income earning opportunity some members became uninterested and dropped out.

Socioeconomic or health crisis and dropout

A significant number of members left the VO due to the crisis in their family. It is evident from the previous research that BRAC members' capacity of coping in crisis has improved significantly than non-member comparison groups. However, some families are still vulnerable to the sudden crisis. In most cases health related problems are more acute that requires lots of money to treat and put barrier to their participation in income earning activities. This study shows that a five-time loan-receiving member had to leave the VO due to her feminine diseases that caused her to stay in the hospital for some days, and loan overdue as a consequence. Another members' son was intentionally implicated in the arms case that occasioned for spending more money than they had that resulted in dropout. Husband of another member was a gambler who wasted some borrowed money and that resulted in membership dropout. It is clear from the case study information that the microfinance institutions have improved the well-being status of its members, but could not protect the members from the comparatively big crisis even after 10 years of their membership.

Management problem and dropout

Some VO members complained that BRAC office did not disburse required amount of loan in the scheduled time. A substantial number of current and dropout members mentioned the unacceptable behaviour of some BRAC staff and some of them were absolutely rude. A female BRAC staff beat one dropout member for not repaying loan instalment and ensuing altercation. Some dropout occurred due to the embezzlement of members' savings by the dishonest BRAC staff. There was also a vagueness regarding savings and credit rules among the VO members as well as among the BRAC staff. This creates various confusion and tension among them. In some

cases, the borrower selection process was not maintained properly that implanted reason for some dropout.

Overlapping members and dropout: There are some members who want to understand the usefulness of the programmes offered by different organisations. It has been found that the members of one NGO, who sought membership of other NGOs, not only for money that they require, also evaluated the merits and demerits of different NGOs. This type of members primarily emerges as overlap members and later settle for most favourable one or dropout for the weight of the loan taken from multiple organisations (Iftekhar 1999). This is prominent in more NGO concentrated areas. Some members are involved in multiple NGOs to receive larger loan. Some of the overlap members are able to continue their dual membership but some are not equally skill to invest their borrowed money. The second group is prone to membership discontinuation either to get rid of the pressure of loan instalment or to settle for the new one.

Training and dropout

Human resource development is a priority in all BRAC programmes that mirrors through the awareness, social, and skills development training imparted to millions BRAC VO members. BRAC strived to provide training to all of its credit group members. However, for some reason or other a good number of members stayed out of reach. Research findings show positive impact of training on membership continuation. This study shows that three-fourth of the dropout members did not get any training (Table A1). No area level difference was reflected. The members from both the upper and the lower economic stratum received less proportion of training (Table A2).

New NGO, new facilities, and dropout: In Bangladesh microfinance institutions are growing fast targeting the same population. BRAC is working with poor people for long time in the study villages and taking care of their health, education and economic aspects which makes difficult for other organisation to elope them out. Therefore, most of these organisations (specially the local NGOs) are devising their products and mechanism in such a way that attract people. Open savings, minimal loan savings ratio, and devoid of deduction from loan money are the few examples, which adopted by these organisations and paved the way for some members' dropout.

Staff dissatisfaction and dropout: The staff members of BRAC area office, especially programme organisers at pay level five, were the initiator of the issue. Due to the disappointment with their future some BRAC staff were frustrated and said, “many of our group members earn more than us; we work for their well-being but who work for us?” Indicating the present price hike they said, “Four of our colleagues have sent their family back home, as the salary was not enough for maintaining their family. How can we work well if our family remain starving?” This disconcerting mental instability usually causes many rough behaviour and irregularities and result in some members’ discontinuation.

Changes in policy and dropout: Due to the controversial role of ADAB and the government’s negative attitude towards them, BRAC has resigned from ADAB. Some local microfinance institutions are capitalizing the issue to increase their members by spreading rumour that BRAC will no more exist as an NGO to dissociate its members.

Retirement and dropout: As per BRAC rules the VO members who cross the age of 55 years must retire from the VO. Some members reach that age every year and leave BRAC, which sometimes misread as dropout.

Distance and dropout: In some areas due to bad communication system some members were found unwilling to come to BRAC office. If they get any other reliable microfinance office nearby they tend to leave BRAC. The BRAC staff suggested more outposts in distant places.

Effects of dropout

BRAC is offering highly standardized large-scale microfinance services to the poor people of Bangladesh. However, high dropout rate raises questions of the effectiveness of microfinance services. This justifies an examination of the feasibility of demand driven malleable microfinance delivery system considering the effects of dropout from the members and institution’s point of view.

Effects of dropout from member's point of view

Well-being of the dropout members is being endangered

Findings show that the five out of six dropout members who could not do well during BRAC membership had not been admitted any in other organisation after their desertion. These five dropout members' well-being was in jeopardy as their nutrition intake decreased compared to the time of their association with BRAC, and their assets reduced. In all cases the dropout members had to paddle their own canoe as two members had no husband, husbands of two members were disable, and one member was deserted. This suggests that the comparatively indigent portion of the VO members are in the utmost vulnerability and any kind of shock swamp them into abysmal of hopelessness. However, six members performed better after dropout and one performed comparatively less after dropout. They were currently involved in other microfinance institutions that indirectly indicate to a positive correlation between microfinance involvement and improved well-being status. Household survey data can also be presented here to substantiate the overall well-being of the dropout members as a group.

a. Land purchase

During discussions many members spelled out their aspiration of having a scrap of land either cultivable or homestead to increase 'shockproof' asset as an ultimate goal of their VO membership. However, only a very small proportion of the members could purchase it due to the incompatible location and/or higher cost. It was found that about 16.7% of the dropout members bought land while they were members and no variation between low and high NGO concentrated area was found. Conversely, some members (5.6%) had to sell their land for varied reasons while in BRAC and the rate was double among the members of high NGO concentrated area (Table A3). After membership discontinuation both the rates (buying and selling) were reduced to halve (Table A4). It implies that a substantial portion of continued members bought land during their membership tenure. This flow was discontinued with the membership discontinuation. This suggests to the slowed down economic improvement of the discontinued members compared to their membership period.

b. Income earning

The microfinance institutions activate their members' investment-income-savings-investment cycle and vibrate the rural economy thereby. More than half (54.6) of the dropout members informed that their family income increased while they were members of BRAC VOs. However, this rate decreased to only one-fifth after their desertion (Table A5). There was a significant difference in income increment and decrease between high and low NGO concentrated areas. The rate of increment of income was higher (61.5%) among the members of high NGO concentrated area than the members of low NGO concentrated area (48.2%). It was also evident that the income of the dropout members was improving significantly among those who were involved in income generating activities (Table A6). Conversely, 28.8% of the discontinued members' family income continuously improved after dropout, and was only 14.3% for the discontinued members of low NGO concentrated area. The declining trend of income was also higher among the low NGO concentrated area (Table A7). All these indicate to the overall lower income effect of the dropout members as a result of their dropping out in spite of their further involvement with other NGOs. This happened probably due to the loss of higher loan ceiling caused by the acceptance of lower loan ceiling of newly joined NGO.

c. Non-land asset accumulation

Non-land asset accumulation is one of the crisis management strategies that the poor members employ along with creating a fixed asset base. Some of these non-land assets are handled directly by the members that ascribes to some extent empowerment of the VO members within and outside the household. More than one-third of the dropout members reported that they bought some kind of non-land assets during their membership in BRAC. This rate of buying assets was reduced to half (17.6%) after their dropping out (Tables A8 and A9). Most of these asset accumulators were involved in income generating activities and there was no difference between the members of high or low NGO concentrated areas (Table A10). The findings show that buying and selling non-land assets was a parallel process in the rural poor households which was adopted by the households as a coping mechanism and lack of this process, in most cases, indicates utmost vulnerable status of a household. It was found that 13.9% of the households sold their non-land assets while in BRAC along with buying it (36.1% Table A11) and this rate was

reduced to 7.4 percent from 17.6% when they exit BRAC (Table A12). This hypothesis was corroborated by the case study information that showed five out of 12 dropout members had no household assets to sell to cope in crisis and they were the most vulnerable section of the dropout members.

Therefore, the survey data and case study information corroborates the fact that material well being status of the dropout members is deteriorating due to their membership discontinuation.

Changes in women's lives

a. Decreases mobility

Mobility is one of the major indicators of women empowerment and in most of the cases NGO activities pave the way for women's higher mobility. It was clearly spelled out by 67.6% of the dropout members that their mobility was increased after their involvement with BRAC (Table A13) and only 27.8% of them continued it after they dropout (Table A14). In the low NGO concentrated area mobility of the dropout members increased for those who joined other organisation, but it was not equally applicable in the high NGO concentrated areas (Table A15). The reason being, most of the dropout members of high NGO concentrated area who involved further in other organisation had enough scope to choose NGOs nearer to their home with other facilities. So, in spite of NGO involvement mobility of the members of high NGO concentrated area did not increase.

b. Changes in social status

Half of the dropout VO members informed to have increased social status after joining BRAC and only 1.9% lost their importance in the community (Table A16). This indicates that enhanced socioeconomic condition boosts up women's position in the society that was created ultimately by their participation in the VO related activities. Unfortunately, this improvement declined for 10.2% of the dropout members. However, 18.5% were able to maintain the course of improvement (Table A17). Member's discontinuation played a negative role in determining women's status in the family as well as in the community. This was also supported by the information that most of the dropout members who still enjoy higher social status were involved in another credit group. One-sixth of the declined members from low NGO concentrated area and all the declining members of high NGO concentrated area were not involved in any

organisation after their abandonment (Table A18). That means, disassociation with NGO activities is disempowering the women.

Increased social alienation

Due to the microfinance operation there developed a sense of eligible NGO community in the village level that consists of current NGO members and suitable/target non-members. Some members are losing their acceptability in this perceived community due to the loss of credit worthiness caused by membership discontinuation. This situation is creating grave concern for some dropout members. One such member said despondently that, “when I was a BRAC member I could manage Tk. 100-200 as loan from friends and relatives, but now I have to go for begging to manage that amount.” Some members wanted to get admission into other microfinance institutions, but were being disavowed by existing members accusing them as too risky. This kind of withdrawal of social and institutional support impacted negatively on these distressed dropout members who, after losing their heart to fight against poverty, relapsed into chronic poverty.

Increased informal loan

Dropout sometimes compels the members to take informal loan to cope with crisis. This infiltration of high cost informal loan arrives in two different ways. Some members with higher amount of outstanding loan took the informal loan as a last resort to break with BRAC, while some members who did not join other organisation had to take some informal loan to cope with crisis and in both the cases unabated exploitation resume.

Entrepreneur development at the cost of non-entrepreneur members: In the very beginning all targeted members were encouraged to join the VO irrespective of their ability to be involved in the microfinance activities. It was found that the labour selling head becomes significant predictor of women’s participation in the VO (Mahmud and Huda 1998). The non-entrepreneur members tried to explore some other opportunities from the VO. Having no such easy option they decided to take loan like other members. Most of these members purchase assets (cow, tin, land, etc.) with their loan money and repay instalment from their existing income. Most of these members successfully repay two or three loans but with the increment of loan-size and

instalment these members collapsed and tried to take resort of their security savings. Having no access they decided to disassociate with BRAC.

Member's preference underscored selecting NGOs

Membership discontinuation in microfinance institution has a positive implication along with many negative aspects. In Bangladesh, many NGOs are providing microfinance supports to the poor people and all of them are developing their products and services in an attractive way. Due to this competitive microfinance market some dropout members are now shopping around in quest of flexible, quality microfinance services. A member who has entrepreneurial capacity but dropout from BRAC enjoys higher degree of freedom to join new NGOs. This freedom of choice potentially helps create best available microfinance services from the member's point of view in terms of cost effectiveness and expediency.

Effects of dropout from the microfinance institution's point of view

Membership discontinuation impacted negative consequences on BRAC's microfinance programme that were surfaced from the discussions with group members as well as BRAC staff. These consequences are discussed below.

Friends are turning into foes

BRAC is working for achieving its two dimensional goals of poverty alleviation and empowerment of the poor, particularly women. However, a part of the BRAC members are dropping out of the programme after a certain period of time without achieving any of the goals. This dropout is obstructing the achievement of the organisational objectives, creating suspicion among current members, and mounting resentment among the dropout members on its management strategy. Thus, the poor people for whom BRAC is working for are turning into foes.

Individual entrepreneurship is discouraged

One of the major concerns of microfinance operation is to develop some entrepreneurs in the village level to accentuate micro-economic activities. However, the commotion created by the dropout situation shake off some genuine investors from the organisation owing to the

disturbance in taking timely loan, repaying loan instalment, pressurizing default or dropout members to repay loan outstanding that eventually discourage individual entrepreneurs. On the other hand, some good members exit the VO to avoid reprimanding and degenerating words and expression of the staff arising out of over due loan that put psychological pressure on them.

Cost of microfinance increases

Cost of BRAC microfinance programme is becoming high due to the management of dropout members. To sustain the targeted disbursement at a cost-effective level more than two members need to be included against single dropout as the newer members hold the lower credit ceiling. Training the new members concerning the rules and regulations of the organisation incur a substantial amount of cost. Monitoring the large number of newly recruited members requires extra manpower and the record-keeping system also needs extra support. All these add extra cost to microfinance services.

Recovery rate decreases

Loan recovery rate of the dropouts VO gradually diminishes as other members of this group indulge themselves in escaping instalments. Some members lose their heart by the delayed loan rescheduling and some others become annoyed with the whole disparaging situation that decrease the loan recovery rate.

Tarnish social acceptability

Social organisations are developed in a society to meet the needs of the time but get institutional feature only when obtain social acceptability. Microfinance is providing blood to the rural economy and serving interest of the poor people who need it most. From that reckoning it has got much accolade in the rural community. However, dropout-related commotions sometimes create unacceptable environment that upset other villagers that was surfaced from the offensive comments of the non-member onlooker during discussion sessions. This antagonistic environment discourages smooth credit management at village level as the frontline workers lose social acceptability and support gradually, which is very detrimental to staff motivation.

VO cohesion weakens

The most potent strength of the microfinance system is the power of small groups in the form of mutual help and responsibility that gives basis to the large group cohesiveness. Membership discontinuation undermines this power by making individuals helpless and irresponsible to group activities. This in return breaches the VO rules, weakens the credit discipline and reduces the unity of the village organisation thereby. It was also evident from the case study information that the comparatively new members were dropping out of the VO than the older members. The reason, probably, being, older members go through lots of training, which give them a good understanding of the importance of VO cohesiveness or may be the cost of exit is lower for the newer members or the older members can raise their voice to protect their own interest that lower their dropout.

Demand-oriented microfinance development

The membership exit has also some positive impact on the overall microfinance operation system. The demand driven microfinance service providers always try to improve their services to attract customers. This competitiveness ensures the quality of services and membership discontinuation pave the way to employ the facility by the group members. Thus, from the institution's point of view this membership discontinuation is a policy issue to review its products and services in comparison with other organisations.

Discussions and conclusion

Various studies show that some extreme poor members of the community refrain themselves from joining VO, and those who join, even borrowing could have an adverse effect on their welfare (Zaman, H 1997).

Membership process

In some cases membership process was alleged to be a loophole that induced some dropout by luring them with false and exaggerated hopes and expectations that proved futile later. It was also found that most of the dropout members did not attend any training session, which indirectly suggests to their less awareness state concerning rules and regulations as well as objectives of VO formation.

Entrepreneur and non-entrepreneur dilemma

It was found from the study that the individual entrepreneur development process was stalled by the dropout related consequences, which was partly due to the intrinsic impediment of microfinance system. The malady of microfinance system is the coverage of higher number of members than actual entrepreneur or investors. These non-entrepreneur members feel inner pressure to do something for their family and take loan to buy some 'shockproof' assets, which, in most cases, yields little products, or services rather bring about transfer of assets and in some cases, boost consumption of prevailing food or non-food items. These non-investor group members manage to repay loan instalment for first three or four loans but become unable to repay higher amount of instalment from their own source of income. It was clear from the study that a substantial proportion of these members were argumentative about different BRAC rules that indirectly indicated their pressurized instalment repayment condition. This intrinsic conditionality of microfinance compels a portion of its members to dropout.

Inflexible savings and credit

Some members who had their running business were unhappy with the small loan amount and some were unhappy with the higher rate of interest than other NGOs. Deduction from the loan especially for seeds, seedlings, and poultry birds were surfaced as one of the severely criticised

causes for member's exit. This membership discontentment and dropout indicate the limitation of BRAC's microfinance programme to cater benefits to all of its members.

Savings and credit management

Savings and credit management system, in some cases, had gone awry and that caused some dropout. The most frequently asserted savings-related weaknesses were inflexible savings-return system, forced savings, irrational savings and loan ratio for partial savings withdrawers, and interest return system. Management of microfinance operation sometimes causes some problem due to its inflexible circular-based operation system and result in some dropout. Higher amount of savings of poorer members, in some cases, gave ground to their dropout. Whatever the reason, the dropout members are causing multiple problems for the microfinance operation as opposed to smooth running of the programme.

Effects of dropout

Membership dropout constrains cost-effective amount of loan disbursement and result in high cost of training new members. The morale of the members diminishes and VO solidarity wears away due to the membership discontinuation. On the other hand, every year some members are getting out of the poverty trap and a considerable number of them dropping out and some are staying in the VO with their higher level of investment capacity. To assist medium size investors and to satisfy these higher ability graduate members BRAC started Micro Enterprise Lending Assistance (MELA) programme. However, the graduated VO members found difficulty in meshing them with the rules and regulation of the MELA programme in providing collateral and going to office for repayment. In low NGO concentrated area the graduated members were not allowed to be MELA members. However, judicious use of this programme can prevent some energetic and competent members' dropout and up the disbursement thereby.

Conclusion

Creation of three-tier village organisations can resolve some of its basic problems by accommodating (a) *support group* for extreme poor, (b) *credit group* for poor women and (c) *individual entrepreneur development group* for graduated group members and other entrepreneurs. Inflexibility in savings and credit management erodes the microfinance operation

system by remaining irresponsive to the local needs and leaving members dissatisfied. Open savings, benign savings-credit ratio particularly for partial savings withdrawers, waiving forced savings, relinquishing any deduction from loan money, and introducing need-based credit ceiling could give a new momentum to the BRAC's microfinance programme that requires to some extent devolution of authority to region and branch level. On the other hand, keeping interest rate similar to other national microfinance institutions and repaying interest on savings in cash can do a lot to mitigate members' confusion and lessen dropout. The study clearly shows that most of the dropout members' material well-being status was in jeopardy particularly those who did not join in any microfinance institution after leaving BRAC. Some members were suffering from social alienation, disempowerment and utmost vulnerability while others were doing comparatively better specially those who become involved in other organisations. Therefore, it is important to track the dropout members to understand the effectiveness and effects of BRAC's microfinance programme to device new products and services to serve different segments of population with full satisfaction.

Annex 1

Table A1. Training status of dropout members during BRAC membership by area

Training status	Percentage of dropout member		Total
	Low NGO concentrated area	High NGO concentrated area	
Received training	23.2	25.0	24.1
Received no training	76.8	75.0	75.9

Table A2: Training status of the dropout members by their economic condition and area

Economic status	Low NGO concentrated area		High NGO concentrated area		Total	
	Trained	Untrained	Trained	Untrained	Trained	Untrained
Surplus	8.3	91.7	25.0	75.0	17.9	82.1
Equal	26.7	73.3	11.8	88.2	18.8	81.2
Occasionally deficit	33.3	66.7	37.5	62.5	35.0	65.0
All time Deficit	-	100	33.3	66.7	12.5	87.5

Table A3. Land purchasing status of the dropout member during BRAC membership by area

Land purchasing status	Percentage of dropout member		Total
	Low NGO concentrated area	High NGO concentrated area	
Purchased	16.1	17.3	16.7
No change	80.4	75.0	77.8
Declined	3.6	7.7	5.6

Table A4. Land purchasing status of the dropout member after dropout by area

Land purchasing status	Percentage of dropout member		Total
	Low NGO concentrated area	High NGO concentrated area	
Purchased	5.4	9.6	7.4
No change	92.9	88.5	90.7
Declined	1.8	1.9	1.9

Table A5. Income of the dropout members during BRAC membership by area

Income	Percentage of dropout member		Total
	Low NGO concentrated area	High NGO concentrated area	
Increased	48.2	61.5	54.5
No change	50.0	30.8	40.7
Declined	1.8	7.7	4.6

Table A6: changes in income of the dropout members depending on their involvement in income generating activities by area.

Income	Low NGO concentration		High NGO concentration		
	Involved in IGA	Not involved	Involved in IGA	Not involved	
Improved	56.7	38.5	74.1	48.0	
No change	40.0	61.5	18.5	44.0	
Declined	3.3	-	7.4	8.0	

Table A7. Income of the dropout members after BRAC membership by area

Income	Percentage of dropout member		Total
	Low NGO concentrated area	High NGO concentrated area	
Increased	14.3	28.8	21.3
No change	69.6	57.5	63.9
Declined	16.1	13.5	14.8

Table A8. Asset purchasing status of the dropout members during BRAC membership by area

Asset purchasing status	Percentage of dropout member		Total
	Low NGO concentrated area	High NGO concentrated area	
Purchased assets	33.9	38.5	36.1
Did not purchase asset	66.1	61.5	63.9

Table A9. Asset purchasing status of the dropout members after BRAC membership by area

Asset purchasing status	Percentage of dropout member		Total
	Low NGO concentrated area	High NGO concentrated area	
Purchased assets	19.6	15.4	17.6
Did not purchase asset	80.4	84.6	82.4

Table A10: percentage of dropout members purchased assets by their involvement status in income generating activities

Involvement status	Low NGO concentration		High NGO concentration	
	Purchased assets		Purchased assets	
Involved	63.2	(12)	65.0	(13)
Not involved	36.8	(7)	35.0	(7)
Total:	100	(19)	100	(20)

Table A11. Asset selling status of the dropout members during BRAC membership by area

Asset selling status	Percentage of dropout member		Total
	Low NGO concentrated area	High NGO concentrated area	
Sold assets	10.7	17.3	13.9
Did not sell assets	89.3	82.7	86.1

Table A12. Asset selling status of the dropout members after BRAC membership by area

Asset selling status	Percentage of dropout member		Total
	Low NGO concentrated area	High NGO concentrated area	
Sold assets	7.1	7.7	7.4
Did not sell assets	92.9	92.3	92.6

Table A13. Changes in mobility during BRAC membership by area

Mobility status	Percentage of dropout member		Total
	Low NGO concentrated area	High NGO concentrated area	
Improved	62.5	73.1	67.6
No change	37.5	21.2	29.6
Declined	-	5.8	2.8

Table A14. Changes in mobility during BRAC membership by area

Mobility status	Percentage of dropout member		Total
	Low NGO concentrated area	High NGO concentrated area	
Improved	17.9	38.5	27.8
No change	69.5	46.2	58.3
Declined	12.5	15.4	13.9

Table A15: NGO involvement status of the dropout members on the basis of their mobility status and area.

Mobility status	Low NGO concentration		High NGO concentration	
	Joined other NGOs	Not joined other NGOs	Joined other NGOs	Not joined other NGOs
Improved	62.9	37.1	42.1	57.9
Same	28.6	71.4	45.5	54.5
Declined	-	-	-	100.0

Table A16. Changes in social status of the dropout members during BRAC membership by area

Social status	Percentage of dropout member		Total
	Low NGO concentrated area	High NGO concentrated area	
Increased	55.4	46.2	50.9
No change	44.6	50.0	47.2
Declined	-	3.8	1.9

Table A17. Changes in social status of the dropout members after BRAC membership by area

Social status	Percentage of dropout member		Total
	Low NGO concentrated area	High NGO concentrated area	
Increased	8.9	28.8	18.5
No change	80.4	61.5	71.3
Declined	10.7	9.6	10.2

Table A18: changes in social status after members' exit BRAC by area

Social status	Low NGO concentration		High NGO concentration	
	Joined other NGOs	Not joined other NGOs	Joined other NGOs	Not joined other NGOs
Increased	100.0 (5)	-	46.7 (7)	53.3 (8)
Same	48.9 (22)	51.1 (23)	43.8 (14)	56.3 (18)
Declined	16.7 (1)	83.3 (5)	-	100.0 (5)

Annex 2

Case-1

Case study from low NGO concentrated area (good performance)

Name of VO: Uttar Pranpara, Date of VO formation: 1993, Current member: 18

Dropout member: 32

Momtaz Begum, wife of a small trader with occasionally deficit household, joined the VO in 1993. Her husband was a gambler and wasted most of his earning. To protect the family welfare she joined the VO. It was a 6-member family with no homestead or cultivable land. Momtaz Begum was one of the 17 members who congregated in the first VO formation meeting by her own volition. She was thrilled by the harangue made by the BRAC workers about the catalytic role of BRAC in improving socioeconomic condition of the poor people. She was given hope of getting training, insurance, microfinance support, VGD (Vulnerable Group Development Card), IGA support, joint economic activities, etc. Momtaz's desire was to buy some land and build a house, purchase a milching cow and make some money for her husband's business, and also wanted to save some money for her daughter's wedding. Momtaz had a good relation with the VO management committee as well as other members. Momtaz received consciousness raising, poultry and livestock, and fish culture training along with other fellow members though she did not use any of these trainings. Momtaz entered into the VO 10 years ago and continued her membership for 7 years. She was able to materialize some of her dreams as she bought 4 decimals of land and constructed a house on it and set up a tubewell. Momtaz saved Tk. 5,400 with BRAC during her membership period. She was involved in income generating activities including poultry and livestock rearing and vegetable cultivation in her courtyard to eke out her scanty familial income. She took Tk. 24,000 (3,000, 4,000, 7,000, 10,000) as loan from BRAC. As her husband was a gambler and made irregular and little contribution to the familial income, most of her loan money was spent on household consumption and managed to buy a milching cow. During BRAC regime there was a series of tensions of taking loan and repaying it accompanied by husband's malady that prevented the family from indulge in good food. The frustration started with the deduction from the loan amount in the name of forced savings, price of poultry birds, seeds and seedlings given forcibly at high price that yield little benefits. Sometimes health examination fee was also deducted from the loan money. Whenever she came home with deducted amount of money her husband talked to her and incited to leave the organization. On the other hand, Momotaz's husband did not work regularly and the most excruciating thing was that the high-priced loan money was sometimes gambled away by her husband. In the last case, the wastage was beyond her endurance and she had to lapse some instalments and being continuously pressurized by the infuriated BRAC staff she intended to settle up with her own savings but refused. The BRAC staff threatened her to trip up the tin from her house and once, at a stage of wordy altercation, she physically assaulted Momtaz. Latter the village police turned up to mediate the chaos and finally she decided to leave the VO. After leaving BRAC Momtaz took two loans from ASA and another local organisation. However, now she is not involved with any organisation. Her husband left the bad habit of gambling and now he is a completely changed man who works hard and takes care of his family and Momtaz need not to work anymore. During membership period she was used to beaten and scolded by her husband, but now she is in peace. However, beforehand Momtaz could spend some amount for her children's education and purchasing other household titbits, but now she cannot do that. As a result, her elder daughter had to leave the school.

Case:2

Case study from low NGO concentrated area (not so good performance)

Name of VO: Uttar Pranpara; Date of VO formation: 1993; Current member: 18

Dropout member: 32

Hayatunnesa, a widow, stays with one of her sons who peddles ice cream. Their family comprises her son and his wife, their newborn baby, and she herself. Before her son's nuptial Hayatunnesa was the sole provider of the household needs. At that time, once one of her neighbours informed her that BRAC, an NGO, is forming village organisation for the poor and destitute women to improve their situation by providing VGD cards, wheat, maize, oil and other things time to time and by creating opportunity to be involved in small trading and poultry livestock rearing activities. A beacon of hope was budding in her heart of the forthcoming bright future of her family and could not but to join the organisation. Hayatunnesa did not take part in any training session arranged outside of their village. In the beginning she had a good relationship with the VO management committee as well as other fellow members but later there was a breach in the relationship. In her membership tenure Hayatunnesa took seven loans amounting to Tk. 30,000. She reconstructed her dilapidated house by replacing *Golpata* with corrugated tins and purchased 2 decimal homestead land at the cost of Tk. 10,000. Once her son lost a rented rickshaw and she had to pay Tk. 4,000 to the rickshaw owner from her loan money. After that she bought a rickshaw for her son but he could not continue it for long time as he was not strong enough physically to ply rickshaw. Last of all Hayatunnesa provided his son some money to wage on ice-cream selling business which is the main source of their present family income. However, the course of instalment repayment was not always very smooth for her rather sometimes it created tension and altercation in the VO since Hayatunnesa could not invest all of her money for productive purposes. Sometimes she missed instalment and the office staff shouted at her and she also did refer to her own savings. All these made a bitter relationship with the office. Finally, once she was unable to repay her loan instalment and so did not come to the meeting. Being infuriated the BRAC staff came to her place and reprimanded her severely and threatened to take the tin off her house. After a long wordy altercation the office staff took away her passbook and cancelled her membership. Hayatunnesa saved Tk. 5,500 and her outstanding loan amount was Tk. 3,000 and on that reckoning she deserved Tk. 2,500. However, she was given Tk. 1,400 and the office staff, she alleged, misappropriated rest of her savings money. Hayatunnesa showed a very positive attitude towards BRAC in spite of her sky-high resentment because of the chance she got to rebuild house, purchase land, and forming some capital for her son. The long-term family headship compelled Hayatunnesa to take various vocations. During BRAC period she could afford some good food but now she cannot, as she is too weak to work. Hayatunnesa now is facing a tough time as his son cannot earn enough money to help her mother and she has lost her savings and credit worthiness in NGOs as well as in her own community. "Beforehand, I could manage 100-200 TK from anyone, but now I shall have to beg for the money", said Hayatunnesa. She is not getting better treatment from her son's family for her unimportant roles and contribution to the family expenditure. She is now working as a maid servant to earn her own livelihood that is making her life difficult in this old age. 'Now I have little ability but what shall I do latter?' She asked.

Case:3

Case study from low NGO concentrated area (good performance)

Name of VO: Dokhin Karpur; Date of VO formation: 1994; Current member: 17

Dropout member: 33

Hosneara's husband married her without consent of his parent who did not accept the marriage. They had to stay in Dhaka for three years. After three years when they returned to their own village, they had to face the same challenge and having no alternative Hosneara took refuge in her parent's residence as a last resort. At that time they had no money so her husband started sharecropping taking some land from other persons but still their condition was not very much comfortable. After few months Mahmuda, the first president of BRAC village organisation of that village, motivated her to be a member by putting forward many potentials of getting wheat, rice, loan, and many other facilities. Hosneara planned to rear a milching cow and get some capital for her husband's business that could give them a steady income and socioeconomic improvement thereby. All these hopes and expectations encouraged her to become a member. Hosneara was a general member. She had a good relation with her fellow members as well as the VO management committee. She never attended any training session either at the village level or outside the village. After few months of her membership Hosneara took first loan and repaid it smoothly. After completing the first loan she did not join in VO activities for long one year due to the restriction from her in-laws. Hosneara's in-laws did not like her to be a BRAC VO member and her husband also was somewhat reluctant to her involvement with BRAC due to its inconvenient rules. However, after one year Hosneara joined the VO again without paying heed to all these obstacles. She took 4 loans altogether amounting to Tk. 16,000 from BRAC. She bought two cows with her first and second loans and ledged in some land with her third and fourth loans for her husband's farming. Hosneara was a good member but the problem was that her husband did not like the deduction made by BRAC office every time they took a loan in the name of force savings, and selling of seeds, seedlings and poultry birds. Finally, when Hosneara decided to take her fifth loan, the VO president demanded Tk. 50 for loan proposal and Tk. 20 for her travelling expenses. Hosneara's husband was furious at the proposal and brought the issue to the VO president and a conflict roused. Then she and her husband identified set forth many loophole of BRAC's microfinance system compared to other NGOs and decided to leave BRAC. Hosneara joined ASA after leaving BRAC and got a loan of Tk. 10,000 from ASA. She praised the present VO, as good and reasonable than BRAC because it made little deduction and allowed them to withdraw their own savings in any crisis and the rate of interest is also lower. Socioeconomic condition of Hosneara's family was improving during BRAC period and this rate of progression was continuing after her dropping out from BRAC. Social status of her family increased as the fermenting abhorrence against their marriage decreased due to their increasing economic improvement.

Case 4

Case study from low NGO concentrated area (not good performance)

Name of VO: Dokhin Karpur; Date of VO formation: 1994; Current member: 17

Dropout member: 33

Mukul Banu's husband was a drudge of a flourmill and earned too little amount of money to maintain his six member's family. Mukul was looking forward to getting involved in any income earning activity that could supplement their scanty family income. Once Sufia, one of her neighbour who latter selected as VO president, invited her to attend a meeting in her courtyard. Mukul attended the meeting and came to learn that BRAC, an NGO, would give them many facilities including VGD card, loan, income earning opportunities, training and various other programme supports. She was lured and made up her mind to be a BRAC member. At the very beginning of her membership Mukul expected to buy some land, construct a house, and purchase a milching cow that, she thought, would give her a shockproof asset base as well as a steady source of income. Mukul was a general member and attended meetings regularly but she did not receive any training from BRAC. She had a good relation with the VO management committee as well as the fellow group members. She took three loans during her membership tenure amounting to Tk. 9,000. Mukul and her husband started paddy-husking business with the first loan. They did well in the business and earned a substantial amount of money from this business. Then they wanted to expand their business horizontally and bought a boat to ferry the people in the nearby river. However, the plan did not go well and they had to leave the business with a considerable amount of losses in the boat business. Mukul took her third loan to start paddy-husking business again. In the course of taking BRAC loan, Mukul and her husband was resented of the deductions made by BRAC office for various purposes. While taking third loan the resentment mounted high as they had to pay Tk. 300 for sanitary latrine, Tk. 200 for four poultry birds, Tk. 150 for force savings and Tk. 20 for readmission fees. This deduction made her very angry that reduced their total investment amount and hindered their business. After some days of taking this loan Mukul got very sick due to the severe bleeding and was admitted into the medical college hospital. At that time the business was hampered seriously and her husband was skulking away the time being to avoid the instalment. Mukul was in the hospital for three months and in the meantime VO president in collaboration with other members sold her household assets to repay 10 instalments. When Mukul returned home she was appeased in false hope that if she would refund the money she could get back her assets however they failed to manage it when Mukul responded. Having infuriated Mukul decided to break with the VO and paid rest of outstanding loan amount from her own security savings and left of the VO. In the short period of membership Mukul renovated her house with corrugated tin instead of *Golpata* and set up a slab latrine. Household consumption also increased, but after dropout it was again relapsed into deficit. Now Mukul wants to be a member of any other organisation to start income earning activity but none is allowing her to be a member because of her less credit worthiness. She is now suffering from kind of social alienation as no body is intended to help to quit her vulnerable condition.

Case 5

Case study from low NGO concentrated area (good performance)

Name of VO: Poschim Borgura; Date of VO formation: 1997; Current member: 20

Dropout member: 44

Hasina's husband was a tea stall owner with an inescapable responsibility of a 10-member joint family. Hasina sized upon the proposal of ex-VO president of being a BRAC member that, she thought, would give capital to start a separate business for her sons, involve herself in an income earning activity by purchasing a milching cow, and construct a house for their growing offspring. Later, she was selected as a small group leader although got no training. She instituted a village hotel, widely accepted as *Suruchi* (good taste), under the direct support of BRAC's innovative non-traditional income generating and empowering project. Hasina took four loans in her membership amounting to Tk. 21,000 and was able to purchase a cow, some goat and constructed a tin house. Everything was fine, but somehow she identified that the office staff misappropriated half of the money she deposited in her savings account. She was very frustrated and told it to the VO management committee but the committee was unable to take any measure against the corrupt staff. Then she complained to the area manager who sent an inquisitor to delve into the matter and found the veracity of the objection but as there was no written document in the office record he regretted to refund the money back. Then she was infuriated and threatened to go to the police and journalist for disclosing the deceitfulness and mischief of BRAC office but being implored she was desisted. By this time one of her sons was put into the jail in the charge of keeping illegal arms in the sequel of animosity and she had to spend Tk. 1,50,000 for this purpose that was partially managed by selling 3.5 decimals of their homestead land. At that time she was unable to repay her loan and was unwilling to stay with BRAC. So she pay off her outstanding loan from her own security savings and left the VO. Latter she joined ASA and Disha (a local NGO) and took loan from both the organisations to start another tea stall for her son instead of her hotel business. Now she is helping her son in running the business as she got a good experience in dealing with the customer. Now Hasina's family is getting over the crisis and earning a handsome amount of money from their two tea stalls. She is now happy with the present VO rules and regulations as it is giving her flexibility regarding savings return and repaying loan instalment. The most advantageous opportunity is that she can withdraw her savings any time she want and there is no deduction. Now Hasina is in her elements.

Case 6

Case study from low NGO concentrated area (bad performance)

Name of VO: Poschim Borgura; Date of VO formation: 1997; Current member: 20

Dropout member: 44

Komola's husband was a tea stall owner who had to maintain a seven-member family with his scanty income. The VO president promised Komola to give loan in persuading her to be a member. She wanted to get loan to expand her husband's business, to buy a piece of land and construct a tin-shed house. Komola was a general member. Sometimes she came to the VO tardily as she had to mind her little child. She never kept loan instalment unpaid. Komola took five loans during her membership tenure totalling to Tk. 14,000. She bought 5 decimals of land and gave her husband some working capital and bought a milching cow. However, Komola and her husband were annoyed with the deduction made by BRAC office for the cost of seeds and poultry birds and for savings that was raising actual cost of loan. In the mean time, ASA started its operation in the village and having seen the comparatively flexible loan facility they were inclined to it. Moreover, they were not happy with the payment of VO president Tk. 50 for each loan and Tk. 20 for her transportation cost. All these deductions decreased their amount of investment. All these dissatisfactions were fuelled by the knowledge that the BRAC staff misappropriated her savings money by not writing proper amount on the savings collection sheet. They lodged complain with the office but the office managers did not take proper action against the culprits and having disheartened she decided to leave the VO. After leaving BRAC Komola joined ASA. She is happy with the present organisation as there is no large deduction from loan amount and she is not supposed to pay Tk. 70 for loan proposal, refreshment or fees for health examination. On the other hand she can withdraw her own savings in case of emergency even for repaying loan instalment. According to her "people save money to meet various purposes of life but BRAC wants to release it only after their death." Socioeconomic condition of Komola did not change much due to the transition from one organisation to another. However, she doubled her savings after BRAC in spite of open savings option. As most of the members had left the village organisation they wanted to annihilate it and leaving of Komola got accolade from that ex-members. It indicates to the antagonistic situation the BRAC workers had to face in the locality in general and in the VO in particular.

Case 7

Case study from high NGO concentrated area (good performance)

Name of VO: Kondalia ; Date of VO formation: 1989; Current member: 29

Dropout member: 24

Rohima's husband was a worker of a jute mill. Suddenly the mill was laid off in the late 80s. However, he did not get any retirement benefit. After redundancy Rohima's husband intended to be a farmer and ledged in little land for cultivation but the income from the husbandry was not enough to maintain the family. At that time Anwara, the present VO president, insisted her to be BRAC member by giving hope of getting VGD card, paddy seeds, fertilizer, loan facility, land and cow. Rohima expected to buy little land for farming, a cow for her own, and build a tin-shed house for their family. She was a general member and never attended any training session due to her familial burden. After couple of years of BRAC membership she joined another local organisation to have larger loan and concealed the matter from BRAC. Rohima took 7 loans amounting to Tk. 45,000. She bought a cow, ledged in land, constructed a tin-shed house, and installed a sanitary latrine with her loan money. Rohima was a good member. She attended VO meetings regularly and never dropped any instalment. She saved Tk. 5,000 in the BRAC account. Once she wanted to withdraw part of her savings to invest it. At first BRAC office negated but her need was very urgent and she implored. Last of all, the office allowed her to withdraw 50 percent of her security savings. After couple of months when she proposed for further loan, the office asked her to deposit the savings money she took earlier. Rohima and her husband were very angry at the proposal, as it was the time to tend the paddy field with water and manure. After a long wordy altercation the office manager proposed a lower amount of loan she availed before and said she had lost previous loan ceiling due to her savings withdrawal. This situation made them mad and they decided to leave the organisation. They considered this event as a flagrant violation of the membership prerogatives as they did not mentioned it before. They did not take the reduced amount of loan and got out of the VO. Now Rohima is continuing her membership with the local NGO entered as an overlap member and she is contented with the services given by this local organisation. Rohima said that this organisation was better because the rate of interest was lower, deductions were not made, and access to the savings was trouble free. Rohima acceded that due to BRAC she got chance to accumulate some assets but the rules and regulations of BRAC were very stringent and to get some reprieve she got out of it. Now she was doing better than BRAC regime. Rohima started her income generating activity in the aegis of BRAC poultry and livestock programme and still she was using her knowledge through rearing cows. Rohima's social status has increased during BRAC period and it was still increasing.

Case 8

Case study from high NGO concentrated area (bad performance)

Name of VO: Kondalia ; Date of VO formation: 1989; Current member: 29

Dropout member: 24

Hamida was a wife of a day labour who worked in a carton-making factory. He could not but work irregularly due to his ill health. Their economic condition was poor. Anwara, the present VO president, once came to her place and encouraged Hamida to join BRAC VO. She was given hope that her situation would improve by saving and borrowing money and participating in skills development training. She was inspired with the hopes and dream of buying a cow, establishing a chick-rearing unit; cultivating vegetable in her courtyard with the help of BRAC that, she thought, would help to paddle her own canoe. She also wanted to have a VGD card that might protect her from the immediate vulnerability. Hamida was a general member and tried to attend the weekly and monthly meetings regularly. However, in some cases she could not attend the monthly issue-based meetings. She attended only a consciousness raising training course. During BRAC membership Hamida took 8 loans amounting to Tk. 36,000. As her husband was sick, Hamida could not invest her money in productive purposes. She could not create any asset during her membership period because most in cases they ate up the loan money as her husband remained sick for 15 days in a month and no body was there to help her. Her son was a little boy and could not help them. The situation was deteriorating day by day and turn into a very sorry state when her husband became unable to work completely. Hamida had to lend money from other person to repay BRAC loan-instalment. During her last loan the situation was beyond her control and she started to skulk on the meeting days but the BRAC staff was relentlessly pressed her to repay the loan and she took refuge to the local money lender as last resort. But the situation was beyond her endurance when BRAC and the moneylender asked for their money back. Finally, Hamida sold her 7 decimals of land at Tk. 15,000 to pay off the moneylender and the BRAC office. Now she is not involved in any organisation for fear of being intimidated by the loan authority. Now she cannot work hard to maintain her family. Her little son has to shoulder as a child labour to eke out their little family income. Hamida has no savings. She earns little money from poultry rearing, and cultivating some leafy vegetable in her own courtyard. Their economic condition is beggar description. Now she is longing for departing from this world to avoid being an observant of this miserable condition.

Case 9

Case study from high NGO concentrated area (good performance)

Name of VO: Rajab Bari Uttar Para; Date of VO formation: 1996; Current member: 21

Dropout member: 19

Sufia's husband and her son were involved in sharecropping. They did not have much land to cultivate but took some land from others. She was an active member of Grameen bank and availed its loans facility. Once Fatema, one of the members of BRAC from other hamlet, informed her that BRAC village organisations were more advantageous than Grameen as had various facilities along with its loan. She had been promised to have programme support on agriculture, fish culture, poultry and livestock and other contingency supports time to time. Having informed Sufia delineated a better picture of their future life by means of purchasing few decimals of land, a milching cow, and constructing a house that compelled her inexorably to take hold of multiple memberships. Sufia was a general member and she did not attend any training session. She took Tk. 20,000 as loan from Grameen bank and took four loans amount to Tk. 18,000 from BRAC. Sufia could repay her loan instalment regularly as two of her sons recently were involved in income earning activity along with her husband. Sufia herself also was involved in cow, goat and poultry rearing activities and all these gave them opportunity to use higher amount of money from both the village organisation. Sufia ledged in a bamboo bush for four years, bought a tape recorder, installed a tubewell, and mainly provided capital to her son's business and husband's farming. Sufia was a good member and never missed any instalment in her membership period. As a contribution to household income and suppliant of business capital she enjoyed enough respect in the household. From the very beginning Sufia was annoyed with various types of deductions made by the BRAC office compared to GRAMEEN and become disgruntled with the inaccessibility of her own security savings. Last time she went to receive Tk. 5,000 as loan from BRAC office. She could not count down the money as she was ailing from fever at that day. However, when she counted it at home she found Tk. 200 less than actual amount. She went to the office again to lodge complain but they did not acceded and there was a noisy altercation. Last of all she decided to leave the organisation. After few days she repaid the money and left the VO. Before leaving BRAC she bought some land, a cow and ledged in a bamboo bush and gave some money to her sons and husband although the contribution of BRAC and Grameen loan is difficult to single out. She informed that she got higher amount of loan from Grameen. Membership overlapping has given Sufia an access to higher amount of loan to invest in their farming and business enterprises that brought about their socioeconomic improvement. This rate of improvement was still progressing even after her dropping out of the BRAC VO. Moreover, she was in somewhat unwinding condition due to the respite from the hectic loan repayment schedule of two loans at a time. Involvement with development organisations and increased family income enhanced Sufia's social status and she is still enjoying her higher social status after her leaving BRAC.

Case 10

Case study from high NGO concentrated area (bad performance)

Name of VO: Rajab Bari Uttar Para; Date of VO formation: 1996; Current member: 21

Dropout member: 19

Shajeda's husband was involved in tailoring business. She had three children. Shajeda and her husband wanted to expand their business and took membership of a local NGO, Bhumihin Samity. In the mean time, one of her neighbour motivated her to be a BRAC member by mounting her hope of getting house, tubewell, latrine, land, and many other opportunities from the VO. She was encouraged and took BRAC membership to improve their socioeconomic condition. Shajeda was a general BRAC member and never attended any training session. At the outset she attended the meeting regularly. Shajeda purchased 3 decimals of homestead land and constructed a tin-shed house by taking loan from other organisation. Shajeda took first loan from BRAC to invest in her husband's business. However, the business was not running well, as most of the cloths he sold on credit were not reimbursed. He was unable to repay the loan instalment. Shajeda started to lend money from her friends and relatives but the sources dwindled away soon. She then sold some of her household furniture (chair, table, and sewing machine) to repay the loan instalment. After the first loan she took a second one from BRAC. This time Shajeda was unlucky as her husband was suffering from rheumatic fever for long time and he could not contribute to the household income. Moreover, Shajeda had to spend lots of money for his treatment. Naturally, she was completely unable to repay the loan instalment. The BRAC office was not prepared to relinquish them for long time and pressed them to repay the loan money anyhow. Having no other option Shajeda asked her husband to sell the tin-shed house to repay the loan amount. Her husband was very angry at the proposal and asked her to request BRAC office to give them some time considering his illness. However, the office did not pay heed to her proposal rather the pressure was intolerable. Finally, they sold their tin-shed house to repay BRAC loan and left the VO. Now she has Tk. 3,000 as savings with the Bhumihin Samity but did not take any loan from it for fear of being default member. This organisation is good because it allows her easy access to the security savings whenever she need, she said. During her membership tenure Shajeda was not involved in any income earning activities and now she is not involved in such activities and she did not buy any asset in her own name. During BRAC membership period she was not involved in any income earning activities and after her desertion she did not start any. Now her husband is quite well and can earn enough money to run his family. On the other hand, during BRAC membership period Shajeda was suffering from social image crisis as she was pressurized and intimidated by the BRAC staff. Other people did not take it very well. However, the situation is changed now and they have overcome the crisis.

Case 11

Case study from high NGO concentrated area (good performance)

Name of VO: Borhuria; Date of VO formation: 1997; Current member: 24

Dropout member: 22

Tara Banu's husband was a sharecropper who encouraged her to be a BRAC member. He reasoned that the BRAC loan could be invested in leasing in some land, applying input supports in his husbandry and constructing a tin-shed house. Encouraged by her husband Tara Banu requested VO president to accord her a membership status. She was a general member and never attended any training session. Tara Banu had a good relationship with VO management committee and she attended weekly savings and instalment collection meetings regularly. She saved Tk. 3,500 during her four years of BRAC membership and took four loans amount to Tk. 23,000. Tara bought some land and built a tin-shed house with her loan and some portion was also spent for purchasing seeds, water for irrigation, and manures, etc. Tara was involved in cow rearing and poultry rearing activities. All of these activities concerted were improving their condition. However, the problem arose in the fifth year when Tara wanted to withdraw some of her own savings to supplement her investment. She applied for Tk. 2,000 out of her savings of Tk. 3,500. But it was beyond the savings withdrawal rule of BRAC (a member cannot withdraw more than 50% of her savings). Tara was exasperated of being disavowed by BRAC and decided to leave the VO. She then came to BRAC office and asked the manager to adjust her loan with her savings and the office could not do anything but to leave her. Later she joined another NGO. According to her this VO was better than BRAC. Tara and her husband are very energetic persons. They are willing to improve their socioeconomic condition by any means. This state of mind and their diligence improved their economic condition that was continuing even after their taking new membership of another organisation. They were getting enough paddies for yearly consumption from their sharecropping. Tara also supplemented their household income and spent some money for her children's schooling. Therefore, membership discontinuation has not wrought any negative impact on Tara Banu's family.

Case 12

Case study from high NGO concentrated area (bad performance)

Name of VO: Borhuria; Date of VO formation: 1997; Current member: 24

Dropout member: 22

Alekjan is an old lady. Her husband died in 1970 leaving 3 little daughters. After her husband's demise Alekjan was the only income earner of her household and had to struggle a lot to fight against poverty and vulnerability. When her daughters became adult, she had to arrange their marriage. Before her last daughter's marriage, she did not involved in any credit organisation rather she worked as a day labourer and sometimes worked as a maidservant. After her last daughter's marriage she was alone and also lost her strength slowly to go for hard labour. One of her daughters suggested her to be a BRAC member that could potentiate the chance of getting access to VGD card, and/or other direct employment opportunity given by BRAC. Alekjan joined the VO as a general member and did not receive any training. She attended the VO meetings regularly and had a good relationship with other fellow members as well as the management committee. Alekjan took two loans from BRAC amounting to Tk. 10,000. With her second loan she bought a milching cow at a cost of Tk. 6,000 to earn some income for her livelihood. Unfortunately the cow died after couple of months but she had to repay all the loan instalments. BRAC did not forgo even an instalment. Alekjan was really a vulnerable woman at that time and wanted to have a VGD card to cope with the crisis but was negated. She had to beg to her friends and relatives to repay the loan instalment. Her daughter was one of the prominent contributors to get rid of the loan. Alekjan's expectation was to paddle her own canoe by joining BRAC VO but this accident banished all her hopes into thing air. At last when the instalment amount was equivalent to her savings, the BRAC staff took away her savings passbook and adjusted the rest of the loan from her savings and got her out of the VO. Now she is staying with one of her daughters whose husband is also a physically disable person. Her daughter was the sole provider of the household income. The family was living on the bread line. Presently Alekjan had no savings, no income, and no hope. Food consumption status declined after BRAC inclusion. Now she cannot see well and cannot earn a living. "Akhon norbar chorbar pari na, meyer kache thaki, ja jote tai khai (now I cannot move, stay with my daughter, and eat whatever I get)" said Alekjan. Now she is passing a hard time.

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