

Small Groups and Performance of Village Organizations in Rural Development Programme of BRAC

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Table of Content

Acknowledgment	I
Executive Summary	III
Introduction	1
Methodology	3
Findings	3
Conclusion, discussion and recommendations	11
References	14

Executive Summary

BRAC's Rural Development Programme (RDP) forms the village organizations (VO) by formulating their objectives precisely and by laying out explicitly the activities within it that the members comprising it need to carry out. These activities are designed as such to make these supportive to the achievement of the VO objectives. On the other hand, small groups by helping the VO members in carrying out their responsibilities indirectly contribute to the achievement of the same. Based on these observations it was assumed that if the small groups were serious in enacting its responsibilities the VO activities would be well carried out and thus their objectives would be achieved.

The objectives of this study were to (1) investigate the status of small groups in RDP VOs; (2) investigate the extent to which the small groups contribute to the performance of the VOs; and (3) investigate the causal mechanisms that helped/hindered the performance of the VOs.

Altogether 239 VOs were randomly selected for observation in this study. The selection was made from those presently functioning and formed in between 1986 and 1996. The performance of these VOs were assessed in terms of certain activities supposed to be conducted by its members in the weekly VO meetings, i.e., (1) ringing the bell before meeting starts, (2) attending the meeting, (3) starting the meeting on time, (4) reciting the 18 promises in the beginning of the meeting, (5) sitting by small groups, (6) depositing savings, (7) repaying the weekly loan installment, (8) following the repayment procedure, and (9) preparing resolution of the loan verbally requested for from the RDP office.

Next, a small group from each of these VOs, from those where it existed, was randomly selected and then three members from each of these small groups were interviewed. The interviews were intended to know the extent to which these respondents enacted the small group responsibilities, i.e., (1) ensure the participation of group mates in the weekly meetings, (2) ensure the participation of group mates in issue-based meetings, (3) plan a loan within the group before requesting it to the office, (4) ensure the payment of installment of the loan taken by the group mates in the weekly meetings, (5) ensure the payment of weekly saving by the group mates in the weekly meetings, and (6) ensure proper use of loan taken from the office by the group members.

The nature of the association between the enactment of small group responsibilities and carrying out of the VO activities were assessed in this study. The presence and the strength of association between these two sets of variables were assessed by using statistical techniques whereas the explanation of the reasons for the presence of such associations were sought qualitatively by observing the functional interdependence among the variables.

The small groups existed in 42% of the VOs observed. The dynamics within these groups indicated that these were in a good shape to function effectively. The VOs with small groups were performed better than those without such groups. This was because the presence of

groups in one hand helped RDP staff to conduct the VOs effectively and in the other the group responsibilities induced its members to carry out their VO-related activities.

The enactment of small group responsibilities, helping the group mates in attending weekly and issue based meetings and helping them in repaying weekly installments for the loan taken from the office, contributed to better performance of the VOs. The group members resorted to different strategies to make their fellow members to carry out the VO activities. These strategies included request/convince, compel and help group mates to carry out VO-related activities. Both a single or a combination of these strategies were adopted to make group mates to carry out their activities. Besides the small group responsibilities, the age of the VO also contributed to its performance. This was because the group members, particularly in younger VOs, carried out VO activities of their own initiative.

The performance scores decreased with the aging of the VOs. The decrease was at the rate of 1.6% per year for the VOs both with and without small groups. The scores decreased simply because the respondents were not carrying out the VO-related activities of their own initiative and the groups were not active in carrying out their responsibilities.

Two important factors have contributed to the decrease in the enactment of small group responsibilities. These factors became prominent with the aging of the VOs.

1. The respondents started believing or became conscious about the fact that their effort in enacting the responsibilities would not bring any personal gain to them. This belief discouraged them to carry out the group responsibilities.
2. The respondents increasingly started believing that the only purpose of their participation in the VOs was to receive credit for the RDP office.

The development of these beliefs made self interest predominant over that of the group. Thus, the respondents became reluctant in enacting group responsibilities. The study suggests:

1. The RDP should continue its present policy of forming and preserving small groups in the VOs.
2. The RDP staff should be more vigilant about that the small groups carry out all their responsibilities and should be supportive to their such practices. Effort should be made to keep small groups effective. The suggestions are considered important for two reasons. First, the small groups help in bettering the performance of the VOs. Second, if the members become reluctant to carry out VO activities of their own the effective small groups will ensure that those are conducted.
3. Small groups should be introduced or activated if needed in the VOs presently not having those. It is likely that such an action will contribute to the better performance of these VOs.

Introduction

The Rural Development Programme (RDP)¹ of BRAC strives to bring the rural poor into the main stream of development by alleviating their poverty and empowering them through its vital organ, i.e., village organization (VO)². The VO, as a catalyst in achieving this objective, steers up two important processes within it -- institution building and credit operation. The activities are channeled as such, so that these may supplement each other in achieving the objectives of the VO, i.e., socially and economically empower the VO members. The VOs are set up to:

1. develop a well disciplined organization of the rural poor with an emphasis on women's participation;
2. develop the capacity of the poor for their sustainable development; and
3. enable the rural poor to participate in the national development process.

The formation of a VO starts with the personal contact of RDP field staff with the villagers. Through this process they identify number of villagers who are inclined to take up a leading role in initiatives and are interested in taking up new ventures. With the help of these villagers several small groups are formed which at a later stage jointly participate in the village meetings. Through discussions in small groups and in village meetings the staff convince the participants about the importance of organizing themselves in the village for their own benefit. When they are convinced and an urge for organizing themselves is noticed in them the RDP staff proposes that they might form an organization in their village. Thus, informal small groups, initially formed, combine themselves into a bigger body, known as the VO. Next, staff conducts an orientation course on the proceedings of the VO with those who participated in the meeting.

Presently a VO comprising of 35-55 members are formed with the females from the same village. It has three committees -- management committee, social action committee and law implementation committee. The management committee, the most important of these three, includes a chairman, a secretary, a cashier and 2-4 small group leaders. The small groups are considered as functioning cell of a VO.

Past observation (Handy 1996) indicates that in a large group a small section of it plays dominant role in conducting the activities for which the group was formed and particularly in the decision making within the group. As such, the part of the group not playing any role gradually loses interest on the group. They continue as dormant members in the group by alienating themselves from the group activities. Consequently the effectiveness of the group is hampered.

¹The RDP is an integrated multisectoral initiative involving institution building, credit operation, human capital development, etc. The Programme started in January 1986 by merging the Out-reach Programme and Rural Credit and Training Programme.

²Villagers owning less than half-an-acre of land and at least one member of their families selling manual labor for at least 100 days a year are eligible to join it.

Apprehending such a detrimental possibility in the case of VOs (which is in fact a large group) small groups are formed within it³. It was assumed that through these groups all the members would have a chance in sharing. Consequently the satisfaction that they would derive out of such participation would keep them active in achieving the objectives of the VO. It was also believed that the small group would facilitate effective and efficient management of the VO by the staff.

The policies on small group

1. The VO members will form small groups by selecting the members for it as they prefer keeping in mind that the members belonging to same household and first relatives (i.e., blood brother, uncle cousin, etc.) may not be included in the same group.
2. A small group may have 5 members. After forming the groups of 5 members in each, the remaining members may join in any group they like provided the members of the group in which participation is intended are willing to accept her in their group. A group should not have more than 7 members under any circumstances.
3. The group will select the group leader by coming to a consensus through discussion among themselves.
4. The leader selected will have to be ratified by the RDP area office.
5. The group leader will lose her tenure if abstained from six consecutive weekly meetings.
6. A member if considered unwanted or incompetent may be asked for termination from the group by its members. Such a proposition should of course be placed to the management committee in the weekly VO meeting. The committee after conducting an investigation will decide on the proposition.
7. The list of the small groups should be preserved in RDP area office (AO).

The main objective in forming small group is to develop a system of accountability of the members for their activities in the VO. By developing this accountability the achievement of the objectives of the VO, i.e., institution building and successful credit operation, are intended (BRAC 1995).

The small groups are formed to contribute to the achievement of the objectives of a VO. For that the responsibilities of the former should be supportive to the objectives of the latter. Such functional interdependencies between VO and small group can be observed in Table 1. For operational purpose RDP has elaborated its objectives. These objectives can be grouped under six headings; which can also be referred as activities. Table 1 indicates that the responsibilities of small groups are related to some of these objectives/activities under three heads, i.e., conducting meeting, creating environment for economic activities, and realizing and using of loan.

³The idea of forming small groups within a VO was borrowed from the Grameen Bank and was implemented at the time when RDP was initiated.

Table 1.
between village organization and small group

Interdependence

Village Organization		Small Group ⁴	
Formalities	Objectives/activities	Responsibilities	Procedures
Conducting meeting			
*Ring bell before commencement of the meeting. *Members will sit by their small groups in the meeting.	Conduct a meeting per week, i.e., weekly meeting ⁵ .	Ensure the participation of members in weekly meeting.	
	Conduct an issue based meeting per month.	Ensure the participation of members in issue based meeting.	
	In special occasions organize emergency meetings.		
Maintenance of the VO			
Recite 18 promises at the beginning of the meeting.	Preserve the VO related files and documents.		
	Maintain communication with the local area office.		
	Maintain communication with other VOs in the locality.		
	Incorporate rest of the eligible villagers to the VOs.		
	Creating environment for economic activities		
	Make proper use of locally available resources.		
	Carry out different types of economic activities.		
	Take up different programs in order to create employment and increase income.		
	Identify skill workers and encourage them in different works.		
	Facilitate obtaining locally available government facilities for the members.		
	Arrange fund and take up necessary steps for the receipt of required loan for economic activities at individual level.	Before proposing a loan the group should discuss and decide on related issues, like amount of loan that should be requested and the way it will be utilized.	*The group leader will propose for the loan on behalf of the members in the weekly meeting. *The group leader will sign the guarantee bond of the loan taken by the member.

⁴ The items included in this table were taken into consideration after consulting with RDP staff and relevant documents. The documents did not differentiate the responsibilities of a group leader from that of a general member. But there were number of procedures where the group leader had a special role to play and the members to cooperate with him.

⁵ According to recently adopted policy such meetings are held every other week in some VOs.

Table 1 (continued)

Village Organization		Small Group	
Formalities	Objectives	Responsibilities	Procedures
Realization and use of loan			
Recite 18 promises at the beginning of the meeting	Collect the installment of loan offered to the members by the RDP field office.	Ensure the payment of installment of the loan taken by the members in the weekly meeting.	*The members will hand over their installments of the loan taken to their group leader.
	Collect the savings from the members.	*Ensure the payment for the weekly saving by the members. *Ensure the payment of the VO membership renewal fee and insurance premium at the year end by the members.	*In case a member fails to pay her weekly installment the rest in the group will pay the installment on her behalf.
	Facilitate proper utilization of loan taken by the member.	Ensure proper utilization of the loan taken by the members.	
Capacity Development of the members			
	Arrange formal and non-formal educational programs in order to educate and to conscientize the VO members and their children.		
	Arrange and facilitate skill development training for VO members		
Involvement in the community			
	In the case of disputes among the group members or between them and others in the village efforts should be made to resolve the disputes.		
	Protest and oppose against the illegal and unethical practices in the village.		
	By creating awareness against religious bigotry, superstition, dowry, multiple marriages and divorce without acceptable reasons develop resistance against these social vices.		
	Participate in different social activities in the village		
	Make an effort in playing leading role in the power structure of the village.		

The formalities supposed to be carried out in the VO meeting aid in the achievement of the objectives of the VO by facilitating the smooth functioning of small group. For example, number of promises, to be recited in the beginning of the meeting, are related to small group's responsibilities (Appendix 1). The members are informed about the rationale for honoring these promises in the orientation course offered to them after the VO is formed. Such an orientation along with the recitation of the promises at the beginning of every meeting is likely to create a positive attitude towards these promises, which in turn prompts the member to behave in conformity with these promises.

The procedures to be followed in conducting the responsibilities of small groups are likely to make these responsibilities more effective. For example, the involvement of group leaders in the repayment of loans by members make easier for the leaders to detect the defaulting members, consequently, measures can be taken so that these members may repay their loans.

Objectives of the study

Theoretically, it seems that the responsibilities of small group are very much in line with the objectives/activities of the VO. Thus, the effective functioning of small group is essential in achieving the RDP objectives. Such an interdependence signifies the importance of evaluating the contribution of small group in the performance of the VO.

The objectives of this study are to:

1. investigate the status of small groups in VOs;
2. investigate the extent to which the small groups contribute to the performance of the VOs; and
3. investigate the causal relationships that help/hinder the performance of the VOs.

A VO which is more effective in institution building and credit operation, has been considered closer to reaching its objectives and thus can be considered as a better performing VO. As there is a functional interdependence between the responsibilities of the small group and the performance of the VO it was hypothesized that more effective are the small groups in conducting their responsibilities, better performing will be the VOs and will also be closer to achieve its objectives.

Methodology

A total of 239 VOs were randomly selected for observation from 54,000 functioning VOs formed between 1986 and 1996, keeping in mind that the VOs selected might become proportional to VOs formed in different years. The observation was conducted in two phases. First, the field staff⁶ through first hand observation in the weekly meetings collected data on conducting of selected activities related to the formalities and objectives/activities of the VOs.

⁶The field work was assisted by 15 regular staff of BRAC's Monitoring Division. They were knowledgeable in the functioning of the VO as they had been monitoring RDP activities no less than for 5 years.

The procedure followed in the observation is given in Appendix 2. Next, in the case of those VOs having small groups a group from each was randomly selected. The group leader and two other members from the selected groups, thus totaling 300, were interviewed with the help of an interview schedule. Eighty-eight percent of the members interviewed joined their groups in the year those were formed. The schedule had provision for tabbing both structured and semi-structured responses. The activities (i.e., variables) observed in this study, were divided into two groups – variables related to VO and variables related to small group.

Variables related to village organization

1. Year VO formed (YRVF): Refers to the age of village organization. It also represents the age of the small groups within it.
2. Ringing of bell (BELL): Refers to whether bell was rung at the VO meeting spot to inform the members about the starting of the weekly meeting.
3. Punctuality of the meeting (TIME): Refers to whether weekly meeting started in time or not according to the schedule.
4. Recitation of 18 promises (PINT): Refers to whether 18 promises were recited at the beginning of the weekly meeting.
5. Sat by groups (SAT): Refers to whether the members sat by their groups and in lines in the weekly meeting.
6. Proportion present (PPRE): The percentage of the number of members present in the weekly meeting divided by the number of members listed in the collection sheet (i.e., the members who are expected to be present in the meeting).
7. Proportion saved (PSAV): The percentage of members actually paid their savings divided by number of members who were expected to save in the weekly meeting according to the collection sheet.
8. Proportion paid weekly installment (PPAY): The percentage of members paid their installment for loan taken from RDP in the weekly meeting divided by number of members who were expected to pay their installments according to the collection sheet.
9. Repayment procedure (PPRO): Refers to whether the procedure for paying dues (i.e., saving, insurance and installment for the loan taken from the office) as suggested by the VO was followed in the weekly meeting.
10. Resolution taken (RESO): Refers to whether the resolution was taken or not in the case of last loan offered to a member of the VO.
11. Village organization performance score (PERFO): In calculating the performance score of a VO the activities related to BELL, TIME, PINT, SAT, PPRO and RESO were first differentially weighted based on their assumed importance for better performance of the VO⁷. The cumulated score from these variables along with the percentages from PPRE, PSAV and PPRO represented the VO performance score.

⁷A VO received 0 point for not conducting the activities, i.e., variables 2-5, 9 and 10, but scores for conducting these. The scores for conducting the activities were: for ringing bell (BELL) 1 point; for starting the meeting in time (TIME) 1 point; for reciting 18 promises (PINT) 2 points; for sitting according to small groups (SAT) 3 points; for following the procedure in paying the dues (PPRO) 1 point; and for taking resolution for granting a loan (RESO) 1 point.

In this study BELL, TIME, PINT, SAT PPRO and RESO were all ordinal scale variables whereas PPRE, PSAV, PPAY and PERFO were interval scale variables.

Variables related to small group

1. Attendance to weekly meeting (ECME): Indicates whether the respondent encouraged or helped any of her group mates in attending the last weekly meeting.
2. Attendance to issue-based meeting (EMPM): Indicates whether the respondent encouraged or helped any of her group mates in attending an issue-based meeting held within the preceding three months.
3. Inquired repayment of weekly installment (PWII): Indicates whether the respondent inquired any of her group mates if she repaid her loan installment in the last weekly meeting.
4. Help in repaying weekly installment (HRLO): Indicates whether the respondent helped in repaying installment last time when a group member had problem in repaying.
5. Informed about loan-use (ARLP): Indicates whether the respondent was aware of how the members of the groups uses their BRAC loan.
6. Discuss on the loan (DLBP): Indicates whether the members of the respondent's group discussed together and planned on the last loan that was offered to a member of the group.

The VO and small group related variables were concerned with social actions dealing with the relationships among the members as intended by the VOs and credit related practices (Table 1 and Appendix 2). Thus, the variables covered both the institution building and credit operation of the VO.

Analysis

Both qualitative and quantitative modes of analysis were resorted in this study. The presence and the strength of the association between the variables were assessed by using statistical techniques whereas the explanation of the reasons for the presence of such associations were sought qualitatively by observing the functional interdependencies among the variables.

The presence of the interrelationships between the ordinal scale variables were tested with the help of chi-square (χ^2) technique. The number of cases representing these variables were large enough to conduct the tests (see Appendix 3 for the sample size). The strength of the associations between these variables, where the relationships were found statistically significant, were measured with the help of Pearson's contingency coefficient (C).

The analysis of variance (ANOVA) was used to find out the presence of associations in between nominal scale and interval scale variables. The strength of the associations between these variables, where the relationships were found statistically significant, were measured by calculating the unbiased correlation ratio (ϵ).

The Pearson's contingency coefficient and unbiased correlation ratio scores ranging from .01 through .33 were considered to be a weak association, .34 through .66 to be a moderate association and .67 through .99 to be a strong association.

A regression model with dummy variable treatment was considered to determine whether carrying out of the responsibilities in small groups were useful predictors of the VO performance (Model 1). This is an additive model⁸ expressed in its linear form. The pare wise selection of the variables were followed in the regressions as the number of cases for some of the variables were small in size (Appendix 2).

$$\text{Model 1: PERFO} = \beta_0 + \beta_1 \text{ECME} + \beta_2 \text{EMPM} + \beta_3 \text{PWII} + \beta_4 \text{HRLO} + \beta_5 \text{ARLP} + \beta_6 \text{DLBP} + \beta_7 \text{YRVF86-89} + \beta_8 \text{YRVF86-89} + \beta_9 \text{YRVF86-89} + u_i.$$

Attendance to weekly meeting (ECME):	1 = encouraged/helped	0 = not encouraged/helped
Attendance to issue based meeting (EMPM):	1 = encouraged/helped	0 = not encouraged/helped
Inquire repayment of weekly installment (PWII):	1 = inquired	0 = not inquired
Help in repaying weekly installment (HRLO):	1 = helped	0 = not helped
Informed about loan use (ARLP):	1 = aware	0 = not aware
Discuss on the loan (DLBP):	1 = discussion held	0 = discussion not held
VOs formed in 1986-1989 (YRVF86-89):	1 = VO formed, 86-89	0 = VO formed, 90-93
VOs formed in 1990-1993 (YRVF90-93):	0 = VO formed, 86-89	1 = VO formed, 90-93
VOs formed in 1994-1996 (YRVF94-96):	0 = VO formed, 86-89	0 = VO formed, 90-93

Heteroscedasticity could be a big problem in the regression model with dummy variables particularly with small sample size like in this study. The absence of heteroscedasticity was tested by observing the variance of the regression residuals of the independent variables through scattergrams. The residuals were roughly the same size for all values of the independent variables or slightly larger being near the mean of the independent variables indicating that heteroscedasticity was not a severe problem in the models.

Both R^2 and standard error of the regression were considered to assess the goodness of fit of the model. The unstandardized regression coefficient helped assess the theoretical or potential power of the independent variables -- how much impact did these variables independently had in bringing per unit change in the performance of the VOs. The impact of each of these responsibilities (variables) on the dependent variable was comparable as the dummy variables were measured on the same scale.

⁸ Assuming that the effect of the independent variables under consideration can be added together to assess their effect on the performance of the VO (i.e., there is no interaction effect).

Findings

The small groups were present in 42% (100) of the VOs observed. About 25% (15) of these VOs, formed in 1986-1989, had small groups compared to 39% (47) and 70% (41) in the cases of VOs formed in 1990-1993 and 1994-1996, respectively.

Following findings have been presented in three parts. First part dealt with the formation and dynamics of the small groups in relation to their impacts on the performance of the VOs. Second part observed the performance of the VOs in relation to those having and not having small groups. Third part observed the association between enactment of small groups' responsibilities and the performance of the VOs.

Formation and small group dynamics

This section deals with the procedures followed in small forming the groups and in selecting their leaders, the relationship among the members and their changes within the groups. These factors were thought to have serious bearing on the effectiveness of the groups. The last part of this section investigates the awareness of the members on the responsibilities and procedures of the small group. Such an awareness is crucial for their enactment.

Based on the initiatives taken in forming the groups three procedures were singled out. According to one procedure the staff decided on who should comprise a group. The opinion of the members were not taken into such a consideration. Rather the members residing close to each other were placed in a group. Twenty-three percent of the VOs observed were formed through this process.

Contrary to above procedure the VO members themselves decided on who should constitute their group. The members initiated the process after they were instructed to do so and after the groups were formed. The groups formed were ratified by the staff concerned. The presence of like mind and close contact were two important considerations in selecting the members for the groups. Besides the members who would not dropout from the group, be able to repay loans, remain serious in paying the dues, and had husbands supportive to the VO activities were other considerations in selecting the group members. Twelve percent of the groups were formed through this process.

Again in the case of some VOs (63%) staff instructed the members to form the groups based on a guideline. The guideline indicated that the members living close to each other may be included in a group. It was believed that it would allow the staff to contact group members easily if needed, come to the meeting together, come to each others help in needs and would be able to interact with each other easily on program related issues. Based on this guideline the group leader already selected, would decide along with the members on who should constitute their group. In these cases the groups were also ratified by the staff usually by honoring the decision of the members forming the groups.

In some of the VOs, the group leaders were selected after the small groups were formed but in the case of others they were selected in the village meetings conducted to form VO. In some of the groups, members consulted with each other and decided on who should be the leader of their groups, whereas, in other cases it was the staff who selected the group leaders. Number of factors were considered in selecting the leaders. In some of the groups the most educated and/or the senior most were selected as the leaders. The members having less work to do for their family were also selected as the leaders in some cases assuming that they would be able to give more time to group activities. Again leaders were selected for having certain qualities that would contribute to effective running of the group activities, i.e., being vocal, having capability to influence others in attending the meeting and in paying their dues regularly.

On an average, there were 4.5 members in the groups observed. Most of the groups (82%) had 5 members compared to 2 groups having 3, 10 groups having 4, and 6 groups having 6 members. All respondents belonging to the groups having 5 or 6 members were happy with the size of their groups.

About 89% (246) of the respondents could tell the name of all members in their groups correctly. The name of 98% of the members in the groups were known to the group leaders. The score for the general members was 96%. These performances indicated that the group members were well acquainted with those belonging to their groups.

Only 3 groups had unfriendly relationship among their members. As such, in one group a member stopped attending the weekly meeting, and in another a member stopped paying her weekly dues. In the case of the latter group the members shared the repayment of installments on behalf of their defaulting mates. The third group felt that such a relationship did not have any impact on the enactment of group responsibilities. As a whole bad relationship within the group was not a serious deterrent in the performance of the groups observed.

The changes (i.e., replacement, dropout, termination and addition of the member in/from the group) were not uncommon in the groups. Failing to keep up with the VO disciplines like not paying weekly installments and not attending weekly meetings regularly were two important reasons for turning out members from the groups. Such decisions were always taken by the staff.

Altogether 36 groups went through changes since their formation. Twenty-four groups changed only one member in their groups compared to 2 in the case of 5, 3 in the case of 6 and 4 in the case of 2 groups. On the average, the groups changed .60 members since their formation.

About 42% of the respondents felt that change in the groups had a positive impact on group performance (Table 2). This was because, due to terminating the membership the rest in the groups became serious in repaying their dues and in attending the meetings apprehending that same might happen in their cases if they had violated the VO policies. About half of the respondents (51%) felt that the changes did not have any impact in their groups.

Table 2. Impact of changes on the enactment of group responsibilities (n=108)

Changes	Percentage
Performance of the group became better	41.7
There was no impact in the group	50.9
Group becomes weaker than before	7.4

Twelve groups changed their leaders and they did it only once since the groups had been formed. In some of these cases (8) the leaders were found incompetent or reluctant in carrying out their routine activities in the groups. Therefore, the staff changed these leaders so that the groups might improve their performances. Again in some small groups (4) new leaders were selected as the existing ones left the VO. About half of the respondents (57%) from the groups experienced changes in the leadership indicated that such changes had no effect in the performance of their groups. On the other hand 32% opinioned that changes improved the performance of their groups; mainly because the new leaders were more serious in carrying out their responsibilities.

Table 3. Respondents' knowledge on responsibilities and procedures of small group (n=300)

Responsibilities	No.	Procedures	No.
Ensure the participation of members in weekly meeting	282		
Ensure the participation of members in issue based meeting.	84		
Before proposing a loan the group should discuss and decide the issues, like the amount of loan required and its utilization	106	*The group leader will propose for the loan on behalf of the members in the weekly meeting. *The group leader will sign the guarantee bond of the loan taken by the member.	143 118
Ensure the payment of installment of the loan taken by the members in the weekly meeting.	249	*The members will hand over their installments of the loan taken to their group leaders. *In case a member fails to pay her weekly installment the rest in the group will pay the installment on her behalf.	115 118
Ensure the payment for the weekly saving by the members.	67		
Ensure the payment of the VO membership renewal fee and insurance premium at the year end by the members	6		
Ensure proper utilization of the loan taken by the members.	63		

Note: 'No.' represents the number of respondents answered correctly.

groups was higher than that without small groups. The association between the performance score and the presence of small groups was also significant and strongest in the table.

The associations between the activities and the presence of small groups found statistically significant in Table 5 were similar to those as observed in Table 4, but with few exceptions. That is, the recitation of 18 promises, savings and repaying loan in the case of VOs formed in 94-97, 86-89 and 86-89, respectively, had no association with the presence of small groups in them.

The strength of associations between the presence of small group and recitation of 18 promises, depositing savings in weekly meeting, repaying loan, and VO performance score gradually became weaker with the aging of VOs. In contrast, the strength of associations between the attendance to weekly meeting and the presence of small group became stronger in the VOs with the passage of time. On the other hand, the pattern of association between following the procedure in repaying dues and the presence of small group appeared to have no consistent trend among the VOs formed at different time periods.

In spite of the exceptions observed in the case of associations between number of VO activities and status of small groups it may be concluded that in general the association between the presence of small groups and the activities within these VOs gradually became weaker with the aging of the VOs and the VOs with small groups performed better than those without having the same.

Almost all the respondents (99%) expressed their support of the latter conclusion. They also provided insights of the mechanisms as to how small group contributed to the better performance of the VO (Table 6).

Table 6. Contribution of small groups for better performance of the village organization (n=471)

Procedures	Percentage
Regulates the behavior of members	39.1
Develops intimacy among the members	42.7
Helps staff to conduct meeting effectively	17.8
Does not contribute to the performance	.4

1. The group prescribed code of actions needed to be followed by its members. For being aware of these codes the respondents followed those of their own. Following of these codes facilitated smooth functioning of the VO and in achieving its objectives. For example, members needed to sit by their groups and in lines in the meeting. Such a

behavior contributed to the systematic operation of the meeting by bringing order and discipline in it. Consequently it became possible to pay the dues within a short period.

In paying the dues members handed over their dues all together to the staff through their leader and management committee member. This procedure, in one hand, helped in avoiding errors that could occur in receiving dues by the staff, and in another helped in managing the meeting. The group delineated an authority to its members to comply each other within it to conduct their group responsibilities. As a result the members influenced and/or pressured each other to conduct their responsibilities. It was mentioned that without the presence of the group it would have never been possible to bring unruly members to the meetings. Such controlling of behavior by the group contributes to the efficiency of the VO.

2. The enactment of group responsibilities increased the level of interaction among its members. Consequently, intimacy and a sense of caring for each other developed among them. Such a psychology brought them to each others help in the case of need. When a member failed to pay her weekly installment rest in the group willingly came forward with help. As a result, the member was saved from defaulting in paying weekly installment and the VO from an overdue indicating a bad performance of the VO.
3. The small group helped RDP staff to conduct VO meeting effectively. It became easier for the staff to manage the members in the meeting when they were sitting by groups. Any member breaching the discipline in the meeting, like talking with others can be effectively stopped from doing so through her group leader. Also because of sitting by their groups in the meeting the members abstaining from the meeting or failing to bring their dues could be detected easily by the staff, and necessary measures could be taken to bring the absentee members to the meeting. It was felt that these actions could be taken promptly only when there were groups in the VOs. Occasionally when it became necessary to pass any information to the members, other than in the meeting, it could be done easily through the group leaders. The respondents observed that in the case of training of the VO members the group leaders could help the training effectively by managing their own group in the training place. From this observation it was believed that the small group by helping staff to become more efficient had contributed to the performance of the VOs.
4. In contrast to most of the respondents, 2 of them felt that the presence of small group in a VO did not add to its performance. They were of the opinion that the staff and the committee were sufficient to run the meeting effectively and in fact they did it in all the cases.

Small group responsibilities and performance of village organization

The performance of the village organizations were regressed on the small group responsibilities and the formation years of the VOs (Table 7). The VO formation years were taken as predictors in the regression as findings in Table 5 indicated that the performance of the VOs varied with the years those were formed.

Table 7. Regression on the performance of village organizations (based on Model 1)

Variables	B	t
ECME	38.667	3.480***
EMPM	81.829	5.526***
PWII	-3.272	-.308
HRLO	33.894	2.939**
ARLM	-19.766	-1.609
DLBP	-5.261	-.407
YRVF86-89	193.306	10.783***
YRVF90-93	228.493	16.158***
YRVF94-96	268.494	18.695***
Constant	-	
R square	.983	
Standard error	33.180	
F value	381.238	
Significance of F	.000	

Significance levels **p < .01 ***p < .001

ECME - Attendance in weekly meeting.

EMPM - Attendance in monthly meeting.

PWII - Inquiring on payment of weekly installment.

HRLO - Help in repaying weekly installment.

ARLP - Productive use of loan.

DLBP - Discuss on loan within group.

The regression with R^2 0.98 indicates that the Model 1 was considerably effective in explaining the performance of the VO⁹. It appeared that enactment of number of small group responsibilities had contributed effectively to the performance of the VO. The ensuring of attendance in the weekly meeting had contributed most to the variation in the performance of the VO followed by ensuring of attendance to the issue-based meeting and providing help in repaying weekly installments. The beta coefficients indicate that ensuring the attendance of group members in the weekly meeting had resulted in the increase of the VO performance score by about 82 points. Similarly, ensuring the attendance of group members in the issue-based meeting and helping them in repaying weekly installments had resulted in the increase of the VO performance scores by about 39 points and 34 points, respectively.

Besides the small group responsibilities, the formation years of the VOs were also important predictors in the variation of their performance. The VO formation years, 1994-1996 was the most important predictor to the variation of the performance followed by 1990-1993 and 1986-1989. The associations indicated that the formation years of the VOs contributed independently to their performance besides the enactment of small group responsibilities. The

⁹Besides goodness of fit of the model another reason for having high R^2 value was that the regression was conducted without a constant.

findings raised an important question -- why the performances of the VOs with small groups had declined with their aging?

Strategies followed in carrying out responsibilities and procedures of small group

In carrying out the responsibilities and procedures of the small group different strategies were followed. Tables 8 through 10 presents the number of times different strategies were implemented by the respondents in their groups. The observation of these strategies and their outcome gave an insight on how the enactment of the small group responsibilities led to the better performance of the VOs.

Before the meetings the members visited each other's house, got themselves together and attended the meeting. The staff also encouraged such a practice. This activity was facilitated by forming the groups with the members living close to each other. The close proximity of their houses allowed them to visit each other's houses without any inconvenience.

Table 8. Strategies contributing to members' participation in the meetings.

Strategies	Weekly meeting (n=131) Percentage	Issue based meeting (n=68) Percentage
Collectively participated in the meeting	70.3	95.6
Helped members attend the meeting	7.6	-
Informed members about the meeting schedule	22.1	-
Convinced members to attend the meeting	-	4.4

Note: Issue based meetings were held in 23 VOs.

A member visiting the house of another member with an intention to take her to the meeting encouraged the latter to attend the meeting for three reasons:

1. Reminded the member visited that it was her obligation to attend the meeting. Besides she felt obliged to come to the meeting by thinking that it would be rude on her part not to accompany the visiting member to the meeting as such behavior would hurt the former's feeling. Thus the member visited felt inclined to accompany the member visiting to the meeting.
2. The mere presence of a member in the house of another on her way to the meeting encouraged the latter to attend the meeting. The former's behavior had a demonstration effect on the latter.
3. The members visited attended the meeting simply to have company of the members visiting and others in the meeting.

In those cases where the visiting members found that the members visited were reluctant to attend the meeting the former tried to convince the latter through two processes.

1. Requested the member visited to attend the meeting. The requests were usually sufficient to convince.
2. The visiting member tried to convince the member visited by pointing out the undesired consequences of not attending the meetings, i.e., there would be a delay in sanctioning of loan by the office or difficulty in receiving loan from the office.

In the case of weekly and issue-based meetings held at a date not scheduled before or rescheduled due to Eid holidays the group leaders informed their members about the revised/latest meeting schedules along with a reminder that they should attend those in time.

In number of occasions, when members visited their mates' house on the way to the meeting they also help the visited in finishing up the works so that they might attend the meeting. For example, the visiting members helped a member visited in loading the buckets with paddy spread out in the courtyard for drying. There were also occasions when the group leader along with members helped the sick members absents from the meetings by buying medicines for them. Such actions helped in their attendance to the meeting as they could do so only after getting better.

In occasions the members were reluctant to attend issue-based meetings since they attend a meeting every week. Against such a reaction, group leaders tried to pursue them in attending the meetings by mentioning its significance -- important issues would be discussed and by attending these meetings they would have a chance to learn those, and unless they attend the meeting they would face difficulties in receiving next loan.

In most cases when members were in short of cash, which they needed to pay as weekly installments, their mates under the initiative of the group leaders, raised a fund from among themselves and lent that to the members in problem so that they might pay the installments in time (Table 9). The involvement of the members in such helps ranged from whole group to some within it.

Contrary to monetary help to the group members in number of occasions the group compelled them to manage installments of their own efforts. When members were found to have attended the meetings without installments groups also compelled them to leave the meeting by asking them to come back with the installments before the meetings were over. Again when members were found not attending the meetings presumably for not having the installments their mates, in occasions, collected it by going to their houses or by getting them to the meeting with the installments. In such cases the members visiting exerted collective pressures so that the abstaining members were compelled to manage the installments.

There were also members in groups who not only remained absent from a number of weekly meetings but also defaulted in paying installments. After failing to compel these members in paying their dues the groups decided that the outstanding loan would be adjusted from their savings deposited earlier to the office. In such cases the groups contributed to the performance of the VOs by proposing the decision to the staff.

Table 9. Strategies contributed to the payment of weekly installment by members with problems in doing that (n=96)

Strategies	Percentage
Group members provided loan	70.8
Compelled members to manage installment of their own	22.9
Adjusted from the defaulters' savings	5.3
Confiscated the property of the defaulter	1.0

As an exception to the above mentioned conventional procedures a group after failing to compel one of its members in repaying the loan taken from the office the group with the help of the management committee arranged a village court (*shalish*). The court decided that the defaulter would have to pay back the loan within a set time and in case she failed to do the same office might confiscate her property having the market price equivalent to the loan that was due from her.

Though the members had some idea about the purposes for which the loans were taken by their mates particularly in the case of those loans where the formalities for taking were followed, but in most cases the respondents did not have any idea about how these loans were utilized (Table 10).

In those cases where it was known that the members had planned for nonproductive use of the loans or used their loans non productively, their mates reacted negatively in both the situations¹⁰.

Table 10. Strategies contributed to productive use of the loan (n=256)

Strategies	Percentage
Mode of loan utilization not known	75.7
Adverse reaction of office for nonproductive use of loan	4.3
Paying of weekly installments would not be relaxed	2.0
Nonproductive use of loan would result economic hardship	18.0

In those cases where nonproductive use of loans had already been made the group mates did not have much to do other than condemning such actions. In the case of these occasions, particularly the group leader reacted by telling them that they would have problems in receiving the next loan and there would be a delay in sanctioning of loans to them by the office in future.

¹⁰The utilization of RDP loan which would not yield economic profit have been considered as nonproductive use of it.

They were always reminded that in spite of making a bad use of their loans they would have to pay back the loans through regular weekly payments. They were also cautioned that their memberships would be cancelled in future for making such an use of loans.

In those cases where groups got winds that their mates had been planning to make nonproductive use of their loans, the group leaders along with the group members tried to convince them from making such an use of their loans. In these efforts they were also reminded that it was absolutely necessary to make use of their loans only for the purposes for which those had been granted, otherwise they would have problems in repaying their weekly installments. They were also cautioned that the unproductive use of loans instead of upgrading their economic conditions would in fact worsen it as they would not have any extra income for the repayment of the weekly installments. Consequently there would be more economic hardships for their families than what they were having.

The members planning for unproductive use of loans were also warned that the BRAC office would be informed about their such intentions. As a result there would be a delay in offering loan to them in future. In some cases it was also mentioned to them that if they had failed to repay the loans for making bad use of it their belongings would be confiscated to realize their debts.

The strategies were implemented both solo and in collaboration. The group leaders felt that they had more responsibilities in carrying out the group responsibilities than the rest in their groups. This prompted the leaders to take lead in the enactment of small group's responsibilities in most cases.

Conclusion, Discussion and Recommendation

The RDP formed the village organizations by formulating their objectives precisely and by laying out explicitly the activities the members comprising it needed to carry out. These activities are designed as such to make these supportive to the achievement of the VO objectives. On the other hand, small groups by helping the VO members in carrying out of their responsibilities indirectly contributed to the achievement of its objectives.

The study assumed that if small groups were serious in enacting its responsibilities the VO activities would be carried out well and the VO objectives would be achieved. The study mainly investigated the nature of association between the enactment of small groups' responsibilities and carrying out of the VO activities.

The policy of forming small groups with 5 members were found to be most effective in terms of their size, in developing trust, intimacy and confidence among the members within the groups (Hye 1996); so much essential for their effective functioning in the VOs. Although there were some changes within the groups, brought about, particularly to enhance the discipline of the groups, in general 86% of the members joined their groups when those were

formed. Such changes along with the stability of the membership within the groups were observed to have contributed to the cohesiveness and solidarity of the groups.

In selecting the members and leaders for the groups variety of procedures were followed ranging from full to no participation of the members in the process. No matter what was the selection process, the respondent did not have any complain against those processes nor they objected to the inclusion of any member in their groups or to the selection of the group leaders through these processes. The presence of a complain could have created an unhealthy group dynamics and hindered effective functioning of the groups.

The principles followed in forming the groups, no matter what was the nature of the initiative in forming those, were to maximize their sustainability and functional effectiveness. The former was tried by making it more homogeneous and cohesive in terms of different characteristics present among the group members, e.g., age, education, etc., whereas the latter was tried by including the members living close to each other in the same group.

The absence of any incidence where a member had to be dropped from the group because of having problems in adjusting with others in their groups indicates that the relationships among the group members were harmonious, besides the respondents testified about the presence of such a relationship in their groups.

The composition of the groups and the dynamics within the groups indicated that those were supportive to the effective functioning of the small groups. In contrast, the awareness of the members about the responsibilities and the procedures of the small groups, the enactment of which were dependent on being aware about the same, were not up to a desired level. The deficiency of such knowledge probably was not an obstacle on the way to the enactment of the small group responsibilities and procedures. In many occasions the responsibilities and the procedures were enacted collectively by the members. In these occasions the lack of knowledge of a member regarding a VO activity have been compensated by her mates having such knowledge.

The VOs with small groups were better performed than those without groups. This was because the presence of groups had in one hand helped the staff in conducting the VOs effectively, and in the other hand, the group responsibilities induced the members to carry out their VO-related activities.

The enactment of small group's responsibilities, i.e., helping group mates in attending weekly meeting, issue based meetings and repaying weekly installments for the loan taken from BRAC contributed to the performance of the VOs. In contrast, inquiring group mates about the payment of weekly installments, planning on loan use through discussion within the group before applying for it, and ensuring productive use of loans by them appeared to have no influence on the performance of the VOs. This was probably because the enactment of these responsibilities did not have direct bearings on the performance of the VOs, as of same level, as observed in the case of those variables contributing to the variation of the VO performance.

The successful enactment of small group's responsibilities by a member made her mates to conduct the VO activities. It was observed that the group members resorted to different strategies to make their mates carry out the VO activities. These strategies could be categorized into three: request/convince, compel, and help group mates to carry out VO-related activities. Both single and a combination of these strategies were adopted to make group mates carry out their activities.

The study indicated that age of the VO contributed to its performance and such a contribution gradually became smaller with the aging of the VOs. This was because there might have been a mechanism working within the VOs which contributed to their performances independent of that resulting from the enactment of the small group responsibilities. The look out for such a mechanism in support to this assumption was sought in the reasons for not conducting the small group responsibilities (Appendix 4).

A good number of the respondents who did not enact their small group responsibilities did so as their group mates carried out VO activities of their own. They did not need others' help in conducting these responsibilities or did not give others' a chance to help them in conducting these responsibilities (Table 11). Because of this tendency it was likely that these VOs had higher performance scores even if the group members were inactive in conducting their responsibilities. Table indicates that less number of the respondents refrained themselves from conducting their responsibilities with the aging of the VOs. This explains why the age of VO became a weak predictor in explaining the performance of the VOs as they matured.

Table 11. Responsibilities not conducted as group members enacted village organization activities of their own will (%)

Responsibilities	86-89	90-93	94-96	No
Ensured participation of members in WM	11.1	35.7	53.2	154
Ensured participation of members in issue based meeting	5.8	37.1	57.1	35
Discuss on loan in group before proposing for it in the WM	-	25.7	74.3	35
Ensure payment of installment of loan taken by members in WM	10.5	22.6	66.9	133
Ensure proper utilization of loan taken by the group member				-

WM - weekly meeting

The performance scores of the VOs declined with their aging (Table 12). The decline was at the rate of 1.6% per year for the VOs both with and without small groups. The scores decreased simply because the respondents were not carrying out the VO-related activities by themselves (i.e., not being under any influence from the group mates) and the members were not ensuring that their group mates were carrying out the VO activities.

Table 12. Performance scores of the village organizations (n=300)

VO status	1986-1989	1990-1993	1994-1996
Without small group	53.3	59.3	69.6
With small group	67.1	72.5	83.1

Note: maximum possible performance score is 309

Although the respondents mentioned a variety of reasons for not enacting small group responsibilities, the conversations with them elicited two important factors (not discussed before) assumed to have contributed to the decrease in carrying out small group responsibilities.

1. With the passage of time the group members increasingly started believing or became conscious about the fact that the enactment of the responsibilities would not bring any gain to them, thus whatever time they would spend on enacting group responsibilities it would be a wastage. This belief discouraged them in enacting the group responsibilities.
2. With time the respondent increasingly started believing that the only purpose of their participation in the VO were to receive credit from BRAC. The presence of such an attitude was also supported by other studies (Mannan et al. 1995).

The development of these beliefs made self-interest predominant over the group interest. They developed the impression that ensuring the group mates carrying out the VO activities would not bring any direct gain for them. Thus, they became reluctant in carrying out group responsibilities. The system of peer pressure deteriorated in the groups but without giving up the solidarity and cohesiveness within the groups.

Although it is possible for VOs to have a higher standard of performance independent of the contribution of small groups the study suggests that the RDP should continue its present policy of forming and preserving small groups in the VOs. This is because of two important reasons. First, it has been proven that small groups contribute to the performance of the VOs. Second, in the case of VOs without small groups the members carrying out the VO activities of their own, for some reason, if they become disinterested in caring out of such activities, the performance of these VOs would fall. In such a situation the presence of active small groups within those would influence the members in carrying out the VO activities. Thus, the VOs would be able to uphold their performances.

The study observed that, in number of occasions, the set procedure for receiving loans were violated as the members could receive those by bypassing the procedures. The bypassing of the system was possible mainly because the concerned staff was not serious about the procedure to be followed. It is suggested that the RDP staff should be more vigilant about that the small groups carry out all the responsibilities and should be supportive to such an effort. It was believed that such patronage of the staff would make the groups more effective in carrying out their responsibilities.

The study indicated that the VOs with small groups were performed better than those without such groups and elaborated the mechanisms how such groups contributed to the VO performances. All these encouraged us to suggest that small groups should be introduced or activated in the VOs not having those. It is likely that such an action will contribute to the better performance of these VOs.

Eighteen promises for recitation by the members in the beginning of VO meetings

1. Will not work for corruption and injustice.
2. Will work hard to prosper the family.
3. Will send children to school.
4. Will adopt family planning procedures and keep family size small.
5. Will remain and keep house clean.
6. Always drink clean water.
7. Will keep food covered and will not take it without washing hands and face.
8. Will not defecate anywhere, will make latrines.
9. Will plant trees and grow vegetables in the corners around the house.
10. Will help others in any situation.
11. Will fight against polygamy and abuse of women.
12. Will remain loyal to the organization and abide by its rules and procedures.
13. Never sign any thing without understanding it well.
14. Will attend weekly and monthly meetings regularly and in time.
15. Will abide by the decisions taken in the organization.
16. Will deposit the weekly savings regularly.
17. In case loan is taken, will repay it in time.
18. Will rear both boys and girls equally.

The procedures followed in observing village organizations

The VOs selected for observation were not disclosed to RDP staff or to any VO member. Such policy was adopted to avoid/minimize the influence of the field staff on the usual operation of the VO meetings. To observe the VO activities the field staff arrived at the meeting spot at least 20 minutes before the scheduled time and left the spot only after the meeting was officially closed. The observations were conducted on the following VO activities in weekly meetings.

1. Ringing of bell: The field workers observed whether the bell was rung at the meeting spot before the commencement of the meetings.
2. Punctuality of the meeting: The field worker observed whether the meeting started as scheduled. The recitation of 18 points or opening of the VO account to receive the dues from members where recitation was not done were considered as the starting of the meeting. The meeting starting 30 minutes late was also considered to have started on time.
3. Recitation of 18 promises: The field staff observed whether 18 promises were recited at the beginning of the meeting.
4. Existence of the small group: Number of steps were followed in confirming that small group existed in the VOs. The RDP AOs and the VO Management Committees were asked to provide official records on small groups. If any of these sources could furnish the official record to the VO was considered to have small groups provided the members present in the meeting could sit behind their leaders by themselves as recorded in the document. In the case of those VOs where official record existed but sitting by the group was not practiced in the meeting, if the members attending the meeting could tell the name of all other members belonging to their groups correctly, it was considered that the groups existed in those VOs.
5. Sitting by small groups: The field workers observed whether the members practiced sitting by small groups in the meeting. The sitting members were tallied with the group member's list provided by the office or VO to find out whether they sat correctly behind their leaders. If majority of the members were found not sitting behind their leaders it was considered that the VO did not follow the policy of sitting by the groups in the meeting.
6. Attendance in the meeting: The members attended the meeting for any length of time in between opening and closing of the VO account for the receipt of the payment against the dues (i.e., payment of the installment for the loan taken, payment of the weekly savings and insurance) were considered present in the meeting. The field workers themselves recorded the attendance.
7. Information from the collection sheet: The information on the strength of the VO, the members who were expected to save, the members who were expected to pay weekly installment for loan taken from the AO were derived from the VO collection sheet.
8. Following of the repayment procedure of the dues: According to the policy of the VO it is expected that the members hand over their dues to the group leader who in turn will do the same to the cashier of the VO. From the cashier the staff will receive the dues. The receipt of the dues will be endorsed by the staff by signing the collection sheet and the pass book

of the VO members paying the dues. The field staff observed whether this procedure was followed while collecting the dues from the members in the meeting.

9. Resolution taken before offering loan to the meeting: The process of getting loan from BRAC by a member should start through discussion and planning on the loan within the group. After the group decides that a member will take a loan the leader of the group on behalf of the member proposes for loan in the weekly meeting. After the proposal has been okayed by the management committee a resolution for the loan is prepared by the staff and preserved in the office file. To find out if the procedure was followed, the field workers investigate whether the proposal was made for the most recent loan provided to a member in the VO. It may be mentioned that the procedure of giving loan has changed considerably in the recent past.

Appendix 3

Sample size by years VO formed

Variables	1986-1989	1990-1993	1994-1996	Total
ECMC	42	129	124	295
EMPM	20	55	29	104
PWII	36	98	93	227
ARLM	43	132	125	300
HRLPO	38	104	95	237
PLBP	43	130	121	293
YVFR	43	132	125	300

ECME - Attendance to weekly meeting.

EMPM - Attendance to monthly meeting.

PWII - Inquiring on payment of weekly installment.

HRLO - Help in repaying weekly installment.

ARLM - Productive use of loan.

DLBP - Discuss on loan within group.

The reasons for not carrying out the responsibilities and procedures of VO by the group members

1. In some small groups the members cooperated with the objective of the VO on their own. There was no need to remind these members or help them in carrying out their responsibilities. Occasionally when some of their group mates failed to attend the meeting they always sent their installments through others. The respondents after observing such behavior in their groups for some time, developed an impression that it was not necessary to carry out the responsibilities of small group to up-hold their performance.
2. In some groups the leaders regularly and efficiently conducted their responsibilities. Such an initiative developed an impression among the group members that it was okay if they did not conduct their responsibilities as their leaders were doing that satisfactorily and without a complain that group mates were not performing their parts.
3. Some of the respondents were over burdened with responsibilities in their families thus they could not spare time in conducting group responsibilities. The respondents representing this group had younger children and or cattle to take care of. Some of them had to help their family in farming or running small business.
4. The respondents who themselves defaulted in conducting the activities of the VO, e.g., habitually remained absent from the meeting, attended late in the meeting, or defaulted in paying their dues, refrained themselves from carrying out their small group responsibilities. They felt that they did not have rights to ask their mates to carry out the VO activities.
5. There were some college going members whose classes coincided with the weekly meetings. In the case of these members and also for some others who defaulted in repaying their loans the respondents refrained themselves from conducting their group related responsibilities assuming that their effort would not bring any desired result.
6. The respondents located far from rest of the group mates refrained themselves from calling their mates to the meetings as it would have taken lot of their time and energy in doing so.
7. Some of the respondents, usually young housewives, had problems in going around their fellow mates' house on the way to the meetings as their families objected to such a practice. Their families believed that if they went around different houses in the *para* (a subdivision of a village) every week it would bring socially a bad name to them and their families.
8. A member whose economic condition was worse off than that of the rest in the group refrained from performing her responsibility assuming that nobody would listen to her advice because of her abject economic condition.
9. Some of the respondents in spite of having all good intentions to help their mates in repaying the loans could not do so as they did not have any money to lend. Again, the respondents in spite of having money to spare did not help in similar situations as they were not confident that their loans would be paid back.
10. Some of the respondents could not contribute to the productive use of loans by their mates as the latter did not disclose as to how they had spent their loans. It was also believed that

asking others how they had spent their loans would not be liked and would result in a bad relationship. Thus, some of the respondents refrained from inquiring as to how their mates had used their loans.

11. In number of occasions it was not possible to hold discussion on loan in the groups as the members directly talked to the staff and/or VO management committee and received loans with their help. In these cases the procedure for conducting discussion on loan was bypassed.

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