

RURAL CREDIT AND TRAINING PROJECT(RCTP)  
Annual Report  
(July'81 - December'81)



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BANGLADESH RURAL  
ADVANCEMENT COMMITTEE  
66, Mohakhali Commercial Area  
Dacca-12

Bangladesh Rural Advancement Committee(BRAC) has initiated a number of integrated projects in various parts of Bangladesh. It follows the basic principle that real development of the rural poor cannot take place without the involvement and greater awareness of the landless and other disadvantaged sections of the community. These disadvantaged sections include not only the landless but other groups such as fishermen or occupational groups who do not own any productive assets and survive by selling their manual labour. These groups are referred to as BRAC's target population and it is towards them that BRAC's development efforts are aimed.

Socio-economic condition of target population:

Most of the benefits of economic growth or of government programmes for improvement of rural conditions do not reach the target population. The latter have little direct role or involvement in such programmes and rarely receive any of their fruits. Most are extremely poor and live under very harsh conditions of malnutrition, ill-health and lack of employment and illiteracy. Moreover, they have almost no involvement in the decision-making process which affect their lives and they fail to influence the course of events that have far-reaching, consequences on their activities. For economic support, they are dependent on the patronage of the landholders, large farmers, local officials and other relatively wealthy sections of the community. This small, elite group of people maintains a stranglehold on all local as well as foreign resources. They constitute the only source of employment for the target population. Thus, wage rates remain low and the landless target population find it impossible to improve their economic or social status. Even those landless people who manage to seek out new opportunities for exploiting their own local resources are constrained by the lack of credit to finance their schemes. They do not have access to official credit outlets such as banks, because they do not have any

collateral for loans. Moreover, bank procedures often require a certain level of skill and resources such as literacy, the ability to prepare a viable plan for the scheme, etc.. These are requirements which the landless usually cannot meet and they are thus unable to make use of bank loans. The only other source of credit available to them is the local moneylenders, but to such lenders farmers have to pay high interest rates and that makes it unprofitable for them to take loans under any but the most urgent circumstances.

The RCTP:

Taking this situation into consideration, BRAC found it essential to design the Rural Credit and Training Project (RCTP) - a programme through which credit would be made available, at commercially viable interest rates, to the target population. The aim is to provide the target group with opportunities to participate in economic schemes which can provide additional income. This would, in turn, lead to a reduction of the target groups' dependence on the elite. It would, it was hoped, consequently put them in a position to bargain for better wages and demand the public services which the official agencies are supposed to provide them. The transformation that this would produce would inevitably, of course, have its effect on the social plans, particularly in terms of their power to influence events that are important to them.

BRAC recognized that prior to taking up economic activities, it is necessary to raise the landless to a position of greater awareness of their socio-economic environment. This can be achieved through a process of conscientization, where the landless gain a critical awareness of the reasons leading to their present circumstances and their effects. By learning to analyse their conditions, they can develop a better capacity to identify strategies for improving their situation and solving their problems.

It has been seen that individual efforts of the landless to change the situation to their advantage can easily be attenuated, diverted or checked by the more powerful elite groups. On the contrary, a group effort cannot be so easily diverted and it can carry much more weight in the attempt to seek a collective good. Collective decision-making and the accountability of the group leaders to other members ensure the attainment of the basic solidarity. Linkages between various groups can lead to broader-based social activities. Moreover, it is more likely that a person will proceed toward greater self-reliance in a group effort than in isolated individual efforts.

The village organisation:

To develop group forums, BRAC decided to set up village organisations which would include almost all members of the target population living in a particular village. A primary body would be formed for assessing choices and making decisions in the field of economic activities. A Central Organisation would also be constituted and within this the landless peasants would receive training, carry on discussions and arrive at various plans for action in social or economic fields. Along with the development of organising capacity, the Village Organisation would also conduct functional education and other training courses for its members. These would lead to the development of necessary skills such as numeracy or literacy. Such training would enable the target group to chalk out economic and other productive schemes. Throughout this process, BRAC would supply all the necessary training facilities and logistical support.

Once the target group reaches a sufficient level of social awareness and commitment to the goal of development of the landless and demonstrates its ability to undertake social as well as economic activities, it could apply for loans for economic schemes.

These schemes would have to be approved by the Village Organisation, carefully scrutinized by the BRAC programme organiser attached to the Village Organisation, and then sent up for final approval to higher-level BRAC staff.

The economic activities taken up by the Village Organisations need not involve all the members of the organisation, although a few such schemes involving all members would be encouraged. In most cases, however, the schemes would be delegated to smaller occupational sub-groups, while the main group would retain the power to recommend or not recommend financing the scheme. A certain portion of the profits would be contributed to the group fund while the rest would be shared by the participants. The value of saving would be strongly emphasized to ensure that the group does not always remain dependent on outside funding for its activities. The money to be saved would come out of the weekly earnings of the group members. Along with this, additional funds would also be generated from economic projects and individual subscriptions to set up a reserve fund and an emergency fund. The progress of the formation of village organisation is given in Appendix - 1.

#### The Baseline Surveys:

For collection of baseline information for programme and evaluation purposes, the research and evaluation division of BRAC started baseline surveys in the branch areas of the Rural Credit and Training Project (RCTP). Baseline surveys in all branches are conducted in two phases. The first phase is conducted through a census of the RCTP villages. In the second phase, a 10 percent stratified sample of the census population are surveyed. The main objectives of these surveys are to generate baseline information on demographic income asset and agricultural conditions in the villages. The baseline surveys were started in mid 1979. The following is a brief summary of data collection activities.

Branch	Surveys	Status (1. 1. 1982)		
		<u>Data Collection</u>	<u>Processing</u>	<u>Report</u>
Shibpur	Demographic	Completed	Completed	Published
"	Income, Asset & Agriculture	"	"	"
Nonchordi	Demographic	"	"	"
"	Income, Asset & Agriculture	"	"	"
Ghior	Demographic	"	"	"
"	Income, Asset & Agriculture	"	"	"
Narsingdi	Demographic	"	"	"
"	Income, Asset & Agriculture	"	"	"
Pabna	Demographic	"	"	"
"	Income, Asset & Agriculture	"	"	"
Atghoria	Demographic	"	"	Ready for publication
"	Income, Asset & Agriculture	"	"	"
Gazaria	Demographic	"	"	"
"	Income, Asset & Agriculture	"	"	"
Boraigram	Demographic	"	"	"
"	Income, Asset & Agriculture	Completed	Completed	Ready for publication
Trishal	Demographic	underway		
"	Income, Asset & Agriculture	"		
Fulbaria	Demographic	"		
"	Income, Asset & Agriculture	"		
Daulatpur	Demographic	"		
"	Income, Asset & Agriculture	"		

The baseline survey in the three new NCTP branches will be initiated from March, 1982.

In 1981, the research and evaluation division also undertook a re-examination of the existing group files now being maintained in each branch. A modified file was designed.

In order to be able to arrest changes in the social arena through introduction of the <sup>intervention, BRIC</sup> RCTP started some micro-studies in the branch areas through the field staff. For this study, two training workshop were organised in 1981 under the guidance of a Dutch Anthropologist, Dr. Pieter Streefland.

The research and evaluation division decided in early 1981 to undertake an economic analysis of some of the schemes undertaken in different branches of RCTP. The study of Ghior branch is now complete. Similar studies including Resource mobilization will be undertaken in other branches too in the year 1982. A study report on economic analysis of some schemes and resource mobilization is given in Appendix - VIII.

#### Establishment of Branches:

It has been felt that this credit operation plan requires area based offices for proper functioning of the project through participation of target people. As such a team of RCTP staff visited various rural thanas ( administrative unit comprising of approximately 200,000 people) of several districts and conducted a community and a preliminary site selection survey in possible locations to set up RCTP branches. A senior RCTP staff had to visit those possible locations for final selection.

RCTP has now eleven branches:

#### 1. Monohordi

Monohordi thana is situated about 50 miles north-east of Dacca, and started its pre-operating activities since June, 1979. The total area of the thana is 99 square miles. There are 12 unions consisting of 244 villages. Principal crop of the thana is transplanted Aus and Aman. Majority of the cultivable land is double cropped. The most profitable crop is banana. Jute and

sugarcane are also grown. Irrigation facility is also satisfactory.

## 2. Shibpur

Shibpur thana situated about 37 miles north east of Dacca and began its pre-operating activities since June 1979. The total area of the thana is 76 sq. miles. There are 9 unions consisting of 199 villages. Two unions are hilly in nature and the rest is plain. Main crops are transplanted Aman, Boro(BYV). Most of the cultivable land are double cropped. Irrigation facilities are quite satisfactory. Banana is the most profitable crops along with vegetable in plain areas, while in the hilly jackfruits are considered to be profitable.

## 3. Gheor

Gheor thana is located about 52 miles north-east of Dacca and began its pre-operational activities since July 1979. The thana is 52 sq. miles in 7 unions consisting of 153 villages. Major areas are low land which are inundated during monsoon, when the main broadcast Aus/Aman is grown. Potato, oilseeds and wheat are also grown in winter. Irrigation facility is almost absent. Sugarcane is the most profitable crop.

## 4. Narsingdi

Narsingdi branch is located at Madhabdi, 22 miles north east of Dacca on Dacca-Narsingdi road and eight miles away from thana H.O. The occupation of majority of the population is weaving. There are about 18,000 handlooms on the whole thana, the highest concentration at Madhabdi followed by 5 adjacent unions. Baburhat the famous marketing outlet of yarn and handloom cloths is only one mile from Madhabdi. This branch was opened in February 1980.

## 5. Gozaria

Gozaria branch is located at Bhaberchar, 25 miles south east of Dacca and three miles away from the thana H.Q. The main profitable crop is potato. The branch started its pre-operational activities since April, 1980.



6.. Pabna

Pabna branch started its pre-operational activities since April 1980 presently located at Paikerpar at 90 miles north-west of Dacca. The total area of the thana is about 97 sq. miles. There are 10 unions consisting of 280 villages. Major crops grown in the area are paddy, sugarcane, oil seeds and pulses. Irrigation facilities are not satisfactory.

7. Atghoria

Atghoria branch is situated 96 miles north-west of Dacca and 10 miles away from Pabna town. The area of the Atghoria thana is about 72 sq. miles with 5 unions consisting of 120 villages. Paddy and sugarcane are the main crops of the area. The area has potential for seri/eri culture extension. This branch was opened in July 1980.

8. Boraigram

Boraigram branch is located at Bonpara, 123 miles north-west of Dacca - under Rajshahi District. The area of the thana is 114 sq. miles. There are 7 unions consisting of 145 villages. Paddy and sugarcane are the main crops of the area.

9. Fulbaria

Fulbaria thana is situated about 89 miles north of Dacca-via-Nymensingh and 13 miles south-west of Nymensing district town. There are 13 unions consisting of 105 villages. Principal crop of this thana is paddy and sugarcane. Irrigation facility is also satisfactory.

10. Trishal

Trishal branch is located at Dhanikhola about 68 miles north of Dacca and 12 miles south of Nymensingh town and 4 miles north-west of Trishal thana. Paddy is the main crop. Betel nut is also grown in this area.

11. Daulatpur

Daulatpur branch is situated about 59 miles north-east of Dacca and 7 miles east of Ghior branch. Paddy and sugarcane are

the important crop of this area.

Three more branches are expected to set up by mid February 1982.

### Functional Education

Functional Education is one of the key programme to raise the critical awareness of the target people. BRAC has already developed an innovative methodology tested and revised materials for functional education which has proved to be an excellent vehicle of conscientisation. The methodology is based on learners' participation through dialogue and facilitated by the teacher. The curriculum centres on rural life problems and their possible solutions. It provides the learners opportunities for critical analysis of their environment, for building confidence in their own capacity and capabilities for action, enhance the capacity to formulate their demands, organise to promote their legitimate interests and to play a major role in the management of their own affairs. Skills in numeracy and literacy are also developed. But what is most emphasised is a new way of looking at things, the ability to perceive, analyse and change ones environment. Literate members of the village organisation have been selected to undergo the functional education teachers' training and the education programme was launched among the illiterate members of the village organisation. 2/3 persons are trained per centre to have trained substitute available in case where teachers are absent or dropped out for a variety of reasons.

( The progress of this programme is shown in appendix) II

### Training

Training is one of the important component of the major activities of a village organisation to deal efficiency with the constraints of any process of change. It helps to facilitate developing and practicing new norms, value and understanding in conformity with its ideology, leading to the creation of the fair

society based on dignity, justice and opportunities for all. In order to equip the village cadres as well as the <sup>workers</sup> BRAC/with clear understanding of socio-economic problems, factors detrimental to organisational growth, exploitation mechanism etc. and to provide required skills in organisational management and also to carry out economic project, training needs are regularly assessed by senior BRAC workers. They are sent for training at BRAC's Training And Resource Centre, Savar, Dacca.

It has been observed that training is playing a vital role to produce a positive change in the practice and behaviour of the cadres and BRAC staff. A certain amount of this change is seen in the level of motivation and ideological commitment of the trained. Training given so far is shown in appendix. III

#### Fund Generation:

Financial constraint is one of the major factor for which many organisations seem to have plans unexecuted. In order to overcome this problem BRAC introduces a systematic approach for generating fund by encouraging the target people to deposit an amount of saving from their income on a weekly basis and to raise a reserve and an emergency fund from the economic projects and from individual subscriptions for investment in economic projects and to meet the emergency expenses of the village organisations. This might help to reduce the dependency of finance from outside and will make them self reliant and encourage to initiate development activities for their own benefit. ( The progress of fund generation is shown in the appendix) IV.

#### Physical facilities:

While working, physical facilities like rooms for office, training, accommodation of staff, storage of the products of the group members etc. have emerged as a necessity for proper functioning of the branches. In this context, land have been purchased to build permanent structures in eight branches. Construction of

three branches has been completed while construction work is on progress in three other branches. Procurement of materials have already in progress to start construction in two other branches.

Credit categories and preconditions:

Under its Rural Credit and Training Project(RCTP), BRAC is at present providing credits of three categories. The first, known as the short-term credit, is repayable within 12 months' time. The second, the medium-term credit, goes up to 3 years. The last, the long-term credit, is tenable for more <sup>than</sup> three years. The criterion for the determination of the repayment dates varies from scheme to scheme. Generally, for agricultural schemes, repayment is urged when the real price of the produce goes up in the local market.

On all types of credits BRAC charges 18 percent interest. This includes 3 percent service charge. From January '62, a variable rate of interest will be introduced for various types of loans. To be eligible to obtain credit from BRAC, certain preconditions have been set:

- a) the group should, at least, start taking functional education courses;
- b) there should be regularity in attendance at the meetings;
- c) the group members should save regularly;
- d) the group should provide instances of having successfully implemented any kind of collective social or economic activity;
- e) the group should be capable of managing finances and running the administration;
- f) the group should have a bank account;
- g) the group should have a balance of at least 10 percent of the scheme value; but in case of collective activities which require large amount of loan it does not strictly followed for the first scheme.

It may be mentioned here that the loan money cannot be withdrawn by the signatories without the Village Organisation's consent, given at the weekly meetings. In the event of an emergency, the loan money may be withdrawn but this has to be regularised at the next weekly meeting of the organisation.

#### Credit operation:

As regards management and supervision of the schemes, an operational team consisting of 3-9 members, depending on the size of the scheme is formed by the group. This looks after the day-to-day development of the scheme and reports to the group. Accounts are kept of both the cash and other material resources. Cash is produced before the group at the weekly meetings and spot verifications are conducted to compare records of the materials and resources in use.

BRAC's Programme Organiser at the field level keeps close contact with the operational team to help run the scheme and check any kind of problem or mismanagement. An evaluation team from the BRAC head office monitors the progress of the scheme and puts its comments and suggestions, wherever required.

On the basis of the report of the programme organiser and evaluation team, the Branch Manager supervises the scheme through discussions with group members and occasional spot verifications. Any kind of false reporting or malpractice in management of the scheme leads to immediate withdrawal of the loan from the scheme. To control misappropriations, transactions are normally made through bank accounts maintained by the groups themselves.

The Regional Manager of the programme is responsible for the overall supervision and this is done through sample checking from the head office. A consolidated credit operation statement is given in appendix - V

#### Problems and prospects:

The major problems encountered by the RCTP so far, are:-

- a) non-availability of suitable schemes for the groups;
- b) lack of planning and management skill;
- c) lack of experience in self-supporting economic ventures.

However, BRAC has taken measures to develop management skill through more training and involvement of the group members in collective economic activities.

BRAC's experience in working with the poor has shown that a response to the needs perceived by the target population is a necessary pre-requisite for a balanced growth of the development process. Credit has been identified as a momentum-generating force for a higher living standard and for developing potentials and skills in rural business or industry. As such, utmost care is being taken in all RCTP branches to form capable organisations at the grass roots level. This is done through continuous discussion, training, functional education and involvement of the target people in identification of problems and resource mobilisation. These will, in turn, enable effective use of credit.

It is surely too early to draw any conclusions regarding the programme. It has however been observed that activities in planning, management, investment and realisation of loans are encouraging. This has provided sufficient grounds for being optimistic about the programme.

#### Economic analysis of completed schemes

During the period from 1st January 1981 to 30th January, 1981 fifty-three schemes have been completed in seven RCTP Branches namely, Gheor, Shibpur, Monohardi, Atghoria, Gazaria Boreigram and Narsingdi. The following tables have been prepared to find out the actual profit that accrued to concerned village organisations, income of the participants and the effects of the schemes on their employment situation of the area.

INCOME GENERATION

The schemes taken up by the village organisation do not always involve all the members of the organisation. Generally schemes were taken by smaller occupational or other sub-groups. Sometimes few schemes were taken by involving all the members of a village organisation. Income retained by village organisation from schemes is earmarked for use on productive investment as well as meeting the emergency expenditure of the organisation. The income generated by the participants from the schemes has wages as well profit element.

Income retained by the village organisation as well as the income distributed to the participants from the schemes have been shown in the Table - 1. A consolidated statement showing income generation is given in appendix - VI.

TABLE : 1

GENERATING OF INCOME FROM THE SCHEME COMPLETED WITHIN  
JULY 1 - DECEMBER 31, 1981

Monohordi Branch

Sl. No.	Name of Sanity	Membership	Nature of schemes	No. of participants	Duration in days	Loan given in Tk.	Income generated after payment of Prin. & Int.	Income distributed to members	Income retained in Organisation
1	2	3	4	5	6	7	8	9	10
1.	Rasulpur (Fem.)	45 female	Cow Rearing	45	403	33000	8629	7679	950
2.	Sarikanda (Fem.)	45 Female	Cow Rearing	26	383	27900	6141	5389	752
3.	Sayedpur S.S.	44 males	Banane Cultivation.	44	155	2300	259	-	259
4.	Hatimdi (Fem.)	27 female	Paddy Husking	18	357	5200	39525	38556	969
5.	Sarikandi (Fem)	42 female	Paddy Husking	27	409	6000	60232	59130	1102
		203		160	1341	74400	114786	110754	4032

## GHEOR BRANCH

1.	2	3	4	5	6	7	8	9	10
1. Nursy S.S.	65 males	Small Trading	9	156	7200	12795	12420	375	
2. Higulia (west) S.S.	75 "	Carpentry	7	215	4300	4818	4494	291	
	75 "	"	2	235	1800	1668	1377	291	
	75 "	Small Trading	12	237	5400	24564	23760	804	
	75 "	"	10	233	4500	20553	19800	753	
	75 "	"	2	116	1800	2589	2400	189	
3. Milagi S.S.	95 "	Biri Making	3	275	1200	4171	4095	76	
4. Gobar Nursy S.S.	44 "	Small Trading	6	226	2700	11829	11520	309	
5. Begum Nursy, female	47 females	Cow Rearing	15	246	15700	3553	2666	387	
6. Higulia S. S.	85 males	Small Trading	6	216	5400	11125	10800	325	
	"	"	4	189	4000	6923	6480	443	
7. Char Gheor (female)	38 females	Cow Rearing	4	171	2500	841	487	354	
8. Char Gheor S. S.	42 males	Small Trading	2	189	1800	3438	3240	198	
9. Milagi (female)	72 females	Cow Rearing	10	171	9800	1827	1543	284	
10. Nursy (female)	39 "	Goat Rearing	7	264	1950	387	243	144	
	39 "	Paddy Husking	7	145	2700	6195	5880	315	
11. Solakaria (female)	42 "	"	10	225	6300	14416	13440	976	
12. Dotara S.S.	47 males	Small Trading	5	154	4500	7049	6600	449	
13. Ragunathpur (female)	62 females	Paddy Husking	4	136	8400	17631	16758	873	
	"	Cow	32	254	29800	2126	2548	422	
	753		147	203	121750	158498	150551	8791	



SILBAPUR BRANCH

1.	2	3	4	5	6	7	8	9	10
1. Chakrada S.S.	33 males	Dry fish processing	33	358	30,500	603	-	603	
	"	Paddy cultivation	33	239	3700	1059	-	1059	
2. Chakrada (female)	48 females	Cow Rearing	10	264	9700	1034	144(-)	1148	
	"	Goat Rearing	5	319	600	188	142	46	
	"	Net Making	6	264	5000	3821	3400	421	
3. Dhanua S.S	73 males	Banana cultivation	73	374	1500	95	-	95	
4. Barokanda	68 "	Bamboo Trading	14	313	15300	32226	28,000	4226	
	68 "	Paddy cultivation	54	321	4800	2598	-	2598	
5. Gashiridia (female)	42 females	Cow Rearing	19	253	19700	1277	1817(-)	540	
6. Ashrafpur Bartek	53 males	Jackfruit trading	20	78	9000	8496	8000	496	
	"	Firewood trading	10	107	9000	6275	5700	575	
	390		244	2263	108800	57672	47203	8431	

GAZARIA BRANCH

1. Charpathe-lia SS	81 males	Fishing	20	153	9000	45259	43621	1618	
2. S. Laksmipur S.S	57 "	"	32	138	14400	57939	56239	1650	
3. Hoglakandi S.S	64 "	"	28	152	14000	41529	40629	900	
4. Andhermanik S.S	51 "	"	15	152	4500	25460	25160	300	
5. Paikkarpar S.S	78 "	"	20	154	9000	29041	27529	1521	
6. N. Lak-	58 "	"	15	94	4500	13684	13218	446	
	389		130	140.5	55400	212892	206463	6426	

## ATGHORIA BRANCH

1	2	3	4	5	6	7	8	9	10
1. Thanapara S.S	50 males	Paddy cultivation	50	145	1000	708	-	708	
2. "(female)	45 fem.	Paddy	15	125	4500	8874	8640	234	
3. Radhakan- tapur ss	60 males	Paddy cultivation	60	148	1000	567	-	567	
4. Tustompur S.S	"	"	60	135	1000	770	-	770	
5. Kutipara S.S	42 males	"	42	136	1000	379	-	379	
6. Karigar- para S.S	60 males	"	60	136	500	149	-	149	
7. Kustia- para(Fem)	50 fem.	Paddy husking	10	125	3000	8478	8320	158	
			307	297	13671	12000	19925	16690	2965

## BORAIKANI BRANCH

1. Chatian-	53 males	Fishing	20	91	2000	10660	10490	170	
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## NARSINGDI BRANCH

1. Natilal Kanda(Fem.)	25 fem.	Cow Rearing	3	83	3180	654	165(-)	819	
2. "	"	Goat Rearing	14	83	4300	167	182(-)	15	
3. Rainadi S.S	48 males	Weaving	14	91	30000	7460	7500	1760	
			7 <sup>a</sup>	31	86	37480	8281	7847	926

Employment situation

Creation of employment is the main object of BRIC to grant loan against a economically viable scheme. It is the only mechanism by which income can be redistributed to those who would otherwise remain unemployed.

Details of employment situation in comparison with the available man-days from the on-going schemes in a particular group has

been shown in this table. A consolidated statement showing employment generation is given in Appendix - VII

TABLE - 2

Employment Generated by loans given for the period  
from 1-7-81 to 31-12-81

BRANCH - MONOHARDI

Sl. No.	Name of Samity	Member-No.	of ship schemes	Available mandays	Employed mandays	% of employed mandays over available mandays
1.	Belagi S.S	36	4	5400	88	2%
2.	Purba Kocher-cher S.S	49	3	7350	241	3%
3.	Purba kocher-char(female)	30	2	4500	700	16%
4.	Rasulpur S.S	45	5	6750	2744	41%
5.	"(Female)	45	4	6750	4965	73%
6.	Sarikandi(fem.)	42	4	6300	3696	58%
7.	Brajerkanda S.S	50	2	7500	30	0%
8.	Narandi S.S	127	6	19050	2526	13%
9.	" (female)	51	4	7650	2395	31%
10.	Kuri Paikka S.S	57	6	8550	2412	28%
11.	"(female)	31	3	4650	796	17%
12.	Syedergoan S.S	70	6	10500	1165	11%
13.	Harardia S.S	48	4	7200	1190	17%
14.	" (female)	36	1	5400	527	10%
15.	Gausserdia S.S	28	2	4200	-	00
16.	" (female)	23	2	3450	1770	51%
17.	Hatimdi(fem.)	27	1	4050	1893	47%
18.	" S.S	38	1	5700	-15	00
19.	Sallabaid S.S	60	2	9000	-40	00
20.	Perchaisn Kocher Char SS	56	2	8400	125	2%
21.	Neidhhya Kocher Char SS	46	4	6900	37	00

## Branch - Monohordi

Sl. No.	Name of Samity	Member-ship	No. of schemes	Available mandays	Employed mandays	% of employed mandays over available mandays
22.	Maidhhya Kocher Char(F)	25	1	3750	226	6%
23.	Char Narandi	SS 40	1	6000	20	00
24.	Chak Madhabdi SS	23	2	3450	85	3%
25.	Hiloshi S.S	33	1	4950	15	00
26.	Chenga Vanda (Female)	38	2	5700	999	18%
27.	Chenga Vanda	SS 58	1	8700	100	1%
28.	Sayedpur S.S	44	7	6600	3387	51%
29.	" (Fem.)	30	4	4500	3188	71%
30.	Baswekandi S.S	29	2	4350	12	00
31.	Kutubdi S.S	51	1	7650	11	00
32.	" (Female)	48	2	7200	4415	58%
33.	Kamaralgi S.S	80	8	12000	3894	32%
34.	Rasulpur Hri- pra(Female)	21	1	3150	285	8%
35.	" S.S.	39	4	5850	3257	56%
36.	Choto Sukundi S.S	58	5	8700	4736	54%
37.	Dighakandi S.S	46	5	6900	2087	30%
38.	Kocherchar Hri- para S.S	45	6	6750	1122	17%
39.	" (female)	27	3	4050	1635	42%
40.	Chikadi S.S	26	8	3900	1932	50%
41.	Chikadi(Fem.)	34	2	5100	119	2%
42.	Ekaduarua S.S	69	4	10350	1532	15%
43.	" (Fem.)	45	3	6750	2091	31%
44.	Sarikandi S.S	33	1	4950	-	00
TOTAL		1937	140	290550	62547	22%

Branch - Narsingdi

Sl. No.	Name of Samity	Member-ship	No. of schemes	Available mandays	Employed mandays	% of employed mandays over available mandays
1.	Zhirkutia S.S.	43	1	6450	1839	29%
2.	Darikandi S.S.	30	2	4500	978	22%
3.	Shiberkandi S.S.	30	2	4500	527	12%
4.	"(Female)	21	2	3150	78	2%
5.	Birampur S.S.	43	1	6450	405	6%
6.	Katalia S.S.	65	1	9750	591	7%
7.	Noakandi S.S.	32	1	5400	136	3%
8.	"(female)	23	1	3450	79	2%
9.	Dowkandi S.S.	46	1	6900	1695	15%
10.	Motial Kanda S.S.	49	2	7350	1439	20%
11.	Pogtakanda S.S.	52	2	7800	745	10%
12.	Rainadi S.S.	48	2	7200	3737	52%
13.	Mashari S.S.	46	1	6900	-	-
14.	Hatial Kanda (Fem)	25	2	3750	202	5%
15.	Algi Khosh Para S.S.	32	1	5400	-	-
16.	Khariapara S.S.	28	1	4200	-	-
Total:-		613	23	93150	12507	14%

Branch - Shibpur

1.	Chakrada S.S.	33	8	4950	2196	44%
2.	"(Female)	48	7	7200	2577	36%
3.	Dhanua S.S.	73	5	10950	2136	20%
4.	"(Female)	68	7	10200	1872	18%
5.	Chowghara Para (East) S.S.	56	9	8400	1933	23%
6.	"(Female)	34	6	5100	2889	56%
7.	Chowgharia Para (West) S.S.	34	2	5100	496	10%
8.	"(Female)	35	3	5250	1572	30%

Branch - Shibpur

Sl. No.	Name of Sanity	Member-ship	No. of Schemes	Available mandays	Employed mandays	% of employed mandays over available mandays
9.	Lakushi S.S	12	7	9300	2933	31%
10.	" (Female)	37	3	5550	786	14%
11.	Girgapara S.S	26	6	3900	826	22%
12.	"(Female)	25	3	3750	1340	35%
13.	Bajneboo S.S	40	2	6000	2909	48%
14.	"(Female)	15	2	2250	191	08%
15.	Chandertak	45	5	6750	1488	22%
16.	Borokanda S.S	68	6	10200	3838	38%
17.	Palpara S.S	32	1	4800	105	02%
18.	"(Female)	14	2	2100	317	15%
19.	Perandia S.S	58	6	8700	3595	41%
20.	Gashirdia S.S	62	4	9300	3619	39%
21.	"(Female)	42	3	6300	4251	67%
22.	Brahmandi(E)SS	56	4	8400	1962	23%
23.	Ashrafpur Bartak S.S	58	7	8700	2050	24%
24.	"(Female)	23	2	3450	288	08%
25.	Majlishpur	62	1	3900	37	00%
Total:-		1106	111	167900	46215	28%

Employment Generated by loans given for the period  
From 1-7-1981 to 31-12-1981

Branch - Gheor

1.	Sreedhan Nagar S.S	58	8	8700	1434	17%
2.	Nursy S.S	65	6	9750	2764	28%
3.	Higundia(West) S.S	75	14	11250	4034	36%
4.	Rasulpur S.S	73	2	10950	941	9%

## Branch - Gheor

Sl. No.	Name of Samity	Member-ship	No. of schemes	Available mandays	Employed mandays	% of employed mandays over available mandays
5.	Fulhara(south)	SS 53	5	7950	1017	24%
6.	Sreadhanagar	(Fem)42	2	6300	167	3%
7.	Rasulpur	(Female) 56	1	8400	-	-
8.	Hijulia	(Female) 70	3	10500	792	8%
9.	Mailagi S.S	95	10	14250	2526	18%
10.	Ragunathpur S.S	66	10	9900	3582	36%
11.	Ramkantapur S.S	62	7	9300	1631	18%
12.	Ragunathpur	(Fem) 62	5	9300	2612	28%
13.	Nursy	(Female) 39	5	5850	2738	47%
14.	Dotara S.S	47	4	7050	1200	17%
15.	Solakura	(Fem.) 42	4	6300	2971	47%
16.	Char Mailagi S.S	45	3	6750	765	11%
17.	Char Mailagi	(Fem)39	1	5850	1149	20%
18.	Solakaria S.S	42	6	6300	1972	32%
19.	Borotia S.E	84	8	12600	3173	25%
20.	Higulia(East)	S.S 85	9	12750	1575	12%
21.	Char Gheor S.S	42	8	6300	988	16%
22.	Fulhara(North)	S.S75	8	11250	1713	15%
23.	Ramkandapur	(Fem.)34	3	5100	709	14%
24.	Char Gheor	(Fem) 38	2	5700	62	2%
25.	Mailagi	(Female) 72	7	10800	2093	19%
26.	Gobar Nursy S.S	44	6	6600	1382	21%
27.	Begam Nursy S.S	44	4	6600	1789	27%
28.	"	(Female) 47	3	7050	987	14%
29.	Boilot S.S	54	3	8100	1879	23%
30.	Boilot	(Female) 37	2	5550	471	9%
31.	Dotara	(Female) 29	1	4350	37	00%
32.	Gobar Nursy	(Fem) 26	2	3900	71	2%
Total:-		1742	162	261300	50078	19%

Atghoria Branch

Sl. No.	Name of Samity	Member-Ship	No. Of schemes	Available mandays	Employed mandays	% of employed mandays over available mandays
1.	Atghoria S.S	52	11	7800	1704	22%
2.	" (Female)	34	3	5100	1342	26%
3.	Bishrampur S.S	30	4	4500	355	8%
4.	"(Female)	31	1	4650	-	-
5.	Bacha-mara S.S	41	4	6150	648	11%
6.	"(Fem.)East	28	1	4200	-	-
7.	"(Fem.)West	25	1	3750	-	-
8.	Karigarpara S.S	60	9	9000	2089	23%
9.	"(Female)	42	3	6300	2050	33%
10.	Kuti Para S.S	42	9	6300	2090	33%
11.	" (Female)	40	5	6000	2230	37%
12.	Kandarpur S.S	30	3	4500	302	7%
13.	Kadamdanga S.S	58	8	8700	1096	13%
14.	"(Fem.)	42	2	6300	-	-
15.	Kustiapara Sanjoypur	68	10	10200	2939	29%
16.	"(Fem.)	43	5	6450	3003	47%
17.	Kustiapara SS	65	8	9750	1411	14%
18.	"(Fem.)	38	3	5700	1749	31%
19.	Lakhanpur S.S	35	4	5250	416	8%
20.	Lakhanpur(Fem.)	34	1	5100	-	-
21.	Rustampur S.S	60	13	9000	1123	12%
22.	"(East)Fem.	36	5	5400	1535	28%
23.	"(West)Fem.	26	3	3900	1390	36%
24.	Radhakantapur SS	60	19	9000	2071	23%
25.	"(Female)	50	5	7500	3216	43%
26.	Ramchandrapur SS	42	4	6300	694	11%
27.	" (Female)	25	3	3750	406	11%



## Branch - Gheor

Sl. No.	Name of Samity	Member-ship	No. of schemes	Available mandays	Employed mandays	% of employed mandays over available mandays
5.	Fulhara(south)	SS 53	5	7950	1017	24%
6.	Sreedhenagar	(Fem)42	2	6300	167	3%
7.	Rasulpur	(Female) 56	1	8400	-	-
8.	Hijulia	(Female) 70	3	10500	792	8%
9.	Mailagi S.S	95	10	14250	2526	18%
10.	Ragunathpur S.S	66	10	9900	3582	36%
11.	Ramkantapur S.S	62	7	9300	1631	18%
12.	Ragunathpur	(Fem) 62	5	9300	2612	28%
13.	Nursy	(Female) 39	5	5850	2738	47%
14.	Dotara S.S	47	4	7050	1200	17%
15.	Solakura	(Fem.) 42	4	6300	2971	47%
16.	Char Mailagi S.S	45	3	6750	765	11%
17.	Char Mailagi	(Fem)39	1	5850	1149	20%
18.	Solakaria S S	42	6	6300	1972	32%
19.	Borotia S.S	84	8	12600	3173	25%
20.	Higulia(East)	S.S 85	9	12750	1575	12%
21.	Char Gheor S.S	42	8	6300	988	16%
22.	Fulhara(North)	S.S75	8	11250	1713	15%
23.	Ramkandapur	(Fem.)34	3	5100	709	14%
24.	Char Gheor	(Fem) 38	2	5700	62	2%
25.	Mailagi	(Female) 72	7	10800	2093	19%
26.	Gobar Nursy S.S	44	6	6600	1382	21%
27.	Begam Nursy S.S	44	4	6600	1789	27%
28.	"	(Female) 47	3	7050	987	14%
29.	Boilot S.S	54	3	8100	1879	23%
30.	Boilot	(Female) 37	2	5550	471	9%
31.	Dotara	(Female) 29	1	4350	37	00%
32.	Gobar Nursy	(Fem) 26	2	3900	71	2%
Total:-		1742	162	261300	50078	19%

Atghoria Branch

Sl. No.	Name of Samity	Member-Ship	No.Of schemes	Available mandays	Employed mandays	% of employed mandays over available mandays
1.	Atghoria S.S	52	11	7800	1704	22%
2.	" (Female)	34	3	5100	1342	26%
3.	Bishrampur S.S	30	4	4500	355	8%
4.	"(Female)	31	1	4650	-	-
5.	Bacha-mara S.S	41	4	6150	648	11%
6.	"(Fem.)East	28	1	4200	-	-
7.	"(Fem.)West	25	1	3750	-	-
8.	Karigarpara S.S	60	9	9000	2089	23%
9.	"(Female)	42	3	6300	2050	33%
10.	Kuti Para S.S	42	9	6300	2090	33%
11.	" (Female)	40	5	6000	2230	37%
12.	Kandarpur S.S	30	3	4500	302	7%
13.	Kadandanga S.S	58	8	8700	1096	13%
14.	"(Fem.)	42	2	6300	-	-
15.	Kustiapara Sanjoypur	68	10	10200	2939	29%
16.	"(Fem.)	43	5	6450	3003	47%
17.	Kustiapara SS	65	8	9750	1411	14%
18.	"(Fem.)	38	3	5700	1749	31%
19.	Lakhanpur S.S	35	4	5250	416	8%
20.	Lakhanpur(Fem.)	34	1	5100	-	-
21.	Rustampur S.S	60	13	9000	1123	12%
22.	"(East)Fem.	36	5	5400	1535	28%
23.	"(West)Fem.	26	3	3900	1390	36%
24.	Radhakantapur SS	60	9	9000	2071	23%
25.	"(Female)	50	5	7500	3216	43%
26.	Ramchandrapur SS	42	4	6300	694	11%
27.	" (Female)	25	3	3750	406	11%

Atghoria Branch

Sl. No.	Name of Samity	Member-ship	No. of schemes	of Available mandays	Employed mandays	% of emp- mandays over avail-able man- days
28.	Sanjoypur S.S	66	5	9900	-	-
29.	"(Female)	56	2	8400	-	-
30.	Thanapara S.S	50	10	7500	2077	28%
31.	"(Female)	45	4	6750	2018	30%
Total:-		1354	168	203100	37949	19%

Pabna Branch

1.	Hamayetpur S.S	78	3	11700	293	3%
2.	Kashipur S.S	57	3	8550	886	10%
3.	Nazirpur(Kazi-para) S.S	46	2	7650	362	5%
		46	2	7650	362	5%
4.	Gangpara S.S	58	2	8700	218	3%
5.	Bahadurpur S.S	53	2	7950	182	2%
6.	"(Female)	38	1	5700	617	11%
7.	Gangpara(Fem)	56	1	8400	823	10%
8.	Chakchirot S.S	49	2	7350	291	4%
9.	Choto Monohar- pur(Female)	45	2	6750	539	8%
10.	Chalk Chirot	53	1	7950	-	-
11.	Charuagara	37	2	5550	-	-
12.	Kismatpratappur (North) S.S	49	3	7350	678	9%
13.	" (South) SS	50	2	7500	1243	17%
14.	Kamargari S.S	55	2	8250	2504	30%
15.	"(Female)	72	2	10800	3258	30%
16.	Kismatpratapur (Female)	47	1	7050	462	7%
17.	Maddepara(Fem.)	56	2	8400	192	2%
18.	Hatpara S.S	50	1	7500	109	2%
Total:-		948	34	143100	12684	9%

Gazaria Branch

Sl. No.	Name of Samity	Member-ship	No. Of Schemes	Available mandays	Employed mandays	% of employed mandays over available mandays
1.	Charpatalia S.S	98	5	14700	2813	19%
2.	N. Laksmipur S.S	61	3	9150	1341	15%
3.	S. Laksmipur S.S	62	2	9300	2793	30%
4.	Andhermanik S.S	51	2	7650	1692	22%
5.	Imampur S.S	51	2	7650	1088	14%
6.	Nayakandi S.S	47	2	7050	1807	26%
7.	Kawrakandi SS	35	1	5250	450	9%
8.	Paikkarper S.S	82	5	12300	3080	25%
9.	Hoglakandi S.S	69	2	10350	2732	26%
10.	Alipur S.S	75	2	11250	600	5%
11.	Nayakandi(Female)	32	1	4800	840	18%
Total:-		963	27	99450	19236	19%

Boraigram Branch

1.	Sreekandi S.S	29	3	4350	647	15%
2.	"(Female)	24	2	3600	181	5%
3.	Chatianagacha SS	52	4	7800	1417	18%
4.	Khordo Kachotia SS	67	4	10050	170	2%
5.	Atua S.S	29	3	4350	397	9%
6.	"(Female)	33	4	4950	1036	21%
7.	Araji Bhabanipur SS	29	4	4350	621	14%
8.	"(Female)	38	2	5700	521	9%
9.	Charnataberi S.S	36	3	5400	693	13%
10.	"(Female)	38	2	5700	1108	19%
Total:-		375	31	56250	6782	12%

TABLE - I

Value added per day per Tk.100/- loan by different schemes completed during the period from July - 81 to December - 81

Title of Schemes	Average duration in days	BRAC Loan in Taka	Income generated in Taka	Value added per day per Tk. 100/- Loan
1	2	3	4	5
<b>MONOHARDI:</b>				
1. Cow Rearing	393	60900	14770	0.06
2. Paddy Husking	383	11200	99759	2.33
3. Small Trading	155	2300	259	0.07
All Schemes	341	74400	114786	0.45
<b>SHIBPUR:</b>				
1. Cow Rearing	258	29400	2311	0.03
2. Goat Rearing	319	600	188	0.10
3. Net Making	264	5000	3821	0.29
4. Paddy Cultivation	280	8500	3657	0.15
5. Banana "	374	1500	95	0.02
6. Small Trading	214	63800	47600	0.35
All Schemes	263	108800	57672	0.20
<b>GHIOR:</b>				
Cow Rearing	210	57800	8347	0.07
Goat Rearing	264	1950	387	0.08
Paddy Husking	169	17400	38242	1.30
Carpentry	225	6100	6486	0.47
Small Trading	199	38500	105036	1.37
All Schemes:	203	121750	158498	0.64
<b>GAZARIA:</b>				
Fishing	140	55400	212892	2.74
<b>BORAIGRAM:</b>				
Fishing	91	2000	10660	5.86
<b>NARSINGDI:</b>				
Cow Rearing	83	3180	654	0.25
Goat "	83	4300	167	0.50
Weaving	91	30000	8281	0.30
All Schemes	86	37480	9102	0.28
<b>ATGHORIA:</b>				
Paddy Husking	125	7500	17352	1.85
Paddy Cultivation	140	4500	2573	0.41
All Schemes:	136	12000	19925	1.22
All Branches:	180	411830	582654	0.78

TABLE - II

VALUE ADDED PER DAY PER TK.100/- LOAN BY DIFFERENT SCHEMES  
COMPLETED DURING THE PERIOD FROM JULY TO DECEMBER, 1981.

Sl. No.	S C H E M E S	MONO-HARDI	SHIB-PUR	GHIOR	NAR-SINGDI	GAZARIA	AT-GORIA	BORAI-GRAM	TOTAL
1.	Cow Rearing	0.06	0.03	0.07	0.25	-	-	-	0.10
2.	Goat Rearing	-	0.10	0.08	0.05	-	-	-	0.08
3.	Paddy Husking	2.33	-	1.30	-	-	1.85	-	1.83
4.	Net Making	-	0.29	-	-	-	-	-	0.29
5.	Weaving	-	-	0.30	-	-	-	-	0.30
6.	Paddy Cultivation	-	0.15	-	-	-	0.41	-	0.28
7.	Banana Cultivation	-	0.02	-	-	-	-	-	0.02
8.	Small Trading	0.07	0.35	1.37	-	-	-	-	0.60
9.	Fishing	-	-	-	-	2.74	-	5.86	4.30
All Schemes:		0.45	0.02	0.64	0.28	2.74	1.22	5.86	0.78

NOTE: Details of the Statistics leading upto the Calculation of value added are available in Table I.

## Appendix - 1

BRANCH-WISE COVERAGE OF VILLAGE ORGANISATION

Sl. No.	Name of Branch	No. of Villages covered	No. of Organisation formed			Total Target households of the villages	Total Workable target population where organisation formed			Total target household covered by orgn.	Membership of organisation			(7 over 11) % of target household covered by organisation	(10 over 14) % of workable people covered by orgn.
			Male	Female	Total		Male	Fem.	Total		Male	Fem.	Tot.		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1.	Monohardi	28	29	18	47	3275	2416	1513	3929	1844	1360	645	2005	56%	51%
2.	Shibpur	19	19	11	30	1340	2008	1027	3035	852	921	394	1315	64%	43%
3.	Ghior	20	22	15	37	1282	1737	873	2610	1021	1369	613	1982	80%	76%
4.	Narsingdi	20	20	11	31	1720	1868	765	2633	912	828	210	1038	53%	39%
5.	Gazaria	23	23	11	34	2097	1863	790	2653	1152	1320	381	1701	63%	64%
6.	Pabna	15	17	11	28	1096	1525	884	2409	725	824	456	1280	66%	53%
7.	Atghoria	19	19	18	37	958	1117	760	1877	769	1049	512	1561	80%	83%
8.	Boraigram	16	17	10	27	1234	1784	958	2742	1031	802	347	1149	83%	42%
Total:-		160	166	105	271	13002	14318	7570	21888	8306	8473	3558	12031	64%	55%

## Appendix - II

Functional Education

Sl. No.	Name of Branches	Total No. of Centres opened			Total No. of Learners enrolled			No. of Centres completed			No. of Learners graduated			No. of On-going Centres			No. of Learners enrolled in ongoing centres		
		Male	Fem.	Total	Male	Fem.	Total	Male	Fem.	Tot.	Male	Fem.	Tot.	Male	Fem.	Tot.	Male	Female	Total
1.	Monohardi	18	7	25	449	154	603	5	1	6	55	12	67	13	16	19	336	129	465
2.	Shibpur	15	3	18	347	75	422	12	-	12	206	-	206	3	3	6	86	75	161
3.	Ghior	13	-	13	287	-	287	4	-	4	66	-	66	9	-	9	195	-	195
4.	Narsingdi	18	-	18	482	-	482	1	-	1	21	-	21	17	-	17	457	-	457
5.	Gazaria	26	2	28	644	50	694	-	-	-	-	-	-	26	2	28	644	50	694
6.	Pabna	12	-	12	259	-	259	-	-	-	-	-	-	12	-	12	259	-	259
7.	Atghoria	27	22	49	652	432	1084	5	-	5	99	-	99	22	22	44	518	432	950
8.	Boraigram	27	3	30	612	74	687	3	1	4	64	17	81	24	2	26	529	42	571
Total:-		156	37	193	3733	785	4518	30	2	32	511	29	540	126	35	161	3024	728	3752



## Appendix - III

Group Members Training

Sl. No.	Name of Branches	NAME OF TRAINING COURSES															T o t a l		
		Consciousness Raising			Leadership			Management & Project Planning			Functional Education			Occupational Skills			Male	Female	Total
		Male	Fem.	Tot.	Male	Fem.	Tot.	Male	Fem.	Total	Male	Fem.	Total	Male	Fem.	Total			
1.	Monohardi	163	35	198	36	-	36	11	4	15	41	9	50	38	7	45	289	55	344
2.	Shibpur	90	28	118	14	-	14	19	2	21	36	6	42	28	6	34	187	42	229
3.	Ghior	90	8	98	12	-	12	-	-	-	47	-	47	65	9	74	214	17	231
4.	Narsingdi	50	9	59	10	-	110	-	-	-	28	-	28	-	-	-	88	9	97
5.	Gazaria	71	15	86	5	-	5	-	-	-	60	5	65	34	-	34	170	20	190
6.	Pabna	40	-	40	3	-	3	-	-	-	23	-	23	-	-	-	66	-	66
7.	Atghoria	68	17	85	-	-	-	-	-	-	50	62	112	-	-	-	118	79	197
8.	Boraigram	60	7	67	4	-	4	-	-	-	32	4	36	-	-	-	96	11	107
Total:-		632	119	751	84	-	84	30	6	36	312	86	398	165	22	187	1228	233	1461

## Appendix IV

## Branch-wise Statement of Fund Created by Village Organisation

Sl. No.	Name of Branches with date of operation.	No. of Village Org. formed			Membership			Fund Created									Avg. Share of fund per village org. (in Tk)			Avg. Share of fund per member (in Tk)		
		M	F	Tot.	Male	Fem.	Total	Savings			From Economic Activities			Total Fund			Male	Fem.	Tot.	M	F	Tot.
								Male	Female	Total	Male	Fem.	Total	Male	Female	Total						
1.	Monohardi June - 79	29	18	47	1360	645	2005	109558	16923	126481	3926	3483	7409	113484	20406	133890	3913	1134	2849	83	32	67
2.	Shibpur June - 79	19	11	30	921	394	1315	63351	20255	83606	11736	331	12067	75087	20586	95673	3952	1872	3189	82	52	73
3.	Ghior July - 79	22	15	37	1369	613	1982	60033	19424	79457	12790	8212	21002	72823	27636	100459	3310	1842	2715	53	45	51
4.	Narsingdi Feb. - 80	20	11	31	828	210	1038	42696	6415	49111	-	-	-	42696	6415	49111	2135	583	1584	52	31	47
5.	Gazaria April - 80	23	11	34	1320	381	1701	46044	3648	49692	10998	52	11050	57042	3700	60742	2480	336	1787	43	10	36
6.	Pabna April - 80	17	11	28	824	456	1280	34487	8947	43434	2701	291	2992	37118	9238	46356	2183	840	1656	45	20	36
7.	Atghoria July - 80	19	18	37	1049	512	1561	56768	23501	80269	1158	1356	2514	57926	24857	82783	3049	1381	2237	55	49	53
8.	Boraigram Dec. - 80	17	10	27	802	347	1149	25299	7157	32456	2427	544	2971	27726	7701	35427	1631	770	1312	35	22	31
Total:-		166	105	271	8473	3558	12031	438236	106270	544506	45736	14269	60005	483902	120539	604441	2832	1095	2166	56	33	49

## Appendix - V

## RURAL CREDIT AND TRAINING PROJECT

## STATEMENT OF CREDIT OPERATION FOR THE PERIOD FROM JULY-80 TO DEC.-81

SL. NO.	TITLE OF SCHEMES	LOAN AMOUNT			LOAN REALISED			LOAN OUTSTANDING			OVERDUE		
		Dis-bursed (in Tk)	Interrest (in Tk)	Total (in Tk)	Prin-cipal (in Tk)	Interrest (in Tk)	Total (in Tk.)	Prin-cipal (in Tk)	Interrest (in Tk)	Total (in Tk)	Prin-cipal (in Tk)	Interrest (in Tk)	Total (in Tk.)
1.	Release of Mortgaged land	665890	84841	750731	90008	50904	140912	575882	33037	609819	19342	3990	23332
2.	Banana Cultivation	131000	11462	142462	30800	8009	38809	100200	3453	103653	-	-	-
3.	Paddy "	84200	3641	87841	27450	2198	29648	56750	1443	58193	-	-	-
4.	Sugarcane "	109600	6321	115921	16116	3505	19621	93484	2816	96300	-	-	-
5.	Potato "	350550	11871	362421	13200	759	13959	337350	11112	348462	-	-	-
6.	Water Melon "	20900	1584	22484	-	-	-	20900	1584	22484	-	-	-
7.	Wheat "	5600	121	5721	-	-	-	5600	121	5721	-	-	-
8.	Oil Seeds "	2800	75	2875	-	-	-	2800	75	2875	-	-	-
9.	Ground Nut "	2000	111	2111	-	-	-	2000	111	2111	-	-	-
10.	Vegitable "	1240	205	1445	-	205	205	1240	-	1240	-	-	-
11.	Horticulture Nursery	13700	2631	16331	-	-	-	13700	2631	16331	-	-	-
12.	Pisciculture	16900	603	17503	-	-	-	16900	603	17503	-	-	-
13.	Fishing	132400	5413	137813	64261	4935	69196	68139	478	68617	3839	-	3839
14.	Rickshaw	339650	15868	355518	59300	10890	70190	280350	4978	285328	-	-	-
15.	Weaving	398350	16607	414957	45000	16209	61209	353350	398	353748	-	-	-
16.	Bullock/Horsecart	103500	1578	105078	1000	955	1955	102500	623	103123	-	-	-
17.	Pottery	1400	148	1548	900	146	1046	500	2	502	-	-	-
Total:-		2379680	163080	2542760	348035	98715	446750	2031645	64365	2096010	23181	3990	27171

RURAL CREDIT & TRAINING PROJECT

STATEMENT OF CREDIT OPERATION

FOR THE PERIOD FROM JULY-80 TO DECEMBER-81

Sl. No.	TITLE OF SCHEMES	LOAN AMOUNT			LOAN REALISED			LOAN OUTSTANDING			OVERDUE		
		Dis- bursed (in Tk)	Inte- rest (in Tk)	Total (in Tk)	Prin- cipal (in Tk)	Inte- rest (in Tk)	Total (in Tk)	Prin- cipal (in Tk)	Inte- rest (in Tk)	Total (in Tk)	Prin- cipal (in Tk)	Inte- rest (in Tk)	Total (in Tk)
	B/E.	2379680	163080	2542760	348035	98715	446750	2031645	64365	2096010	23181	3990	27171
18.	Carpentry	13650	1138	14788	9600	1138	10738	4050	-	4050	-	-	-
19.	Country Boat	30800	2607	33407	12060	2607	14667	18740	-	18740	3140	-	3140
20.	Plough Sets	61900	1067	62967	-	131	131	61900	936	62836	-	-	-
21.	Hand Tubewell	9000	231	9231	-	-	-	9000	231	9231	-	-	-
22.	Shallow Tubewell	127800	717	128517	-	-	-	127800	717	128517	-	-	-
23.	Deep	54000	772	54772	-	-	-	54000	772	54772	-	-	-
24.	Cottage Industries	19750	1504	21254	5080	934	6014	14670	570	15240	905	30	935
25.	Small Trading	1516930	88269	1605199	296071	55895	351964	1220859	32376	1253235	2700	-	2700
26.	Cow Rearing	1370800	96118	1466918	422017	632017	485289	948783	32846	981629	4366	-	4366
27.	Goat	25400	2376	27776	16750	2124	18874	8650	252	8902	-	-	-
28.	Paddy Husking	427980	24124	452104	115700	14938	130638	312280	9186	321466	250	10	260
29.	Pulse	27100	2111	29210	2000	2111	4111	25100	-	25100	-	-	-
30.	Net Making	25300	1252	26552	9000	948	9948	16300	304	16604	1000	-	1000
31.	Sewing Machine	4100	5	4105	-	-	-	4100	5	4105	-	-	-
Grand Total:-		6094190	385371	6479561	1236313	242811	1479124	4857877	142560	5000437	35542	4030	39572

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## Appendix - VI

Consolidated statement showing generation of income  
from the economic schemes completed within the period  
from July '81-Dec. '81

Sl. No.	Name of Branches	Member-ship	No. of participants	Average duration of scheme	Loan given (in Tk.)	Income generated after payment of loan (in Tk.)	Income distributed to participant (in Tk.)	Income retained in organisation (in Tk.)	Income per participant per day (in Tk.)	Value added per day per Tk.100
1.	Monohardi	203	160	341	74400	114786	110754	4032	2.10	0.45
2.	Shibpur	390	244	263	109800	57672	47203	8431	0.87	0.20
3.	Ghior	753	147	203	121750	158498	150551	8791	5.31	0.64
4.	Narsingdi	73	31	86	37480	9102	7847	926	14.05	0.28
5.	Gazaria	389	130	140	55400	212892	206466	6426	11.69	2.74
6.	Atghoria	307	297	136	12000	19925	16690	2965	0.49	1.22
7.	Boraigram	53	20	91	2000	10660	10490	170	5.85	5.86
Total:-		2168	1029	180	411830	582654	550001	31741	3.14	0.78

## Appendix - VII

Consolidated statement showing employment generated by loans given  
within the period from July - December, 1981

Sl. No.	Name of Branches	No. of members	Average duration of schemes	Available mandays	Employed mandays	% of employed mandays over available mandays
1.	Monohardi	1937	150	290550	62547	22%
2.	Shibpur	1106	150	165900	46215	28%
3.	Ghior	1742	150	261300	50078	19%
4.	Narsingdi	613	150	91950	12505	14%
5.	Gazaria	663	150	99450	19236	19%
6.	Pabna	949	150	142350	12684	9%
7.	Atghoria	1354	150	203100	37949	19%
8.	Boraigram	375	150	56250	6782	12%
Total:-		9038	150	1310850	247996	19%

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## Appendix - VIII

### RESOURCE MOBILIZATION IN RCTP:

#### A Case Study of Gazaria

##### Introduction

Resource mobilization to the poor is characteristically different from that of the national economic plans. To the poor samity members of RCTP operation area anything which generates new income or reduce expenditure - is a resource. In studying the resource mobilization in the landless samitys of Gazaria branch, we have tried to briefly look into a wide range of resource generating sources, both internal and external which are relevant to them. While generated savings is an actual as well as a potential resource at the disposal of the samitys, BRAC loans and income coming from wage and wage increases have been considered as external resources to the Samitys. The Samity's access to resources through collective economic activities, homestead and road side plantation, utilisation of govt. services, occupation of khas land etc. have also been touched. Various implications of an incidental wage rise in the area has also been elaborated. The study was commissioned at the request of RCTP and has been conducted by Mr. Zafar Ahmed.

##### Saving Loan and Mortgage

While generated saving is both actual as well as a potential internal resource to the village organisation, the flow of RCTP loans form an external resource to the samitys. The total savings of 1671 target people in Gazaria covered by all the 33 village organisation upto November, 1981 was Tk.50,919.75. Out of this, Tk. 44,486.75 formed the investible fund of the samitys. The savings per head is Tk. 30.47 only. But both the total and average figure do not take into account the highly skewed savings distribution in favour of only a few samitys. The savings of eleven samitys of the ten villages alone totals Tk.36,190.00 about 70% of the entire generated savings. 29 per cent of the whole savings goes only to two samitys. But the skewness of the savings distribution pattern does in no way dis-

credit the system of savings mobilization in Gazaria. Starting with only four samity's between September and December, 1980, Gazaria branch, within a brief period of 15 months, made significant stride both with respect to expansion and savings mobilisation.

Though the Gazaria branch is yet to adjust with the multifacet saving design envisaged by RCTP, the noble beginning in diverse direction deserves appreciation, with only 10 completed schemes upto November, 1981, Tk.4,126.00 and Tk.2,752.00 have already been generated to reserve and emergency funds respectively. The funds are supposed to increase if Tk.10,600.00, which has already fallen overdue, could be realised from the evading participants.

In RCTP, savings accumulated in different funds (i.e., Savings fund, Reserve fund, Emergency fund and General fund) not only represent resources themselves but also act as a corner stone of entrance to further resources - economic and social. Both reserve and savings funds constitute the pool of investible resources to the samity's and can only be utilised for gainful economic activities. Moreover, by tiding over temporary exigencies arising out of litigation, patron's atrocities or unintended social confrontation emergency fund gives the samity's control over social resources. In our rural areas, a cohesive, integrated and unified village organisation itself appears to be the best resource at the disposal of the dispossessed.

As for loans, total amount of Tk.5,18,600.00 has so far been disbursed in Gazaria in addition to Tk. 67,700.00 disbursed earlier for already completed schemes, while 9 out of 10 completed schemes were on fishing, most of the loans of the current Rabi Season are for agricultural schemes like potato and watermelon cultivation. Lack of diversity in schemes may be due to non-availability of suitable schemes for the samity's. Tk. 3,29,800.00 (63.5%) has been disbursed for potato cultivation alone.



Along with the starting of functional education classes, regularity in meetings and savings, success in collective socio-economic activities, opening of bank account and ability to manage finance, an important pre-condition for deserving RCTP loan is the group contribution of "at least" 10 per cent of the scheme money. But has this saving disbursement ratio been maintained in Gazaria Branch?

#### Savings Disbursement Ratio

An analysis of the disbursement statistics in Gazaria reveals that out of a total disbursed amount of Tk.5,18,600.00, Tk.1,46,600.00 (more than 28%) has gone to 98 member - Charpatalia Samity alone. Loan per head in the Samity is to the tune of Tk.1,496.00. Proximity, efficiency of the group and confidence played by the related P.O. were perhaps the reasons of this lop-sided disbursement. But the result of this "experimental" over involvement with one samity with the past record of implementing only one scheme to it's credit remains to be seen. The amount of this group's contribution to the schemes is only 5.4%, much lower than the 10 per cent mark followed in RCTP.

Like other lending institutions working with the landless, the importance of group contribution in RCTP goes much further than ensuring personal stake to the schemes. Savings is perhaps the cause as well as the effect of any efficient institution building for rural development. On the basis of savings, within the framework of village organisation, BRAC wants to challenge the traditional contention that the poor are bad credit risk and lending to them is unprofitable.

TABLE: SAVINGS AS PROPORTION OF TOTAL DISBURSE AMOUNT:  
DIFFERENT PROJECTS

<u>Name of the Project</u>	<u>Savings as % of total disbursement</u>
GRAMIN BANK PROJECT	7.61
Rural Finance Experimental Project	9.70
Rural Credit & Training Project (RCTP)	14.75
RCTP Gazaria Branch	9.11

If command over resources is an indicator of self-reliance, RCTP certainly rates high in achieving success in savings mobilization over other contemporary projects. Moreover, the RCTP system of "profit flow" to group fund will cumulate the extent of savings both in relative and absolute terms with the passage of time. But the individual picture in Gazaria is a little bit different. Though the overall savings in relation to total disbursement is 9.11 per cent in Gazaria, the percentage of savings of the samitys receiving BRAC loans to disbursement is 8.3% only. We have already noted that the Charpatalia Samity which received about one third of the total loans in Gazaria could fulfill only half (5.4%) of the needed 10 per cent. The reason put forth by the programme supervisors in favour of disbursing loan without requisite group contribution is that the participants were "committed" to give labour inputs without payment thereby contributing in "kind".

But the above analysis does in no way minimise the resource value of savings and loans totalling Tk.5,69,519.75 which is completely a new injection to the resource pool of the local poor. Resource generate resources and one resource brings new ones if it is efficiently utilised. The amalgam of savings and loans has already released for them 15.45 bigha of land from the land owners. Another 12.55 bigha of land has been leased from elsewhere for potato cultivation.

THE INCIDENT OF A WAGE INCREASE: AN ANALYSIS

Nature of RCTP Intervention:

During the last Rabi Season there was no external economic intervention in the area and RCTP was busy organising the target groups. But during the current Rabi season a total amount of Tk.5,18,600.00 has been disbursed to eleven samitys of nine villages and 128 bighas of land have been brought under Rabi Crops (viz., potato and water melon). This sudden influx of huge external resources to the poorest section of Gazaria invariably gave new employment opportunities to over 600 participants of these villages. The participants are the landless of the area who are habitual wage earners. Consequently, the demand for labour suddenly went up which brought about sufficient wage push. The economic involvement of the participants resulted in a total distortion of the prior supply-demand equilibrium.

Nature of Wage Increase

Nature of wage of nine RCTP villages covered by the study swelled up to Tk.13.50 during the busiest employment period of the current Rabi season extending from first November to mid December, 1981. The amount is higher than the average wage rate of Tk.9.44 of the studied villages for the same period during the last year. Though the average of both years' wage rate quoted above shows an wage increase of Tk. 4.06, about 43% over the last year, the average figure does not seem to give an exact picture because of the highly skewed wage distribution in favour of some villages like Hugliakandhi, Imam-pur and Andhermanik. The average wage in the above three villages during the period was Tk.16.50 showing an increase of 59% over last year's average of Tk.11.00. While Charpatalia, south Laksmipur and north Laksmipur experienced a 31% increase in wages over last year, the corresponding percentage for the village Alipur, Pakkyarpar and Kawniakandhi was about 45 per cent. In spite of the noticeable variations in wage rates with varying rates of changes, all the villages invariably showed a significant wage rise over the period much higher

than the neighbouring non-RCTP villages with almost similar economic background. The "control area" referred to was selected considering the economic activities, composition of economic group and population with no access to new resources over the period was Puran Bhowshia. The area situated to the east of Dacca Chittagong Road is only six miles away from local RCTP office. The average wage in this "control" area has gone up from Tk.9.00 last year to Tk.10.00 this year showing an increase of Tk. 1.00 only over the period. The increase is perhaps, ascribable to the out migration of very limited but unidentified number of labourers to Charpatalia, south and north Laksmipur, three RCTP villages neighbouring Puran Bhowshia. This limited immigration seems to be the reason of insignificant wage rise in above villages inspite of almost equal intervention by BRAC. Within a radius of six miles from local BRAC office, this intervillage variation in wage rates and wide differences in rate of changes bring forth the interesting peculiarities of local labour market which deserve to be deeply looked into. But can we safely claim that this wage increase is entirely due to the BRAC intervention?

#### Analysis of the Situation

The cause of intervillage differences of wage-hike in RCTP area and non-migration of labourers from outside is not far to seek. The very nature of potato cultivation, the lone major Rabi crop in Gazaria, demands skill and experience and the local landowners invariably employ those labourers whom they know and trust for the work. The problem is more acute in Andhermanik, Imampur and Hugliakandi. Discussions with a number of villagers could reveal not a single instance of employing unacquainted outsiders by anybody specially for potato cultivation. This might be one of the reasons of highest wage rise (59%) in these villages. Moreover, selling labour for half days is almost the order of the area and this characteristically advantageous nature of local labour market proved highly favourable to the poor participants of BRAC's agricultural schemes. Working half day as wage

labour they could work in their own field for the remaining half of the day and this sort of unique harmonisation could seldom be reaped by working in distant villages. So, inter-village migration became a rarity in RCTP villages.

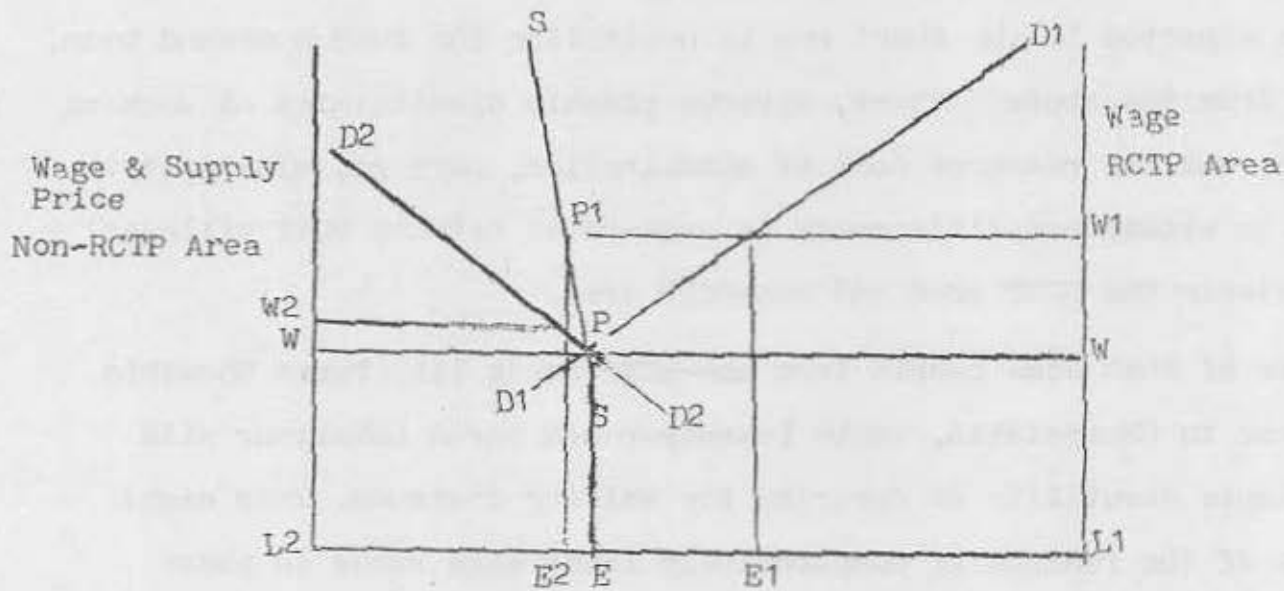
The busiest employment period was very short (November to mid December) and information flow in such short term sporadic cases always remain insufficient. So, quick inflow of outside labourers can seldom be expected in the short run to neutralise the sudden demand boom. Apart from the above factors, various psychic disutilities of working outside and the resource cost of outmigration, perhaps, also contributed to widespread differences in wage-rates between RCTP villages and between the RCTP area and non-RCTP area.

Inspite of that some people from non-RCTP areas like Puran Bhowshia did come to Charpatalia, south Laksmipur and north Laksmipur with the simple disutility of covering the walking distance. This might be one of the reasons of comparatively lower wage rates in above RCTP villages. Let us try to explain the total situation of labour market in Gazaria diagrammatically.

#### The Figure

We can analyse this specific aspect of local labour market diagrammatically. Assuming RCTP and non-RCTP area (control area) as two sectors only, closed from any outside intervention, we may consider a delineated labour market depicted in the following figure. Wage rate of the last year has also assumed to be the same for both the sectors. But validity of neither of the above two assumption is essential to establish the argument of our analysis. The demand curve of both the RCTP and non-RCTP areas are  $D_1 D_1$  and  $D_2 D_2$  and the original labour allocation last year was  $EL_2$  in non-RCTP and  $EL_1$  in RCTP area with common wage -  $W$ .  $SS$  is the supply curve of labour. Because of various imperfections like specific potato skill, local confidence, information flows, various psychic disutilities and real resource cost of outmigration, the people of Puran Bhowshia area seldom migrate to distant RCTP areas i.e. Hugliakandi, Imampur and Andhermanik. So, the resulting supply curve of non-RCTP area to RCTP Area is given by  $SS$ .

Figure: Labour &amp; Employment



Suppose, there is an increase of  $EE_1$  amount of demand for labour in the RCTP area as a result of huge inflow of ERAC resources for the agricultural activities of the target people. This will raise wage rate in both the areas. In the new equilibrium RCTP wage has risen to  $W_1$ . At this wage  $EE_2$  number of workers has migrated to nearest RCTP villages raising the wage rate of non-RCTP area to  $W_2$ . The wage differential between two areas would certainly depend upon the elasticity of labour supply from non-RCTP area to RCTP area. In spite of that the figure gives a clear picture of demand and supply situation of Gazaria labour market, inter-area labour flows, the background of negligible in migration, inter-village wage differentials, and the impact of external resource flow upon the local labour market.

### Discussion

The greatest immediate benefit of this wage rise over and above monetary gain is, perhaps, the realisation of the samity members that this is the result of the formation of the samity. This realisation again may turn to be a pernicious element of demoralisation when the wage rate would retreat to the background level at the end of this hectic Rabi Season. And this is quite likely to happen in the long run. It may be argued that successive RCTP involvement in agricultural schemes in a similar way may repeat the same demand - supply disequilibrium in the coming seasons. But in the long run, there is no guarantee that the landowners would not rush outside for labour and immigration of labourers will not take place to compensate the temporary labour shortage.

Moreover, the analysis made above is not free from many biases. We have taken into account only of RCTP land (128 bighas) brought under plough. The choice of "control" may not have been appropriate. The most important thing about wage and employment conditions in rural areas is the overall condition that prevails throughout the year. But our analysis covers only the busiest part of a peak employment season the result of which may be extremely transitory.

The wage rise in Gazaria is merely an economic phenomenon and a simple interaction of the forces of demand and supply. This is not the result of any collective wage bargain or social action.

COLLECTIVE ACTION AND ACCESS TO RESOURCES

Collective economic activities other than BRAC supported schemes, works programmes and social actions also bring new resources to the poor. Upto November, 1981, 7 Samity earned Tk.2,820.00 by collective labour sale for enriching the samity fund. The work include wheat cultivation weeding and harvesting in other's land, making paper flowers and bamboo culverts etc. But out of 33 samitys, 13 undertook such activities.

Food for works programme was undertaken in the area only once during January and February, 1981. With a total allotment of 2800 mds. of paddy the construction of three miles long "kancha" road from Bhaberchar to Chowddakania was undertaken by the union parishad under the supervision of C.O. About 150 participants of five RCTP Samitys who worked with the programme discarded the original 42 seers (per thousand cft.) rate as unsatisfactory and staged a total strike with the demand of doubling the rate. With labourers available no where the authority was forced to raise the rate to 60 seers per 1,000 cft. Though the organised samity members played pivotal role in achieving the deal, the raising of the rate can only partially be claimed to be the result of the action of the samity. Economic factors seem to have played a role. It was the very uneconomic quantity of paddy which induced non-members to abstain from work. But the attempt of bringing labourers from other villages was foiled by the organised people of the samitys and the landless harangued with the S.D.O. for raising the rate. In spite of that very poor rate, the meagre amount of rice for whole day's work, seem to be the prime cause of boycott for both RCTP and Non-RCTP people. But the unity, whatever might be its extent, shown by five samitys at the age of three or four months is a positive sign.



United life gives man courage and psychologically equip them to fight out the cause of deprivation. Several cases like forcing the reluctant veterinary surgeon to treat their cattle, collectively demanding allotment of potato seed from C.O., challenging the judgement of the local government, expelling local leaders from the village etc., exhibit the growing command of the dispossessed over their own environment. And growing social status is generally followed by more command over resources.

Another area of collective economic action in Gazaria is the homestead and road side plantation programme undertaken by some samity. But the programme could not bring appreciable success. An extensive papaya plantation programme of Charpatalia Samity failed due to the non-germination of seeds. About eight hundred bahana trees planted by three samitys on two sides of newly constructed Bhaberchar approach road were destroyed by cows, cowboys and opposing elites in the absence of any protection arrangements. Only the Uttar Laksmipur Samity set a good example of homestead plantation. They planted 40 fruit trees and the samity is now reaping the harvest.

#### Access to Government Services & Human Resource Development.

Human resource seems to be most valuable asset of a poor nation like ours and this is more true to the millions of pauperised rural destitutes to whom a manageable family in sound health is the only running capital. Proper utilisation of locally available government services, like hospitals, family planning centres, schools etc., can substantially benefit the life style of the poor. Moreover, by re-excavating derelict ponds and ploughing khas land, the poor can do a lot to improve their life. A thana health complex, three family planning centers and a large number of family planning assistants remain accessible to the members of the samitys. But the services are seldom utilised by samity members. Nobody speaks to them about the utility of family plan-

ning or of using health services whenever it is needed. There are 25 primary schools and two high schools in three unions forming the present RCTP operation area. But the children of the samity members are very negligible in these schools. According to official statistics (1978) 38 acres of char and khas land were there in the unions of Bhaberchar, Imampur and Bhowshia. But neither lease nor settlement were ever tried upon. Only three privately owned derelict ponds were leased by the Samitys for fishing. In Gazaria, utilisation of the above potential resources can generate substantial benefit to the dispossessed people covered by RCTP.

#### DISCUSSION:

Resource mobilisation is the result of interaction of a number of economic and non-economic factors which come into fair play only at certain stage of institutional development. Gazaria branch is not supposed to do a miracle within a brief period of 15 months. As a result, noticeable consciousness which may culminate into impregnable social action with the resulting effect of increasing the poor's command over local resources, is still in the hatchery.

Heavy pre-occupation of field workers and participants with loans inevitably disturbs the realisation of other noble goals of RCTP. The problem is more true in Gazaria at the moment. Totally money oriented samitys would certainly be catastrophic to RCTP.

The extent of group contribution to some schemes in Gazaria is unsatisfactory. If RCTP seeks to validate its basic contention that lending to the poor is profitable, ensuring group contribution would certainly work as an outstanding supporting agent. Even in IRDP-TCCA-KSS system, where the loanee gives sufficient security, the participants are bound to have 10% of loan as savings and another 10% as share in the samity. The more the personal stake the better becomes the result. Moreover, there should also be a limit to per capita lending and the size of the scheme at the initial stage.

Huge lending to any samity should at any cost be related to financial viability of the scheme, good credit records, community standing of the samity and the expected ability to repay.

## The Gheor Study

The Research and Evaluation Division of BRAC undertook in early 1981 an economic analysis of some of the schemes implemented in different branches of RCTP. The Gheor branch was taken up first. Though there was little of statistical representativeness present in this attempt, there has been an honest intention of data covering a diverse range of activities. The report on them were released by the Division in three separate instalments. These instalments prepared by A.M.R. Chowdhury and Zafar Ahmed of the Research and Evaluation Division are now reproduced here. It should be emphasised here that the readers should be cautious in extrapolating those results for other Gheor Schemes or for other RCTP branches in view of the type of methodology employed.

### Instalment 1: An Economic Analysis of Two "Mortgaged Land Schemes" under RCTP's Gheor Branch

#### The Scheme

The RCTP has supported many Samitys (groups) to undertake a scheme on mortgaged land in its different branches. The scheme envisages the release of land owned by Samity members which are mortgaged to money lenders and other land lords. BRAC pays the entire amount of the mortgage and places the released land at the disposal of the concerned Samity. The principal of the loan is repaid to BRAC in three equal yearly instalments. The interest @ 18% is paid every six months (immediately after harvest). After the full realisation of the principal and interest, the title of the land which is initially hypothecated to BRAC goes to the Samity. On the other hand, the owner-members of the released land gets a payment rebate of Tk.100.00 per Pakhi (0.27 acre) every year until the full amount of mortgage is paid back to the Samity. Even if he fails to repay the amount in cash, his liability will be reduced to zero over a period because of rebate deduction. The situation in the earlier mortgage (i.e. to the money lenders) was quite contrary; he had no rebate facility and he was bound to re-

pay the whole amount before he can claim the land back. During the period under samity's disposal, the owner has an equal share as other members in the profit accrued from his land. But the whole produce goes to the mortgagee throughout the period of mortgage when the land is mortgaged to a money-lender. Thus the scheme is positively beneficial to the members of the samity whose lands are released from mortgage. Also, the members including the owners get some land to till for profit. The profitability of the scheme at least during the initial few seasons is very vital in view of large interests and annual rebate liabilities.

Some details about the two schemes

Name of Samity	Total amount of land released (acres)	No. of owners	Starting date	Duration in years	No. of Samity members	BRAC credit in Tk.	Samity contribution in Tk.
Raghunatpur	2.23	4	Sept. '80	3	42	10440	940
Milagi	4.13	19	"	3	102	19200	1075

Cost-benefit of the two Schemes:

The Raghunatpur Schemes:

Since the release of the land, the samity has embarked on cultivation only once - the past Rabi season. Some Rabi crops such as wheat, gram, mashkalai, oil seeds, ksheshari and lentil were cultivated. Eight members were entrusted with the responsibility, some of whom were accordingly trained on wheat cultivation at TARC, Savar. The samity met all the non-labour costs of production except the cost of ploughing. These costs were later realised from the participants after harvest. The sale proceeds of the remaining harvest were equally divided between the samity and eight participants.

Cost (Non-labour): The non-labor cost of the scheme were the following:-

Table 1 : Non-labour cost of Raghunatpur Scheme

Input	Qty/No.	Rate in Tk. (per maund)	Cost (in Tk.)	Cost in Tk. (per acre)
Wheat Seed	48 seers	145.00	175.00	78.47
Gram	3 "	200.00	15.00	6.73
Mashkalai	5½ "	260.00	35.75	16.03
Oil Seed	1 Seer	400.00	10.00	4.48
Kheshari	3 seers	213.00	16.00	7.17
Lentil	1 seer	240.00	6.00	2.69
Urea	35 seers	115.00	100.85	45.22
T.S.P.	5½ seers	105.00	14.37	6.44
Sub Total:			372.97	167.25
Plough	6	15.00	90.00	40.36
Grand Total:			462.97	207.61

Cost (labour): The eight members involved in this scheme supplied the needed labour but did not take any monetary wage. In such a case imputed labour cost be used for cost benefit analysis, which should be computed on the basis of the opportunity cost of labour. In Ghior Kartik to Agrihayan is the peak employment period in the agricultural sector, and workers seldom remain unemployed during the season. But like any other area, hidden unemployment and under-employment may also be prevalent in this area. However, it seems reasonable to assume that they would have found alternative jobs at going wage rates. We therefore, take the prevailing rate of wage as the opportunity cost of labour.

Table 2: Opportunity cost of labour  
in Raghunatpur Scheme.

Phase	Mandays involved	Opportunity cost in Tk. (per day)	Total Cost (in Tk.)	Total Cost per acre (in Tk.)
Ploughing	6	10	60.00	26.90
Sowing	1	10	10.00	4.48
Weeding	12	10	120.00	53.81
Harvesting	12	10	120.00	53.81
Total:-			310.00	139.01

Thus the labour and non-labour cost of the scheme comes to Tk. (462.97 + 310.00) or Tk. 772.97.

Revenue: The revenue accrued from the sale proceeds is as below:

Table 3: Revenue Accrued from  
Raghunatpur Scheme

Product	Quantity	Rate per md. (in Taka)	Revenue
Wheat	8 mds. 29 seers	106.00	924.85
Oilseeds	5 seers	424.00	53.00
Lentil	5 seers	96.00	12.00
Khesari	1 md. 23 seers	145.55	229.25
Mashkalai and Gram	1 md. 2 seers	124.76	131.00
Total:-			1,350.10

Profitability:

Table 4: Profitability of Raghunatpur  
Scheme over the First 6 months

Gross Cost Tk.	Interest Tk.	Rebate Tk.	Liabilities Tk.	Revenue Tk.	Loss Tk.
772.97	1,024.20	111.50	1,908.67	1,350.10	558.57

Thus, during the first six months, the scheme has incurred a loss of Tk. 558.57.

Employment Generation: There were eight participants of the scheme. Each of them worked for 90 days. Thus the total mandays available were 720 out of which only 42 or 5.8% could be employed.

Benefit to Participants: Half of the sale proceeds of the harvest went to the participants. But from this, the non-labour costs of production were later realised by the Samity. Half of the total harvests were Tk. 675.05. After giving back the non-labour costs of Tk. 462.97, the participants were left with Tk.212.08. The per capita share of labour per employed day was Tk.5.05, which is about half the going wage rate.

The Milagi Scheme: 4.13 acres of land belonging to 19 Milagi Samity members were released with an investment of Tk.20,275. BRAC credit was to the tune of Tk.19,200, nearly 95% of total amount. During the first six months, Rabi crops were sown and harvested. As some plots of the released land were less fertile, these were given out on crop sharing basis to the original owners who are also Samity members. But as against this, some fertile land suitable for profitable sugarcane cultivation was taken in on crop sharing basis. Out of the total of 4.13 acres, 2.33 acres were shared out. The remaining 1.88 acres were jointly cultivated by all 102 members of the Samity. The Samity rented in 0.17 acre for sugar-cane cultivation.

The inputs in the Samity cultivated lands were managed by the Samity itself. While some hired labourers were employed in some phases, the Samity members provided most of the labour without taking any wage. The inputs for shared out land were provided by the share croppers.

Cost (Non-labour): The non-labour cost incurred by the Samity for the land cultivated by them (both shared-in and own land cultivation) is as follows.

Non-labour Cost:Table 5: Non-labour Cost of Milagi Scheme  
(own cultivated & shared in land)

Input	Qty./No.	Rate per md. (in Taka)	Cost in Taka
Khesari seed	39 seers	210.00	205.00
Gram seed	3 "	200.00	15.00
Oil seed	8 "	442.50	88.00
Sugarcane seedling	1125 Nos.	100.00 (per thousand)	112.50
Potato seeds	2 mds.	107.50	215.00
Urea	1 md. 25 srs.	115.00	186.87
TSP	1 md. 9 srs.	105.00	130.63
Plough	15	15.00	225.00
Total:-			1,178.50

Labour Cost: Out of the total 34 mandays employed, 11 were from hired labourers. The rest were put in by the Samity members themselves without wage. The opportunity cost for the Samity members, as in Raghunatpur, is assumed to be equal to the actual wage rate prevailing at the time. Thus the labour cost is as follows:

Table 6: Labour cost in Milagi Scheme

Phase	Mandays Employed	Cost/Opportunity Cost per day	Cost
Ploughing	8	10.00	80.00
Sowing	5	10.00	50.00
Weeding	5	10.00	50.00
Harvesting	10	10.00	100.00
Threshing	6	10.00	60.00
Total:	34	10.00	340.00

Thus, the total labour and non-labour costs work out at Tk.1,518.50.



Revenue: The total revenue received from the scheme is as follows:

Table 7: Revenue Accrued from  
Milagi Scheme

A. Income from cultivated land both shared-in and owned

Product	Qty./No.	Rate per md. (in Tk.)	Revenue
Sugarcane	-	-	300.00
Potato	8 mds. 25 srs.	95.00	820.00
Khesari	4 " 20 "	170.00	769.00
Oil seeds	38 "	250.00	243.00
Gram	14 "	80.00	230.00
Sub Total:-			2,212.00

B. Income from shared out land

Khesari	320.00
Wheat	115.00
Oil seeds	257.00
Sub Total:	692.00

Grand Total: 2,904.00

Profitability

Table 8: Profitability of the  
Milagi Scheme

Gross Cost	Interest	Rebate	Total input & Liabilities	Revenue	Loss
Tk.	Tk.	Tk.	Tk.	Tk.	Tk.
1,518.50	1,824.75	206.50	3,549.75	2,904.00	645.75

The loss incurred by the scheme during the first six months is thus Tk. 645.75.

Discussion:

Financial costs and benefits of the two mortgaged land schemes undertaken have been discussed in the foregoing pages. The mortgaged land schemes supported by RCTP is the single highest investment constituting 40% of the total sanctioned credit. It has great

importance in the light of RCTP's stated objectives of "collective actions."

The experience of the first six months of the schemes is one of loss. These are the calculations based on the first six months' performance of the schemes. Moreover, the schemes could not generate enough employment, nor could they ensure for labour even the going wage rate.

A closer look at the schemes' first six months operation provide some information about the cause of this poor performance.

(a) The size of the plots of land released through the scheme reveals an important reason. It indicates that this aspect was not given proper attention at the time of the planning of the scheme. The plots are very much fragmented and are scattered over a vast area. No two plots were neighbouring. This made the released land uneconomic to till. If the economic holding is set at one Pakhi ( 27 decimals), then more than 60 per cent of the land for the Milagi scheme comes out to be uneconomic holdings. One of the plots had only three decimals. One can expect very little from such a plot.

(b) Discussion with the participants revealed other weaknesses of the schemes. The cultivation process was planned in a haphazard manner. Use of fertilizer was inadequate and sometime disproportionate. No irrigation was employed and the crops were left at nature's mercy. While the participants were found to be united in their fight against elites about wage determination, they failed to give a good account of themselves when the work was thrown upon them. Participants having some land of their own seemed to be more interested in their own land. These indifferences contributed largely to the lower than average harvest. Type of supervision and the maturity of the group, seemed to have an edge over many others.

(c) One important reason for the lack of interest amongst participants is the non-payment of wages for the employed days. Daily consumption need comes on up of everything else.

(d) The land released by the Samity were of inferior quality than the average of Gheor. This also contributed to a lower yield.

(e) Some of the plots released were share cropped out. It is alleged that the share croppers deliberately under reported the actual harvest. The Samity received less than its true share as a result.

#### The Future

On the face of it, the scheme seems to be a good one. It is possibly one of the few ways through which group spirit can be generated and reinforced. But given the experiences of the first six months, it does not come out to be that attractive in financial terms. If the experiences of the first six months can be extrapolated (and this can be justified given the "physical ability" of the land), one can foresee a frustrating and awful picture. The accumulated liability of the Samity will put its existence at stake. The main victim of this prospect will be the Samity itself. The main beneficiary will be the owners of the land. The RCTP should therefore be very careful in undertaking to support such schemes any more.

Important criteria for consideration should be (i) size of plots (ii) type and quality of land (iii) maturity of the Samity. For the schemes already started, all out efforts should be made to increase productivity. Samity must be protected from becoming banking in three years' time.

THE SOLAKARIA SRAMJIBI MAHILA SAMITYBackground

Solakaria is a Muslim village about three miles away from Gheor thana headquarter. Out of 115 households in the village, 48 belong to the landless or near landless categories who earn their subsistence through manual labour in others' farms or business.

The female members of these households virtually remain unemployed throughout the year. They belong to a society where dependency on their unemployed or under employed male counterparts not only creates social imbalance but also push them into a situation of virtual servitude. In such a setting, establishing contact with the women-folk is a not-too-easy job. However, with the active support of the village male Samity, a female Sramjibi Samity was formed in September, 1980. The RCTP however had sanctioned one loan of six thousand taka before the Samity actually started functioning.

During the period until July 81 the Samity completed three schemes during the six months since its inception. The first scheme started about ten days before the formal formation. It was on paddy husking. The next two schemes were on cow rearing which were started at the same time. Because of the fact that the later two schemes were identical in nature these are analysed together for ease. The following table gives a summary of the individual schemes.

Table 1: Summary of the Schemes

Name of the Schemes	No. of participants	Samity	BRAC	Duration	Amount
		Contri- bution	Credit		actually disbursed
		Tk.	Tk.	Months	Tk.
Paddy Husking	15	Nil	6,000/-	6	6,000/-
Cow Rearing (1)	11	Nil	3,400/-	6	3,578/-
Cow Rearing (2)	12	Nil	2,800/-	6	2,647/-
<b>Total:-</b>			<b>25,200/-</b>		<b>24,225/-</b>

### The Paddy Husking Scheme

Fifteen women received tk. 6,000/- loan for paddy husking. For better administration of the scheme, they were divided into five teams each headed by a team leader each of which received an equal amount of Tk. 1,200/-. Proximity to each other, kinship relationships, availability of dheki and relationship with team leader played important role in the formation of groups of participants. The output for team was about 7 maunds of rice per week. Each week's output was sold on weekly market days. Every week formed a cycle and the money revolved in this way every week. Different kind of paddy were purchased from different areas of the thana and carried to the village by boat. No boiling cost was incurred as the coarse husks were used as fuel. The smooth husks were however sold to the revenue of the scheme.

### The Cost -Benefit of the Scheme

The different costs involved and revenue accrued from the scheme are detailed in the following tables. The opportunity cost of labour is, however, assumed to be nil in view of the employment opportunity available to women in the area and the nature of the scheme.

Table 2: Costs of Paddy Husking Scheme

Months	Quantity of paddy purchased	Cost of paddy Tk per md.	Cost (2X3) in Tk.	Boat fare	Total (4+5)
September (from 17th)	55mds	116.30	6,396.50	57.00	6,453.50
October	125 "	112.00	14,000.00	126.00	14,126.00
November	128 "	119.89	15,345.92	128.00	15,473.92
December	126 "	117.35	14,786.10	125.00	14,911.10
January	125 "	115.10	14,387.50	125.00	14,512.50

February	118 mds	115.00	13,570.00	120.00	13,590.00
March	126 "	118.00	14,868.00	126.00	14,994.00
<b>Total</b>			<b>93,354.02</b>	<b>807.00</b>	<b>94,161.02</b>

Table : 3 Revenue from the Scheme

Months	Quantity of paddy purchased	Qty of husked (in mds)	Revenue (in Tk.)	Sale proceeds from smooth husk (in Tk)	Total Revenue (in Tk)
September	55 mds	35.89	6,819.10	165.00	6,984.10
October	125 "	81.25	14,625.00	375.00	15,000.00
November	128 "	83.20	16,640.00	384.00	17,024.00
December	126 "	81.90	15,561.00	378.00	15,939.00
January	125 "	81.25	15,193.75	375.00	15,568.00
February	118 "	76.70	16,720.60	354.00	17,074.60
March	126 "	81.90	17,608.50	378.00	17,986.50
<b>Total:-</b>	<b>803 "</b>	<b>522.09</b>	<b>103,167.95</b>	<b>2,409.00</b>	<b>105,576.95</b>

Table : 4 Share of Labour

1	2	3	4	5	6
Gross Cost	Amount Contributed to Samity's Fund (Tk.)	BRAC Interest (Tk.)	Total Cost (Tk.) 1 + 2 + 3	Total Revenue (Tk.)	Share of Labour (Tk)
94,161.02	576.00	382.40	95,119.42	1,05,576.95	10,457.53

The Share of Labour

The contribution to the Samity is a pre-condition for granting a scheme by the Samity and is normally pre-fixed. The gross cost includes only the non-labour cost. Thus the balance is entirely enjoyed by the participants.

Employment

The following table shows that the participant women were employed for 47 per cent of person days available. Given the opportunity cost as zero, could the women work more ?

Table : 5 Employment

<u>Duration of Scheme</u>	<u>No. of Participants</u>	<u>Person-days available</u>	<u>Person-days employed</u>	<u>% Employed</u>
180 days	15	2,700	1,260	47

Apart from the time that were given to the scheme, the women had other works to do. "Had we worked more, we would have failed to do many other daily works such as cooking, rearing children, washing, etc.", opined Mayurjan, a 50-year old team leader. It is apparent that any more involvement with the scheme would possibly cost them some opportunity cost at least. It has also some psycho-social bearing. For household work for women is valued much more in our society than any income generating activity. One can thus say that these women through the scheme have utilised a near maximum of their actual available time. The participants have gained with little or no cost. Some participants also managed to get involved in the cow rearing schemes. This will later be taken up.

Income GenerationTable 6 : Per Capita Share of Labour

<u>Total Share of Labour(Tk.)</u>	<u>Person-days Employed</u>	<u>Total Share per Capita (Tk.)</u>	<u>Per Capita share per day (Tk.)</u>
10,457.53	1,260	697.17	8.30

The per capita share per day was Tk. 8.30. Though this amount is less than the existing male wage rate of Tk. 10.00, the whole amount received by the women were an additional injection to their family incomes.

#### The Cow Rearing Schemes

These schemes involved 23 participants some of whom were also involved in the paddy husking schemes of the samity. Tk. 19,200 were sanctioned by BRAC of which Tk. 18,225 were actually disbursed. The scheme in affect is a cattle fattening scheme. The participants buy cows during the dull period, nourish them and sell the same when the market is appropriate. The Samity was responsible to BRAC for the repayment of the loan with interest. The Samity gave the loans of varying amount depending on the price of the purchased cow to individual participants. The terms of individual loan specified that the balance between the purchased and selling prices ('profit') would be equally shared between the Samity and the concerned individuals. But if the balance is negative i.e. if there is a loss, the Samity would have no liability and the individual participants would have to bear the consequences of the loss. A six member executive committee of the Samity was entrusted to supervise the scheme.

#### The Cost -Benefit of the Scheme

The only cost incurred was the price of cows. No other costs were actually involved. As in the paddy husking scheme, the opportunity cost of labour in this scheme is also assumed nil. There is no block of time of a day which the participants actually used to spend for this scheme. Their involvement with the rearing were to collect straws/grass and influence their husbandry to bring the same while returning from daily work. Thus they had nothing to forego to do the rearing. Under the circumstances, their opportunity cost is assumed zero.



However, one should be cautious about extrapolating this zero 'other costs' because the costs of straws and grass and opportunity cost may not be zero for other areas and schemes.

The 23 participants each purchased a cow of varying prices. The total cost of purchasing all the cows were Tk. 18,225. Apart from the price of cows, there were other 'normal costs' such as interest to BRAC and contribution to Semity. The interest was calculated to be Tk. 795.77 while the participants contributed Tk. 2,703.73 to the Semity. Thus the total cost involved in this scheme was 21,724.50.

Revenue : The sale proceeds of the cows constitute the total revenue of the scheme. This came out to be Tk.25,224.

Share of Labour : The share of labour of the scheme was Tk. 3,499.50 as can be seen from the following table.

Table 7: Share of Labour of the  
Cow Rearing Scheme

<u>Purchasing cost of Cows</u>	<u>Contribution to Semity</u>	<u>Interest to BRAC</u>	<u>Total Cost</u>	<u>Revenue</u>	<u>Share of Labour</u>
Tk.	Tk.	Tk.	Tk.	Tk.	Tk.
18,225.00	2,703.73	795.77	21,724.50	25,224.00	3,499.00

#### Employment Generation

The very nature of the scheme does not entail a full time work for a woman. This is a work which the women do while not disturbing their normal day's work. It is difficult to specify the actual time employed for this scheme by the women. Though the actual hours employed is unquantified, the net income through the scheme can be regarded as a proxy for the actual employment generated.

Income Generation: Each participant over the scheme period received an average of Tk. 152.15. In the absence of any estimate on the actual person-days employed, calculation of per capita per day share is not attempted. The participants however regard this as a lump sum income and not in terms of per capita per day.

Table 8: Per Capita Share of Labour

<u>Total Share</u> Tk.	<u>No. of Participants</u>	<u>Av. Share per Capita</u> Tk.
3,499.50	23	152.15

Discussion.

The schemes undertaken by the Solakaria Mahila Samity were analysed in the foregoing pages. Both the schemes turned out to be profitable and were sources of income for the poor members of the Samity. But what about the replicability of these schemes? The paddy husking scheme seems to be quite promising. However, availability of mechanised husking may jeopardize the prospect of such schemes. The cow rearing scheme was also successful in Solakaria. The scheme was granted to those women who were older and had some others at home to help them. This decision saved much of the active women-power which were possibly utilised in the other scheme (viz., paddy husking). But the question is whether such schemes are always profitable. What would have happened if one or more cows had died during the rearing period? The terms of the loan would have put the whole liability on the individual participant whose cow had died. This is a negation of the basic cooperative spirit. If the responsibility was everyone's there could be a dearth of interest amongst the participants. There is possibly no single all-proof system to meet such an untoward situation. RCTP and the Samity will have to decide the course of action - by deferring the payment or by writing off the interest/principal wholly or

partially. However, a closer supervision can do a lot to avoid such a situation from arising.

There are some unique features of this Samity which need to be focussed.

### Capacity Building

The RCTP proposal stressed the importance of participant involvement in any undertaking. Such involvement creates personal stake and is a criterion for measuring group spirit. But in none of the above schemes, individual monetary contributions was ensured. This was in contrast to the 10 per cent mark set by the Gheor branch. The paddy husking scheme was granted even before the Samity was formed. Whatever might be the reason for this failure, the Solakaria Samity gravely challenges the contention of the RCTP architects. Without any group contributions, the two schemes undertaken operated smoothly with alluring results. The absence of personal stake was felt nowhere. The interests and principals were repaid in time. The absence of group contribution was possibly counter balanced by several factors. The male Samity of the village in one of the "good" Samitys under Gheor branch. Their behind the scene supervision and the supervision of the BRAC Programme Organisers were important. The participants themselves showed an unending enthusiasm and interest throughout the scheme period. Moreover, there was the fear amongst the participants of being litigated.

Group Fund: From the two schemes, the Samity has been able to raise Tk. 4,406.81 as group fund as can be seen from the following table.

<u>Savings</u> <u>Account</u> Tk.	<u>General</u> <u>Fund</u> Tk.	<u>Reserved</u> <u>Fund</u> Tk.	<u>Emergency</u> <u>Fund</u> Tk.	<u>Total</u> Tk.
1,037.75	88.75	1,711.66	1,568.65	4,406.81

The RCTP promotes the idea of saving. These small savings are raised out of almost nothing and are channeled for productive investments. This built-in process of fund raising out of the consumption cuts of poor members is a milestone in BRAC's rural development strategy. A fund of Tk. 4,406.81 out of a year's savings is a positive indicator. As the above table shows, the group fund is multi-dimensional. The weekly individual contributions form the savings accounts. The general fund is raised to cover the occasional expenses of the Samity. Though all members are entitled to both reserved and emergency funds equally, the reserved fund is meant only for future investment and is not withdrawable. The emergency fund is meant for helping the poorest of them to tide over exigencies like after death expenditures, marriage of poor girls and widows, etc. The meeting of the Samity decides on the recipients of the emergency fund.

But this diversification of accounts has a counter effect. These are too complex for the illiterate women. Separate accounts for each fund makes the whole thing more complex. This takes away a large portion of field time of the programme organisers. Can there be some alternative ?

#### Leadership :

The Samity started out without a leader. Initially RCTP was deeply involved and allowed time for the leadership to emerge from within. After the initial three months, six of them emerged as potential leaders. They formed an executive committee for supervising the schemes. Mayurjan (50) is now the accepted leader of the Samity. She is favourite to her compatriots for her elderly motherlike behaviour. She used to be respected even before the formation of the Samity. Her husband is a member of the male Samity of the village. The six member executive committee is still active but no one seems to be dictatorial as the

Sanity affairs are decided in general meetings through democratic means. Of course, the RCTP P.Os still play a vigilant role.

### Changes

Within a mere ten months since its inception, one can observe some noticeable changes in the behaviour of the members and their husband. They were self-centered poor women seldom breaking the ageold traditions and always struggling for subsistence by looking upto their husbands. Now they are different. They meet each other once a week and talk freely about life . Their positions are now elevated in the family as they are also contributing to the family income. "I was the most unhappy woman of the village. My husband used to torture me physically even since I married him five years ago. I was at one point sent to my father's house with the implied intention of divorce. Saheb, BRAC is my bap-maa. I now earn about thirty taka per week from paddy husking. My husband does not always get work. Now he realises my usefulness to the family. He loves me and does not torture me ", said Ashiran, Nabiran, Mayurjan and many others have similar stories to tell . These are definite changes in the perceived direction.

### Lastly

What is going to happen in future ? How these women will behave ? What will happen if a scheme suffers loss ? How will the traditional leadership look at this and what will be the women's reaction ? What will be the future policies of BRAC and other institutions ? and so forth. These questions should be kept in mind and analysed as the scenerio unfolds .

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## GHEOR SCHEMES ANALYSES: Instalment 3

### THE FATE OF THREE SCHEMES

The RCTP started out challenging the conventional thinking that the poor are bad credit risk and that lending to them is unprofitable. RCTP sought to disprove this contention by making credit available to the poor for undertaking profitable economic ventures in a co-operative framework under close supervision of field staff. This total re-orientation to cater to the needs of the poor hypothesized among other things a proper end-use of the ventures. Proper pre-planning for a scheme was thus given high importance. But out of the twelve schemes taken up for analyses, four were found to have proceeded along a way not specified anywhere in the scheme plans. In these cases the credit was not used for the purpose it was meant for. However, in record, everything went on well and both the principals and interests were paid according to "schedule". In this instalment of Gheor Schemes analyses, these three "schedule" will be briefly taken up.

#### 1&2 Milagi Sugarcane and Potato Cultivation Schemes

Two separate schemes - one for sugarcane and one for potato cultivation were granted to the Milagi Samity during the last Rabi season. A total of Tk.3900 was made available for the schemes, all the 102 members were involved in each scheme. The idea in essence was to bring under the crops a sizable portion of the mortgaged land of the Samity. But the scheme in practice were not implemented and the whole amount of money was put to wrong use.

Immediately after the disbursement of the money, the leaders purchased two bullocks worth Tk.2750. They then started purchase and sale tactics. Only three - Syed Ali, Abid Ali and Sukur Ali - were involved in this unofficial business. With an unidentified amount of their own capital added to it, these three made a flourishing business and as Syed Ali, the leader of the Samity said, they each made a profit of Tk. 600/- in less than six months time after back the whole of principal and interest. " We repaid the principal and the interest. Why should BRAC bother if we make cow business? They are not going to write off if we suffer a loss "

### Raghunatpur Fishing Scheme

A smaller thing as Milagi happened in Raghunatpur. A loan of Tk.900/- was granted to three fishermen of the Samity after studying their loan utilisation potential. The loan was meant for purchasing twelve nets and appropriate quantity of ropes and was given in October, 1980 for three months. The participants instead of purchasing nets started cow business. By influencing the Samity, they managed to obtain a further loan of Tk.2,400 from the Samity. With all these money, they made profit of an unascertained amount. The participants paid to the Samity an amount of Tk.111.58 as "contribution" and Tk.48.86 as interest in addition to the principal of Tk.2,400/-. The BRAC principal and interests were also paid on time.

### Discussion

Three schemes have been cited where the RCTP credit were not used for which these were meant for. To many, this kind of wrong use of money is tolerable. For, this kind of work, too, generate income and employment. Moreover, the participants in all these schemes repaid the principals and interests after making a good profit.

But to BRAC, it is different. RCTP not only wants more income and employment for the poor but also wants to restructure the existing credit systems where the end-use is ensured. To BRAC, in principle what has been done in Milagi or Raghunatpur is narrowly different from the existing practice of utilising the credit for productive purposes in consumption. Wrong use nullifies the purpose of the supplier of credit. In these cases, neither BRAC nor the Samity can possibly avoid responsibilities. Not the absence of supervision but the very presence of it seems to have facilitated the unintended use. Money can be put to wrong use only when the loanee feels sufficiently safe and secure from the arrogance of the lender even after such use. They are still getting new loans granted. Wrong implementation of a plan under strict supervision makes little sense.

The circumstances in which RCTP is experimenting, such cases are not totally unexpected. A lot of work are required to set the credit machanism in right track. And "trial and error" seems to be the only path available. However, RCTP should continue to learn from experiences. More vigilance on the part of the field staff and credit in kind could at least have prevented the participants from flouting RCTP principles.