BRAC

IMPACT ASSESSMENT STUDY OF BRAC'S
Rural Development Programme

Final Report
(unedited draft for comments)

August 1995

Shams Mustafa, Ishrat Ara, Dilruba Banu, Altaf Hossain, Ajmal Kabir, Mohammad Mohsin, Abu Yusuf.

Research and Evaluation Division

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Consultants

Dr. Angelika Brustinow (CDS, Swansc), Dr. Martin Greeley (IDS, Sussex) and Dr. Richard Montgomery (CDS, Swanse)

Executive Summary

1. The poor in Bangladesh is not served by either the formal sectors including the banking, and the informal credit market . Targeted developmental programmes' credit support improves the poor's income earning capacity and enhances productivity. BRAC's Rural Development programme has served on increasing number of the rural poor with education, technological services and credit support . A limited member of research studies have shown that RDP's impact on the lives of the poor is positive. The Donor Consortium of RDP and BRAC Management agreed that a substanfied impact assessment was required to gain a better understanding . The DC supported the efforts of BRAC's Research and Evaluation Division in conducting the assessment by engaging two consultants from the University College, Swanse, and a third from IDS, Sussex. The CDS, Swansea also hosted two members of the IAS for six week to facilitate the production of a mainfindings report.

2. The Rural Development Programme was launched in 1986 following the amalgamation of two experimental Programmes. These were the Outreach Programme, and the Rural Credit and Training Programme.The third Phase (1992-1995) of RDP's operation is currently in its final year. In its second (1989-1991) and third phases RDP's operation underwent rapid horizontal expansion. During these phases a major change was made in RDP's strategy by shifting its focus nearly entirely on women.

3. The study methodology was constructed on the foundation of a specific definition of poverty and of an integrated approach to the assessment of poverty alleviation. The definition of poverty conceptualizes it with reference to " capabilities" and institutions which was the definition used in the Report of the Taskforce on Poverty Alleviation. A key indicators approach (as opposed to singular measures) to poverty alleviation includes the following : a) maternal well-being of the households , vulnerability to seasonality and economic security, c) changes in women's lives, and d) development of village organisations as institutions.

4. The impact of RDP is assessed by using a set of hypotheses. The hypotheses were specified with reference five factors under three broad categories; a) village context accounts or economic dynamism of the micro-regions in which, b) the household context sustain its existence with a certain level of human and material resources, prior to joining c) RDP which creates access to credit and other resources and services.

5. The concept of impact that is used in this study distinguished it from output and 'effect'. 'Outputs' are the results of programme inputs in relation to the program's planned performance.

Output data are those which the Monitoring Unit collects on a regular basis (e.g. amount of credit disbursed, number of borrowers, etc.). Thus , the term 'output' should not be used to refer to the changes in the clienteles' situation (either immediate effects or longer term impacts) caused by a programme. 'Effects' of development interventions are commonly distinguished from 'impacts'. 'Effects' are immediate changes, which may not last for more than a short period. 'Impact' is a term which normally refers to sustained structural changes in well-being, i.e. changes which have a lasting effect.

Three instruments were used for data generation.

6. A household Survey of BRAC and non-BRAC clientele, using a pre-coded questionnaire, and conducted in two rounds to capture seasonal variations in marial well-being (November 1993; February 1994). The questionnaire collected information on household features, inputs received from RDP/RCP, economic details (income assets, food stocks etc.) and some indicators for social attitudes and behavior, and socio-political relations. The household survey covers a total of 2250 households of which the RDP households number 1500 , and socio-economically comparable 750 non-RDP households.

7. Village Profiles using a structured form - the information for which was collected from small groups of key informants. The data includes presence of governmental or other programme interventions, infrastructure features (such as transport and marketing facilities) and access to institutions (such as medical and banking facilities). The Village Profiles contribute to the assessment of the significance of BRAC inputs in relation to other socio-economic conditions and variables, including regional differences . The Profiles are constructed for 225 villages of which 150 are RDP villages and 75 are villages where RDP is not present (from these the comparison households are sampled)

8. Village Organisation Case Studies using informal and a limited number of RRA/PRA techniques, to obtain both quantitative and qualitative information . A selected number of (15) case studies contribute to the analysis of BRAC member' socio -economic context. For example, RRA/PRA techniques such as wealth-ranking and timeline -trees were used to identify changes in wealth differentials, gender relations, group development and cohesion, and the relationship between RDP and NFPE schools. The VO case studies were selected on a random basis from the villages in which the BRAC household survey took place.

9. With respect to the contextual factors, there appears little or no difference between the villages where RDP is in operation and where it RDP is not. Among the RDP membership the proportion of the sample that meet the targeting criteria (of not owning more than 0.50 acre of

land) is 72% for male category and 84% for the female . Targeting has improved in the female category in recent years whereas it fluctuates in the male . The proportion of female headed households stands at 12% for the female category, 4% for the males and 4.5% for the comparison. The number of working age population (>12 yrs) in the households on average respectively is 4, & 3.5 and 3.2.

10. The membership length of the RDP households show that there are more new recruits in the female Category (47% less than one year) than it is in the male (7%) . About 51% of the female category sample has been trained by RDP, compared with 26% for the male. RDP has provided credit support to 94% of the male category and to 67% of the female .

11. Overall, the IAS results indicate a consistent movement along the path to greater wealth and expenditure, according to loan size and membership age. While there are undoubtedly other non-RDP factors which influence the real level of wealth of different households, the finding of the analysis is when RDP households receive substantial amounts of credit over a long membership period significant changes become measurable. In addition , the results show that RDP is impacting on less well off (low endowment) households to a comparatively greater degree than better off households; and furthermore they imply that the focus on (generally poorer) female members is more effective in bringing benefits to BRAC's target group than would be the case with a higher proportion of male membership.

12. Change in the nature of households assets, with increases in the monetary value of productive (revenue earning) fixed and working capital, along with investment in housing structures,suggest both greater economic security and an improved standard of living for " older" members of RDP. Such enhanced security is confirmed most clearly by the reduced seasonal fluctuations in income, expenditure, food consumption and stocks for those members who joined RDP more than two and a half years ago , and have received over Tk 7,500 of cumulative RDP loans. These findings clearly indicate that seasonal vulnerability of such households has decreased markedly.

13. In addition, the evidence concerning enhanced coping capacity is generally positive. There is a trend to " withdraw" from the informal credit market, the average amount of credit taken by " older" members declines, and the use of both RDP and informal loans for consumption or hardship purposes decreases with length of membership, just as households experience improvements in their material well-being and ability to weather seasonal lean and peak periods.

14. While dramatic changes are not evident , there are some (more gradual) changes which BRAC has brought about in female members' lives. After receiving loans women's status has increase within the household. Some have experienced greater mobility . Many of the members involved in BRAC "sectoral" programmes have gained more control over their income, and the ability to decide about how (and how much) to save and spend on themselves and on their children.

15. However, from the experience of the case studies the majority of rural house-bound women have few opportunities to use loans by themselves without some assistance of male family members. the women have few alternatives other than to hand over part or all of their loans to male kin, which often means they cannot exercise full control over their loans and credit based resources.

16. It is acknowledged that institution building is a lengthy and complex process.The 'hiarerely of needs' of the poor is contextualised in the plurality of poverty ' in which the poor are not an 'undifferentiated mass' , with respect to the outcome of the impact assessment. The imperative of physiological needs shapes the consciousness of the poor in which such ideals as collective existence, the V0s acting as units of representing the connective interests of the members or the evolution of VOs as autonomous autonomous cntitics , arc unlikcly to grow.

17. In general, discipline and enthusiasm is more evident in the newer and female VOs . This is due primarily to the fact that such discipline is seen as a pre-condition for applying for credit. Over time , such discipline declines , ideal procedures become less common, and meeting attendance becomes more erratic. VOs rarely undertake additional activities in a collective manner, or independent from BRAC's initiative, suggesting that they are not progressing to semi-autonomous institutions.

18. In the few cases in which VOs have acted as a collectivity in the past , their success appears to have been connected to high levels of staff motivation . One VO which had been established during the Outreach period when staff interaction was more intensive- reported a history of attempting collective activities. These ceased, and many members have left, during left, during more recent years under RDP.

19. After a second or third cycle of an NFPE school the degree of VO involvement (measured by the number and proportion of member-children attending) tends to decline. However , VO's retain a pride in , and link with school affairs, which implies that they remain a key benefit for VOs . The schools provide a highly valued service to poorer families; perceptions of school quality are overwhelmingly positive. Except for the issue of religious curriculum content, few criticisms were

voiced during group interviews. Examples of conflict are rare. However, the case studies also show that NFPE schools are not exclusively " poor peoples" schools, but tend to include children from all wealth classes . This , in effect, is a result of the schools' perceived qualities they are attractive to these outside of BRAC's target group.

21. Issues for further research

- *The concept of cash earning as an indicator of well-being.*
- *The so called 'Critical mass' argument.*
- *Changing pattern of food security of households.*
- *Servicing of RDP debt , and indebtedness relative to saving and to net worth.*
- *Women's control over income : outsiders perception vs the insiders*
- *The VOs in the conception of its members : the outsiders idealism vs the insiders' consiousness*
- *Why do some members discontinue participation's ?.*

Acknowledgment

The Impact Assessment Study project is indebted to a number of individuals and organisations. The consortium of donor's support enabled the research team to benefit from the consultants whose guidance was valuable. Dr. AMR Chowdhury and Mr. Gulam Sattar, Director and Manager respectively, of the Research Division , provided encouragement and advice without which the project might not have been completed. Mr. Fazlul Karim , Senior Research Epidemiologist of RED, and his team of researchers sacrified the use of the computer that was assigned to them, for IAS use . Mr. Karim's advice and suggestions enriched the understanding of the IAS team with regards to health related issues. Messers Shahriar Khan and Samir Nath provided valuable advice thereby improving the understanding of the IAS team on issues related with statistics (during the absence of Md. Mohsin who is the statistician for IAS).

The construction of the survey questionnaire of IAS benefited from earlier surveys carried out by RED researchers. The bulk of the household survey questionnaire is based on that used in the survey of oxbowlakes Community. The components on attitude to women's mobility, knowledge of the laws and of everyday skills, are borrowed from the questionnaire of the ICDDR,B and BRAC joint research project in Matlab.

The Managers and other staff members of the RDP Area Office at respective 15 study locations shared with the three field investigators of IAS their already crowded accommodation facilities. The cooperation and Hospitality of the Area staff is greatfully acknowledged.

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Two seminar presentation of the preliminary results were made respectively for the representatives of RDP's donors consortium and for the senior managers of RDP , their comments shed new lights on the data.

The centre for Development Studies at Swansea hosted two members of the IAS team for six weeks to produce the main Findings Report. The members of CDS provided sincere cooperation and hospitality to their visitors. Ms .Julia Rees of the CDS and Mr. Nigel of the Economics

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Messers Nazmul Huda Chowdhury, Arabinda Nath and AKM Shafiqul Islam of BRAC's computer centre led the computerisation and data cleaning process for the household survey data. Messers M. Monsur Alam Chowdhury and Soaib Ahmed competently led a team of upto 15 coders and editors who performed a difficult task which was complicated by unforeseen problems. Messers Mamun-ur-Roshid and Swapan Kumar Dev Roy tirelessly and diligently operated the computers for data analysis , under great presser. They have put in hours of work for larger than the standard eight-hour-day.

Mr. Abdur Razzaque competently word processed this report keeping track of the numerous out alterations, arrows and asteric marks.

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Impact Assessment Study of BRAC's RDP

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1. Introduction : The Study Context

In most cases the formal credit delivery has not only proven inadequate but has also been found to have high transaction costs, low efficiency, and low coverage. Also, it has not been fully integrated into overall social and community development in rural areas (Von Pischke and other 1983, quated in Khandker and Chowdhury, 1995). The formal credit institutions such as the Bangladesh Krishi (BKB) has operated within only a very thin network, accounting for only 25 percent of the total credit available in rural areas (BBS 1989). Because of the collateral required to acquire a loan traditional and formal credit institutions leave a vast proportion of rural households out of the credit network. What is more frustrating is that the bulk of formal credit then goes to the rich who do not need it.

The existing power structure and administrative norms go against the poor. The poor are forced to rely on the informal market for credit at a very high cost. Credit to the poor has writes Atuer Rahman the following benefits :

- *credit increases income ;*
- *credit to the poor boosts petty trading ;*
- *credit raises agriculrural wage which has positive impact on farming techniques and*
- *share-cropping terms in favour of share-croppers;*
- *credit allows other poor to own agricultural means of production ;*
- *small credit enhances livestock production ;*
- *credit boosts vegetable production from kitchen gardens operated by women.(Rahman,1989)*

Until the 1980s women had practically no access to institutional credit. Findings of various studies in terms of women's access to institutional credit portray a dismal picture of their credit worthiness (Rahman, 1989, Hossain and Afsar, 1989). However, specialised programs for women are the proofs of their very positive credit worthiness. The need for their greater access to credit is straight forward. The economic activities of women which are homebased and on self-employed basis, need fixed and working capital. On the other hand, they do not have control over family resources, and poorer families are resource handicapped to scale up their operations for higher income. Injection of external resources - financial, technical and other, w ill enable women to earn higher income.

BRAC has pursued the two interrelated goals of poverty alleviation and empowerment of the poor since 1972. In trying to achieve this goals, BRAC has experimented with various targeted approaches in order to generate a programme model which can be replicated on a wide scale. The Rural Development Programme (RDP) of BRAC, started in 1986, has two interrelated core components which are institution building and financial services. In simple terms, credit and savings are a way of alleviating the material dimensions of poverty, and institution building is a way of creating collective strength amongst poorer people. The two components are interrelated, because the success of one is unlikely to be sustained on any scale without the other. BRAC has a long history of organizing the landless, providing them with loan and training facilities through its different interventions, particularly the RDP.

Only a few studies have been carried on RDP over the last five years which show to what extent individual VO members and households have actually benefited - in terms of enhanced incomes, improvement in household assets, social status, etc. from all these inputs? Further to what extent have they benefited from BRAC's inputs over and above other inputs which the Government may have provided and other changes that may have occurred quite independent of BRAC?

It was proposed by the donors of BRAC to carry out an Impact Assessment Study (IAS) of the BRAC's RDP which is presently in its third phase (1993-95).BRAC and its donors initiated IAS in May 1993 with the design of the methodology by BRAC's Research and Evaluation Division (RED), assisted by a two member team from the Centre for Development Studies, Swansea (funded by the UK. ODA), having two basic objectives:

- *to gain a more extensive understanding of the socio-economic impact of RDP, in both quantitative and qualitative terms*
- *to assist BRAC in the development of its ongoing capacity to assess the socio-economic impact of RDP, including identifying the most appropriate methodologies to assess different aspects of BRAC's impact.*

The factors which determine impact in the context of this study will need to be carefully selected and defined. With particular attention to the impact on women, such factors may include:

- *improvements in individual and/or household income*
- *changes in the volume and nature of household expenditures*
- *increases in individual and/or household assets, including the diversity of the types of*
- *assets held which thereby serve to reduce vulnerability to shocks*
- *changes in the volume and nature of indebtedness of households*
- *changes in the subordinate social and economic position of women in relation to men*
- *improvements in the status of both the landless as a whole, and of landless women in particular, in relation to their communities, including their access to resources*
- *formation of cohesive Village Organizations with a sense of identity and purpose, and of the small (5-7 person) groups' within the VOs*
- *development of VOs able to effectively represent the interests of their landless members and influence local power structures*

BRAC has now built up a useful in-house literature on its RDP (eq. Chouwdhury , et al 1991). These have provided a useful support for BRAC researchers involved in the IAS, and they draw on as preparatory resources for refining and developing the techniques outlined. However, the quality of data has been determined by the quality of the researchers' preparedness.

Scope of the report

In this report chapter one is introductory to the presentation of study context. The evolution of RDP is described in chapter two. Chapter three describes methodology of the study including definition of poverty, indicators to assess poverty alleviation, design and methods. Chapter, four and five explore the contextual factors and measuring RDP inputs respectively. Through chapter six to eleven this report presents the study findings in addressing material well-being, vulnerability to seasonality and coping capacity, gender dimensions by drawing changes in women's lives, VO institutional development, BRAC's non-formal primary education programme, and membership continuity. Chapter twelve draws the preceding chapters together as conclusion and explores opportunities and constraints for policy evolution and recommendations for BRAC's RDP.

2. Rural Development Programme: Evolution

RDP envolved in 1986 out of the integration of two independent programmes. Outreach and Rural Credit and Training Project (RCTP) were introduced by BRAC in 1979 to test alternative approaches for socio-economic development of the rural poor in Bangladesh .Both the programmes emphasized mobilisation and empowerment of the poor. The difference between the two was primarily the addition of credit as a major component in RCTP . Review and analysis indicated that these two programs , implemented in isolation, could not bring about a significant change in the lives of the poor . BRAC thus integrated the two approaches, and developed the framework of a new and more comprehensive rural development programme.(RDP Proposal IV , main text).

Three Phases of RDP

RDP is moving ahead through phases of development, each phase covering 3 to 5 years. Starting in 1986 , it has already completed two phases (1986-89 and 1990-92), and the third phase is underway (1993-95). The fourth phase (RDP IV) which will run for five years (1996-2000) is the last phase under the current expansion plans (RDP Proposal IV , Main text).

Core elements , their evolution and current status

A. Shift to female members

"It is widely acknowledged that women from poor households in Bangladesh face a double disadvantage by virtue of their class and their gender . The statistics on women in Bangladesh confirm this common perception. Women's life expectancy is lower than men's (54 for women and 55 for men) , a phenomenon not seen outside South Asia. Women's literacy remains half of that of men (just under 15 percent for women and 31 percent for men). Nearly 15 Percent of all rural households and 25 percent of landles households are female headed. Between the age of 40 and 50 one woman in four as opposed to only one man in a hundred can expect to be widowed or divorced." (RDP III Project document). It is evident that the landless and rural women from poorer households are worst off in the society. They are not organized, hardly possess any power and are the victims of various kinds of exploitation, deprivation and injustice. In the context of all

these disparity, BRAC decided to pay a special attention to the women of the target households and interestingly found , " in all areas of the programme,women's participation is higher than men's. This in mainly for three reasons . Firstly , women have a " positive attitude towards participation in development activity." Secondly , women are more interested in saving than men are .Thirdly , there are more women engaged economic activities." (Project document RDP III) In view of these practical reasons BRAC's development program is shifted to female members at achieving gender equity in society.

B. Group formation-change in VO size, subgroups an management committee

Through group formation , BRAC establishes Village Organisation (VO) for men and women separately . VOs are mutual support institutions for their members, creating a degree of cohesion to counteract the isolation and vulnerability that is associated with poverty.

After opening an area office, RDP staff identify the target population through a survey. As soon as the survey is completed RDP divides the total working area into 160 units each with 50 target households to form a village organization . When the mapping of 160 units is completed, the target population is motivated to form a village organization. Recently the size of the VO has been reduced from 45-55 members to 35-40 members. Having required 20 members, a VO is formally announced and starts savings generation and loan disbursement. The additional VO members are mobilized within two years to reach standard size. Each VO is sub-divided into 7-8 small credit groups each comprising five members. Small group leaders collect the weekly savings and loan installments of each member of her/his 'collection' activity . Small group leaders help the PAs in maintaining VO disciplines also. They ensure their group members' regular and timely presence in the meeting . Each VO has a management committee consisting of the leaders of the small credit groups and elect a chairperson, a secretary and a cashier .

During 1990-92, a total of 7,533 village organisations with a membership of 297,005 scattered over 3,571 villages were added to RDP and RCP. This bring the total number of Vos and membership to 13,967 and 649,274 respectively. This corresponds to an increase of 117% and 85% respectively. Genderwise breakdown of information indicates a higher growth retes for women at 121% compared to men at 21%.

(Upto December 1994, RDP covered 13,224 villages and formed a total of 24,859 village organizations (VO) with a total membership of 10,36,254. Almost 90% of the total membership is female. This manifests BRAC's emphasis on the empowerment of women. (RDP annual report 1994).

C. Change in VO- BRAC staff interaction during expansion

As a development organization BRAC's long term strategy is to reach 25% of the rural poor by the year 2000. In Providing effective development services to large number of rural poor, BRAC has little option but to continue to expand its operations. "It is proposed that 95 new RDP area offices be established in 1993-95 to support this expansion". (RDP Project document).But the host of additional work, related to the expansion , allegedly deteriorates VO BRAC staff interaction and somewhat decreases quality of work due to the shortage of experienced Pos, which ultimately disrupts village organisation development activities. However, RDP has recently changed its strategy as a mitigative measure. According to RDP project proposed -IV "RDP will put more emphasis on the quality of its work particularly in social development activities . It will concentrate on " Programme deepening" instead of " Scaling up" . The number of staff conducting issue based meetings has been increased from 2 POs to 10 PAs per area office. These PAs along with their credit and saving related responsibility will conduct these meetings . Measures will be taken (fully computerization of all accounting system) to simplify their credit and saving related work which would give them extra time to carry out their additional responsibilities".(RDP Project Proposal IV).

D. Term Structure of loan

Credit is one of the most important resources which the landless poor do not have. Lack of access to credit is the major constraint for the rural poor from participating in economic activities . Collateral requirement , complex procedure, Poor communication and inadequate banking networks have restricted the availability of credit in the rural areas. Having considered increasing need of the rural poor, BRAC launched its credit programme, under RCTP in 1979.Credit is provided to generate self and household employment and incomes, enabling asset formation, and thereby raising standards of living and enhancing security. Credit provision is supported by sector programmes including technical assistance and training in the fields of poultry and livestock,

sericulture, pisciculture, horticulture production and irrigation.Currently BRAC's credit facility takes the form of a revolving loan fund , operated within the framework of rural development programme, designed to meet the credit needs of BRAC's landless group members. Loans realized are credited to and form a part of the fund which is used for extending for further credit. This revolving process (lending, recovering and again lending) ensures that credit facilities are available, eventually, to all group members for use in creating self employment and earning income.Guidelines for granting credit to VO member are : -

- Must be a member of VO
- Must have completed social awareness education
- Must have a record of regular attendance at the weekly meetings and regular savings deposit
- Must have clear knowledge of the 17 promises
- Must have savings deposit equivalent to the minimum required for each lean;
- with a flat interest rate of 15 percent loans are disbursed . Loan are disbursed at 20% interest, calculated on the reducing ballance basis and are repayable in weekly installments.
- In addition , there are certain principles which are taken into consideration when sanctioning a loan
- Priority is given to schemes which are economically viable and socially profitable.
- No collateral is required
- All loans Provides are subject to continuous monitoring and supervision
- No loans are given to borrowers to buy land from other group members.

Loan proposals are screened and approved by the group during their weekly meetings . To have a loan proposal approved by the group, two third of the members must be present. Participation and group responsibilities are thus essential elements to the loan process . After approval, the loan proposal is submitted to the Area Manager through the responsible POs[1] . The loan amount is disbursed to the borrower in cash in presence of the management committee of the group. " loan size varies from Tk. 500 to Tk. 7000 (US $ 12.5 - 175) . A member may receive more than one loan at a time for different

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1 Previously the application had to go to the regional manager for approval

schemes. Loan can be short term, midium term and long term with repayment periods of one, two or three years" (BRAC Annual Report -1994).

E. Savings rules

Savings and credit are both interrelated and complementary to each other . Savings mobilization helps the borrower to save a small portion of the surplus generated from economic schemes. In rural Bangladesh poor people have a very limited opportunity to save money in formal financial institutions . The amount of money which is available to the poor for saving is too small and is not seem to be lucrative by the banks. By providing them the opportunity to save small amounts with RDP, BRAC also creates scope to increase future investment opportunities. The prime aim however, is to develop the saving habit and establish a financial resource base to reduce their vulnerability and dependency when a small amount of money is required in an emergency. (RDP Annual report-1995). So RDP, groups members are encouraged to save a minimum of Tk. 2[2] which is collected at the VO's weekly meeting . In addition to the voluntary weekly contribution of members, savings are also mobilized through lending to them. A compulsory 5% deduction is made from each loan when disbursed. The deducted amount is credited to the respective members' savings account. BRAC pays a 6% interest on members savings. Up to December 1992 , a total of Tk. 224.8 million (men Tk. 61.4 million and women Tk. 163.4 million) has been saved by group members, of which Tk. 156.5 million (or 70%) is saved during the period of RDP II.

F. GTF and life insurance

From the very inception of RDP activities , a fund was generated by a 5% compulsory deduction from loan distribution (in addition to 5% for savings), named group fund. This fund was generated specially for strengthening VO's economic base. In 1992 this fund was converted from group fund to group trust fund (GTF) , a contingency fund for the VO. But in course of time it was found that the compulsory 5% deduction for the group trust fund from disbursement reduced the amount of cash available to the borrowers investment . So recently deduction for GTF has been discontinued..

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[2] According to the RDP project proposes iv VO members will be encouraged to save Tk.. 5 per member per week instead of Tk. 2.

"An insurance policy for VO members has been introduced from 15th June 1990 . A sudden death of an earning member under Poverty condition can jeopardize a family. The insurance policy of BRAC intends to minimize the level of such insecurity.To enter into this insurance policy, a group member must fulfill the following criteria: be a member of the village organization of BRAC and be below the age of 54.The benefits of insurance have been fixed at Tk 5000. The claim will be settled down with the nominees of the insured member after his/her death . The member need not pay a premium. The fund is generated by a 1% compulsory deduction from loan disbursement. " (RDP annual report 1993). Of late " BRAC stopped deducting funds for insurance. However, BRAC will continue to provide insurance benefits to the VO members from its interest income" (RDP project IV).

G. NFPE

BRAC's Non-Formal Primary Education (NFPE) Programme has emerged as important supplement to the formal education system. BRAC has initiated the Non-Formal Primary Education Programme in 1985 with a view to eradicate illiteracy in Bangladesh and achieve Education for All by the end of the century. The goal of the programme is to develop a replaceable non-formal primary education model which will provide basic literacy, numerically and social awareness to the poorest rural children who have not yet been touched by the formal school system or who have dropped out. Girls and women are the main focus of this programme since the female literacy status is extremely low throughout the country.

The program is designed to develop the children's interest in continuing learning through a relevant curriculum and through singing , dancing, arts and crafts, Physical exercise , games and story book reading.

"BRAC operates two school models based on the age group it serves. The Non-Formal Primary Education (NFPE) model is for children between ages 8-10 and the Basic Education for Older chidden -referred to as the BEOC, is for children between 11-14 years. Having started in 1985 with just 22 experimental schools, expanded by the end of 1994 to 28,274 schools with an enrollment of over 800,000 children . Of late BRAC has changed it's strategy away from linear expansion to policy advocacy, " During RDP IV, BRAC will hold its operations at 1995 levels. Much greater emphasis will be placed on

policy dialogue with government in an effort to upgrade the national system as a whole, through curriculum development , teacher training and educational management system" (RDP Project Proposal IV Annexure).

H. Paralegal : Human Rights and Legal Education

BRAC believes that legal literacy is a prerequisites to the development of the organizational base from which the landless rural poor can become involved in a sustainable process of poverty alleviation and empowerment. It initiated the paralegal programme on the presumption that legal awareness of the group members would help them protect themselves from illegal, unfair or discriminatory practices by others. After beginning as an experimental programme in 1986 in Manikganj, the programme has been strengthened further with more focused approach in 1989. The programme now provides group members with information on Muslim Family Law, Fundamental Rights from the constitution which commensurate with the Universal Declaration of Human Rights, some information from Criminal Procedure Code, Muslim Law of Inheritance and Land Law.

The main focus of the programme is empowerment through education on human rights and law , but it does not envisage development of a cadre of paraprofessionals who will substitute for lawyers at the rural level. The change in the nomenclature of the programme from paralegal to Human Rights and Legal Education (HRLE) has been done with this focus in mind. The new programme also includes some of the topics which the erstwhile Social Awareness Education (SAE) used to cover. The HRLE is thus a combination of the more effective components of paralegal and SAE programmes carried out during RDP III.

I. Monitoring

The Monitoring department, established in 1988 , was initially engaged in piloting a field operation and developing an effective data management system for RDP. Since then the department has emerged as an important BRAC Management support service by extending monitoring support to all of the programmes of BRAC except the health and population programme (HPP). RED is conducting the monitoring functions for HPP.
The department started with one staff under RDP's helm. During phase II of RDP ,the strength of the Department was enhanced and number of staff stood at 20. At the end of

1990 the Department began functioning as an independent unit. At the beginning of 1995 the number of staff stands at 37 including 30 field monitors. During RDP II (1990-92) , a great deal of effort was put into designing and implementing monitoring techniques and adapting them to program needs and processes. This was a learning period for the department.

(Since its inception the monitoring department had been performing a two-fold function, namely monitoring and MIS. In the beginning of 1995 MIS evolved as a separate unit under RDP.

The management of the department has been reorganized recently . In 1994 , the monitors working in the field were grouped into 5 geographical blocks under the supervision of same number of headquarters staff. In 1995 the number of blocks has been reorganized into four RDP Proposal IV).

J. Transition to the RCP.

In 1990 BRAC introduced another programme approach named Rural Credit Project (RCP) which is being carried out in matured RDP areas. Activity wise there is a very close semblance between RDP and RCP , and they are complementary to each other. Under the ongoing approach , RDP initiates the process of development and operates for a period of four year in a newly intervened area, developing further a viable institutional framework necessary for sustaining a credit activity without BRAC's subsidized support. The RCP then takes over an RDP branch . This strategy is a step toward financial sustainability of the programme as each RCP branch covers the cost of its credit operations through interest realized on loans disbursed . RCP will be converted into BRAC Bank branches if and when the government grants BRAC a banking license.

3. DEFINITION AND ASSESSMENT OF POVERTY

Poverty consists in the lack of certain basic capabilities of the human beings - the capabilities to live a healthy active life free of avoidable morbidity and premature mortality, the capability to live with dignity, with adequate clothing and shelter, etc. This definition of poverty bespeaks of a complex multi-dimensional approach to the understanding of poverty, as opposed to unidimensional approach which views poverty simply as a matter of income deprivation or nutritional deprivation. Programmes for alleviation of poverty must consider a range of quality of life variables such as nutrition, health and sanitation, housing, personal security, access to state distribution system, participation and institutional capability, crisis-coping capacity, etc. Various dimensions of poverty are by no means reducible to any single indicator of poverty (Task Force, 1991).

The high infant mortality (90.6 per thousand live births), high illiteracy (75% of all ages), low average calorie intake (85% of the requirement), landlessness (53% of rural population owning less than half an acre of land in 1988-89), and the size of the head count measure of poverty (49% of the population in 1988-89), qualifies Bangladesh for the 'absolute' category of poverty. This situation leads one to ask : "what kind of poverty is RDP - or any other poverty alleviating interventions in the country, attempting to alleviate?" For the purpose of the IAS it is concluded that the RDP is likely to primarily affect the 'absolute' kind of poverty. Changes according to the 'relative' conception of poverty is likely to be a result of improvements in the absolute level of poverty (or the poor's objective condition).

The present enterprise does not deny the merits of relative approaches to poverty, it is merely placing a hold on the approach for the present purpose. One reason is that, "it is not known how important relative deprivation is to the poor".

To the poor physiological survival may be more important, followed by material wellbeing, thòn powerlessness and dependence. Chambers suggests the idea of a "hierarchy of needs" among the poor in the sense that basic survival needs have to be satisfied before security, and then, autonomy and self respect become relatively more important (refered to in Kabeer 1991:243). Supported by her own field investigation in rural Bangladesh, Kabeer suggests that, ".... for poor women the notion of self-esteem itself might be more closely tied to the ability to feed themselves and their dependants than to middle-class ideals of female propriety which would hamper their survival strategies" (Kabeer, ibid).

Looking at it differently, the case studies find that women report improvements in status at the household as they either earn an income or provide their husbands greater access to credit through their own membership of VOs. Affection from husbands reportedly have increased (*shoh ag aar a tey na*) for some women. That the poor men on the other hand, experience increased respect or being taken note of (*palta-day*) as a result of their participation in RDP and improved access to credit, was reported by the members at group discussions. These two examples illustrate that having access to resources and/or improved ability to earn a livelihood improves one's status at home or in the community.

The case studies also find that in discussions of poverty and 'wealth' the villagers (both poor and non-poor) identified the material basis of poverty.

The exercise to rank the households according to 'wealth' levels reveal some feature of the poor. The wealth ranking exercise touches on this in order to clarify and cross-check the ranking produced by the villagers. The exercise identifies the poor as those who own little or no land, who own little or no purchased or only share reared livestock, who are of poor health, and those households where the number of earners is lower than the consumers (*Khanayala*). This latter may be due to the presence of elderly and/or very young members; the household may be headed by a female, etc. Illiteracy of the members have also been cited.

In addition to material deprivation, a large number of the poor in Bangladesh experience deprivation and face uncertainly of livelihood for some parts (if not most) of the year. As Osmani (1991) writes in the South Asia context, large numbers of people continue to live below some norm of poverty line and are precariously balanced between subsistence and destitution. The poor are vulnerable to dispossession and destitution as a result of "... changes in personal circumstances (such as illness or death of earning members of family) or of fluctuation in social surroundings (such as crop failure, general recession)" (Dreze and Sen, 1989). A major portion of their vulnerability is due to the seasonility in work and income (and often the outbreak of diseases such as the diarrhoeal ones can result in loss of physical productivity). The indigent's vulnerability to hunger and deprivation at certain times of the year has been persistent.

The brief discussion of peoples perception of poverty can be incorporated into the theory of entitlement as developed by Amartya Sen. Sen's framework has been loosely used in

the design of IAS, and the Task Force on Poverty Alleviation set up by the Interim Government in 1991 conceptualises poverty in similar framework.

Assessment of Poverty Alleviation

Khondker and Chowdhury refers to three dimensions of poverty: incidence of poverty, the depth of poverty and the severity of poverty (1995; see also Ravallion 1992 for a description of the FGT class of poverty measures) These measures still reduce poverty to single indicators.

To assess the poverty alleviating impact of RDP, the IAS adopts a Key Indicators approach in place of headcounts, single index. Key indicators have been identified as a more promising route to capture, in the words of Sen, 'the constitutive plurality of poverty'. The advantage is that key indicators do not try to reduce the poor, in the words of Robert Chambers, to an "amorphous and undifferentiated mass". This will capture the differing experiences of different groups of people in the process of their participation in RDP (refered to in Kabeer 1991).

The criteria and indicators of assessment are:

A. Increased material wellbeing

- Cash earning;
- Shelter : values of house structure and household goods; and roofing national
- Assets : real capital, non-capital assets, and savings;
- Expenditure : food, consumption and total expenditures;
- Food security : seasonal food stock, and food deficit status.

B. Reduced Vulnerability to seasonality

- In cash income over the seasons during slack season
- Improved food security
- Expenditure on food
- Reduced seasonal fluctuations in
- Reduced seasonal fluctuation in consumption/total expenditure
- Reduced seasonal fluctuation in servicing of debt to RDP

C. Strengthened Coping capacity

- Coping mechanisms strengthened;
- Enhanced security of future earning : Asset profile, and improved saving;
- Enhanced security of current consumption : indebtedness to informal sources, use of informal borrowing and of RDP credit, direct entitlement to food;
- Strength of material wellbeing : ratios of outstanding RDP credit to networth and of outstanding RDP credit tosavings.
- Increased level of saving
- Improved access to tenancy market

D. Improved health

- Morbidity reduced
- Treatment source
- Knowledge of life skills
- Sanitation improved

E. Women's status improved

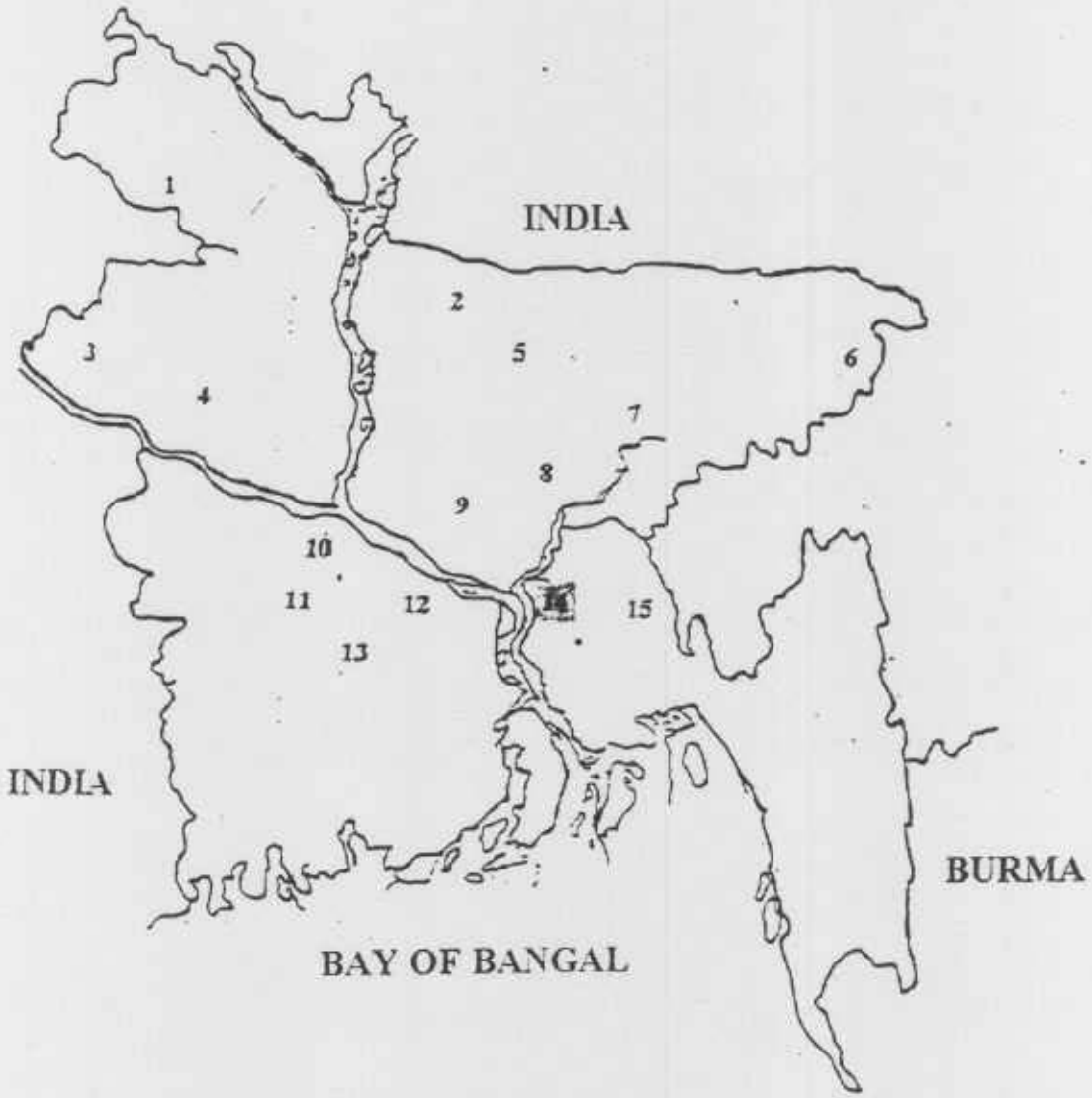
- Assets owned by women
- Men's attitude towards women working outside the home
- Decision making by women (spending own income, VO activities)
- Girl child's schooling

F. Institutions

- Group cohesion
- Women's status in the community
- Visit by candidates in elections
- Collective activities e.g. DTWs, participation in local salish
- Age profile of members

Map : 1

IAS Research Locations



1 = Dinajpur - 2
2 = Nonni
3 = Chapai Nawabganj
4 = Dhanaidah
5 = Dapunia
6 = Kulaura
7 = Kotiadi
8 = Amdia
9 = Kawalipara
10 = Ahladipur
11 = Magura
12 = Boalmari
13 = Mohammadpur
14 = Matlab - 2
15 = Gunoboti

4. Contextual Factors

The households and the socio-economic condition in which they exist, are two of the major factors that will shape the outcome of RDP's inputs. The present section outlines the basic features of the villages and the households. The initial endowment of the RDP households are considered in this section. In sum, it deals with the non-RDP components of the hypotheses pursued in the study. The chapter is split into two sections, the first dealing with local conditions including the construction of a composite variable to indicate the vibrancy of the village economy, the second contains such features of the households as initial condition on joining RDP, life cycle status of the households and their aggregate education level.

4.1 The Village

Village profiles of 225 villages across the 15 study locations were constructed to generate contextual data. For the present report only a few selected features of the villages are displayed in table 4.1. Some of these features are used to construct a composite variable to measure local economic dynamism.

Table 4.1: Selected Features of the Study Villages

Feature	Village Category	
	RDP Village	Comparison Village
Average No. of household	633.21	502.01
Ratio of households to hand tubewell	52.24	64.10
No. of villages with haat/bazar (%)	20 (15.7)	12 (16)
Average No. of shops inside the villages with shops	8.0	10.0
Distance of nearest haat/bazar (miles)	1.09	1.07
Average No. of shops in the nearest haat/bazar	203.0	181.0
Distance of nearest Bank (miles)	2.41	2.11
Distance of nearest sub-district town (miles)	6.49	6.55
Distance from nearest allweather road (miles)	2.11	1.88

The villages, both RDP and comparison, are on average larger than the commonly known average of 250 to 300 households. As an indication of safe water availability (and perhaps a proxy for over all material condition of the villages) the number of households to every hand tubewell makes the comparison villages to be worse-off, than RDP villages. According to the Table 4.1 there appears little difference between the RDP and comparison villages, selections i.e. are non-random. The choice of villages for RDP intervention, is made according to policy considerations. The need to establish a branch near a bank location and the pre-determined size of the command area, along with the practical need of roads for motorbike travelling, do mean that the RDP villages are unlikely to differ.

The physical size of a branch command area is primarily dictated by the predetermind size of clientele and the ceiling on the distance between the branch office and the villages. Hence, very little difference between the two village categories according to distance of nearest bank and of allweather road. That the branches are established in 'rural' as opposed to 'urban' areas is indicated by the average distance of the nearest sub-district towns (of which there are 460 in the country), at 6.49 and 6.55 miles respectively for RDP and comparison villages.

The variation in each factor particularly for the local marketing situation, as indicated by distance and size of the rural market places, is likely to influence local economic condition.

Local Condition

Data for local condition is generated by the village profile. Therefore, there is one value for each of the 225 villages where the household survey was carried out. A composite variable is created by giving individual scores for each village for each of the four factors. The factors are: distance of the village from the nearest sub-district town, distance of the nearest haat/bazaar, the number of permanent shops in the nearest haat or bazaar, and the number of shops inside the village. The villages are ranked on a scale between zero and five, where the worst condition is given the lowest (i.e. zero) rank. The scores are summed after weighting each factor the sum of which is equal to 100. The weighted scores are re-classified into three dummy variables.

Table 4.2: Local Condition & Household Category

Local Economic Dynamism	Household Category	
	RDP	Comparison
Low Vibrancy Locality	423 (31.9)	260 (37.1)
Medium Vibrancy Locality	643 (48.5)	300 (42.8)
High Vibrancy Locality	261 (19.7)	140 (20.0)
All	1327 (100)	701 (100)

Table 4.2 shows the distribution of IAS households according to the respective village economic dynamism. As for selection of the comparison villages are concerned, the distribution is similiar to the RDP villages. That is marginally more of the comparison villages are from low dynamism micro-regious. This is unlikely to bias the results with respect to the influence of economic vibrancy.

4.2 Features of the Households

A household is the group of persons who share and/or contribute to a common cooking and eating unit. The persons are permanent members whose presence in the unit is not limited to any time-period. The unit is usually composed of persons related by blood or marriage but may also include unrelated longer-term residents such as lodgers, permanent labour. Persons who are related to the members of the household but are not in residence currently but contribute to the household resource pool either regularly or are promise-bound to do such, are included as members of the household.

Household Head

The person who is considered by the household members to be the household head. The person may be male or female, be income earner or not, and be of any age. The head is normally a permanent member of the household. The `female headed' households may or not contain adult male members.

Landownership

The land owned by the household on joining RDP is the proxy for initial endowments, which excludes homestead plot. The data for the comparison group is the current landholding of the households. If a separate garden, bamboo plots, etc. are owned then it is included in land ownership. Ownership of ponds is excluded from this because of the

difficulty in ascertaining the share of respective households when the waterbody is jointly owned. Multiple ownership of this indivisible resource is common in rural Bangladesh.

Table 4.3: Land Ownership of Households

(No. of Households)

Household Category	Land holding (in Acres) on joining RDP			All
	≤ 0.50	0.51-1.00	1.01+	
Male Member	279 (72.0)	51 (13.1)	58 (14.9)	388 (100)
Female Member	831 (84.2)	74 (7.5)	82 (8.3)	987 (100)
Comparison	713 (95.0)	30 (4.0)	7 (1.0)	750 (100)

A large proportion 80.7% of the RDP households' land ownership at the time of enrollment is in the strict target group defining criterion of less than half-an-acre. The comparison households, which were selected by the study team perhaps applying more rigorously the target-criterion, is over whelmingly in the target category. The presence of a sizeable proportion of male category households in the greater than 0.50 acre group may indicate weak enforcement of the target-criterion. This will be assessed in the following chapter.

Life Cycle Factors

Two simple indicators of life cycle are presently considered: demographic dependency ratio and working age population. Family size data is used in the subsequent chapters, which is not presented here. The sex of the household is also considered in the present section. The dependency ratio is reclassified into three categories:

Low ratio : ratio of ≥ 54 dependants per 100 demographic active persons;

Medium ratio: ratio of 55 to 120 dependants per 100 active persons;

High ratio: ratio of ≥ 121 dependants per 100 active persons.

Table 4.4: Sex of Household Head and Household Membership Category

(No. of Households)

Type of Household	Household Category			
	Male Member	Female Member	RDP	Comparison
Male Headed	373 (96.1)	869 (88.0)	1242 (90.3)	716 (95.5)
Female Headed	15 (3.9)	118 (12.0)	133 (9.7)	34 (4.5)
With adult male	12 (3.0)	52 (5.3)	64 (4.7)	8 (1.1)
Without adult male	3 (0.8)	66 (6.7)	69 (5.0)	26 (3.5)
All	**388 (100)**	**987 (100)**	**1375 (100)**	**750 (100)**

The proportional presence of female-headed households in RDP (9.7%) is perhaps slightly higher than the national average. The targeting efficiency of RDP may be partially assessed by the category's presence in the female member category households. At 12 percent it is higher than the national average. However, female headed households' presence in the comparison group is lower than expected. In the RDP category there are some female-headed household with adult (i.e. ≥18 years' age) men in the households. The social definition as opposed to a strictly economic or income criterion may be responsible for this.

The distribution of the households that are male-headed according to categories of dependency ratio is equally spread. Among the female-headed groups the households are distributed with a skewed pattern; indicating fewer children and women running their own household (living alone may not be appropriate as a woman may share a homestead plot with her parents or siblings and take meals separately).

Table 4.5: Demographic Dependency Ratio and Head of Household

(No. of Households)

Household Type and Category	Depending Ratio Category		
	Low (0-54)	Medium (55-120)	High (120+)
Male-Headed Hhs.			
Male Member	126 (33.8)	126 (33.8)	121 (32.4)
Female Member	274 (31.5)	274 (31.5)	321 (36.9)
Comparison	259 (36.2)	229 (32.0)	228 (31.8)
Female-Headed Hhs.		4 (26.7)	-
Male Member	11 (73.3)	32 (27.1)	31 (26.3)
Female Member	55 (46.6)	7 (20.6)	8 (23.5)
Comparison	19 (55.9)		
All	**744 (35.00)**	**672 (31.6)**	**709 (33.4)**

Another indicator for life cycle status is the working age (11 years and above) population in the households. The age criterion reflects the common practice in rural areas: children's engagement in either income earning or expenditure saving activities. In addition, use of RDP input (such as training, loan) is improved with helping hands in the family which is the first source of labour supply.

On the whole the RDP households in the male category are larger in working age population than their female counterparts as well as the comparison group. There is also some difference in the number between female category and comparison group, at the household level.

Table 4.6: Working Age Population in the Households

(Mean/ Household)

Sex of Worker	Household Category		
	Male Member	Female Member	Comparison
Male working age	2.18	1.75	1.63
Female working age	1.84	1.77	1.58
Total	**4.02**	**3.53**	**3.21**

The families with larger over 11-year-old population, may be larger in size and be better endowed with labour power. The male category which on average is made up of 2.18 working age male population is likely to be better-off according to material criteria of well-being.

The size of female working age population reflect a sex ratio of population which is related to female health status. The female category of RDP households on the other hand is endowed with more female than male working age members. The proportion of female headed households and the presence of women abandoned by husbands are possible reasons for greater average number of working age female than male in this households category.

Education Level

The present report will only consider household aggregate education level instead of population distribution by year of schooling. The family's aggregate education level is derived by the sum of the individual scores of each member. Individual scores relate to year of schooling as displayed in the following Box-one

Box-one: Education Scores

level of schooling	Score
Higher and Professional (12 yrs and above)	5
Higher secondary (10 to 11 years)	4
Secondary (6 to 9 years)	3
Primary (1-5 years)	2
Ability to read and write	1
Illiterate	0

Source:

The aggregate scores are re-classified:

High aggregate level	= 6 and above
Medium-high aggregate	= 4 to 5
Medium-low	= 2 to 3
Low	= 0 to 1

The RDP households on the whole posses higher levels of education than the comparison. However, large proportions of the households fall in the low education level category reflecting the high illiteracy of the groups (Table 4.7). The male category of RDP households appear systematically better endowed according to education level, in comparison with their female counter parts. This is similar to the pattern in land holding which follows the common belief that education is influenced by material endowment.

Table 4.7: Education Level of the Household

(No. of Households)

Education Level	Household Category		
	Male Member	Female Member	Comparison
High	66 (17.0)	104 (10.5)	56 (7.5)
Medium High	60 (15.5)	130 (13.2)	63 (8.4)
Medium Low	100 (25.7)	229 (23.2)	148 (19.7)
Low	162 (41.8)	524 (53.1)	483 (64.4)
All	**388 (100)**	**987 (100)**	**750 (100)**

Table 4.5 should be viewed with caution because these are scores and may not reflect the actual level of knowledge which is better assessed by the individuals' years of schooling.

5. Measuring RDP Inputs

From various Annual Reports produced by RDP and the Monitoring Department the magnitude of RDP support can be gauged. This chapter presents the results of household survey on the level of inputs received by the member households. It reports on membership age, strength of RDP inputs, and, separately, RDP credit which is itself a constituent element of the strength of membership.

The strategic elements that are included in the RDP intervention are: group formation, awareness building, saving mobilisation, occupational skill development, credit operation, and technical services and supervision. Given the sample size, many of RDP inputs will not be assessed, particularly those which are spread across the branches but whose depth is shallow (i.e., fewer at each location), will constitute a small proportion of the entire population of the VOs. Known as sectoral programmes, fisheries, sericulture, cattle and goat rearing, horticulture, etc., which include skill training, credit and technical supervision, are not designed to directly reach a large proportion of the membership. The impact of skill development and sectoral or technical activities are expected to be felt as a result of demonstration effect on the wider VO population. Credit on the other hand reaches the parts directly the other RDP activities can not. A caveat is in order: the rules of credit operation require that the members attend weekly meetings regularly and that this saving with RDP is of a prescribed proportion before a loan is to be made.

5.1 Length of Membership

It is the length of time for which a person has been a member of a village organisation supported by RDP. The length of membership is measured in months from the date on which the first saving contribution is made upto and including the month of September 1993. In some cases where the date is not known, the age is estimated with reference to major commonly known events. The category of `non-response' is recorded in cases where the date of joining the VO cannot be estimated to within 3/4 months of the actual date. In cases where there is multiple membership of RDP/VO in the same household, the age of the first person to join the VO is taken to be the households' length of association with RDP.

Table 5.1: Lenght of Membership and Household Category

Household Category	Membership Age in Months					All Ages[1]
	1-11	12-29	30-47	48-72	73+	
Male member	27	94	151	65	45	388
	(7.0)	(24.2)	(38.9)	(16.8)	(11.6)	(100)
Female Member	467	168	238	77	34	987
	(47.3)	(17.0)	(24.1)	(7.8)	(3.4)	(100)
All Categories	**434**	**262**	**389**	**142**	**79**	**1375**
	(35.9)	**(19.1)**	**(28.3)**	**(10.3)**	**(5.7)**	**(100)**

Note1: All ages include 6 male and 3 female member households for which data on length is not available.

The age distribution of the sample households, as shown in Table 5.1, reflect the recent horizontal expansion of RDP which is involved with a membership whose age of association is relatively new (over half is less than 2.5 years of age). Although the sampling design estimated to include larger proportion of members with six or more years' membership (at around 20 percent of the sample size), 5.7 percent of the sample is in reality of this age group. The recent membership turnover experienced by RDP is the cause for this reduction. The age group with greater than 2.5 years' membership is likely to experience impact of RDP inputs on their lives, while the younger ones may become a baseline for future assessment of impact, as well as a proxy control group in the present.

The extent to which the programme is reaching its declared target group and if there is any variation in target group access to membership in different years, is a standard question possed by evaluative studies. In annexed tables C1 and C2 the land holding by the households on joining RDP is classified into three categories: 'target group' (owning <0.50 acre of land), marginally target (owning between 0.5 and 1.0 acre) and non-target (owning more than one acre). Of all RDP households, nearly 81 percent falls in the target group category, 10 percent in the non-target and the rest in the marginal group (Annexed Tables C1 and C2).

This distribution is slightly altered if the households are disaggregated by male member and female categories. The male member households are in the non-target category in greater proportions than the female members, at 15.2 and 8.1 precents respectively (Annexed Tables C1 and C2). For male members the recently joining group (i.e. in 1993)

appear to contain smaller proportion of pure target group (52 percent) compared with other years. It should be noted that in the early 1990s RDP have focused more on women compared with the earlier years, and this might have necessitated the inclusion of marginal (25.9 percent) and non-targets (22.2 percent) in 1993. The case studies of VOs indicate that local condition such as acceptance of a non-target by the prospective VO members as their compatriots, and the need to maintain credit discipline in which the non-targets exert influence, motivated some field staff to include non-targets in VO membership (see chapter 9).

The presence of non-targets in the female membership is relatively low, particularly those joining in the pre-RDP days before 1988. Since then there has been a slight increase in the proportion of non-target in 1988-91. A near 90 percent coverage of members with less than half-an-acre of land is achieved for the age groups less than 2.5 years (Annexed Table C2). The years of emphasis on women (mid 1991 to late 1993 - for IAS data) has on one hand increased the proportion of non-target in the male groups but it also strengthened the coverage of pure target in the VOs for women. Women from non-target households may be less inclined to join a targeted group whereas men from this category owning marginal or small landholding, may be tempted to enroll. It may be easier for field staff to withstand presure from non-target women incomparison with non-target men who can convince the target members to accomodate them.

It should be noted that at three locations the IAS sample does not contain any male member in VOs which might explain the low presence of pure target in the youngest group (1-11 months) who are likely to have been recruited at Areas where there is some turnover in membership.

5.2 Strength of Membership in RDP

Credit operation which is a major thrust of RDP is part of the strength of inputs from RDP, is dealt with separately in the following section. In this section structure of household membership and training by RDP are considered. The structure is defined by the number of household members in VOs, which is shown in the annexed table C3 and C4 for male and female member households respectively.

Multiple membership of RDP stands at just under 20 percent of all households. When disaggregated by the gender categories, there is a striking but understandable difference. The male category, as constructed for the purpose of IAS, include women from some of those households in the VOs for women, whereas the female category is composed of entirely women's representation in the VOs for women.

It is not surprising to find a large proportion (nearly 56 percent in Annexed Table C3) of the male category to contain multiple VO members. A wife or daughter or daughter-in-law of a male member may make up the bulk of the multiple membership for male category. The category proportion is altered when the membership age is considered. Those households joining RDP throughout the 1980s when the emphasis on women was growing but not reached the level of early 1990s, men and women from the same household was very likely to join the VOs together. There is no such difference in the female category except in the 1980s when more than one woman from the same household might have joined RDP (Annexed Table C4).

Because of the multiple membership of VOs, the 1375 RDP households contain a total of 1696 VO members of whom 432 (or 35.5 percent) are men and 1264 (or 74.5%) are women. One half of the women members and a quarter of men have received some training from RDP. Of those receiving training women's share of skill development is greater (75 percent) vis-a-vis men (38%). Livestock sector is most frequently used for training the women members, which accounts for 71 percent of all women receiving skill training. This is due to programme design which considers the poultry sub-sector as a 'viable' area for women's involvement in income earning. Given their common experience of poultry keeping and the home-base location of activity, it is found to be an ideal area for income generation. This is also the sub-sector in which BRAC works very closely with the Directorate of Livestock Services of the Government.

Table 5.2: Training and Usefulness of Training -- *Men Members*

(No. of Men Member)

Training Sector/Subject	Useful in				All
	Income Earning	Satisfaction and Respect (No direct use)	None	Other	
Awareness	20 (40.8)	21 (42.9)	2 (4.08)	6 (12.2)	49 (100)
Leadership Management etc.	9 (40.9)	9 (40.9)	1 (4.54)	3 (13.6)	22 (100)
Agriculture	12 (75.0)	-	2 (12.5)	2 (12.5)	16 (100)
Fishery	4 (57.1)	1 (14.3)	2 (28.6)	-	7 (100)
Livestock	8 (88.9)	1 (11.1)	-	-	9 (100)
Silk	1 (100)	-	-	-	1 (100)
Other Skill	2 (20.0)	3 (30.0)	4 (40.0)	1 (10.0)	10 (100)
All	**56 (49.1)**	**35 (30.7)**	**11 (9.6)**	**12 (10.5)**	**114 (100)**

The usefulness of training as perceived by the clientele is an useful indicator of benefit that they might be deriving. This single qualitative question administered as part of a large questionnaire, is not an alternative to a thorough assessment of the impact of training on their livelihood. The results of their 'opinion' on the usefulness of training are displayed in tables 5.2 and 5.3.

Table 5.3: Training and Usefulness of Training -- *Women Members*

(No. of Women Member)

Training Sector/Subject	Useful in				All
	Income Earning	Satisfaction and Respect (No direct use)	None	Other[1]	
Awareness	24 (21.2)	68 (60.2)	8 (8.0)	12 (10.6)	113 (100)
Leadership Management etc.	11 (20.4)	35 (64.8)	4 (7.4)	4 (7.4)	54 (100)
Agriculture	37 (55.2)	5 (7.5)	17 (25.4)		67 (100)
Fishery	5 (27.8)	6 (33.3)	5 (27.7)	8 (11.9)	18 (100)
Livestock	216 (63.2)	8 (2.3)	89 (26.0)	2 (11.1)	342 (100)
Silk	10 (58.8)	1 (5.9)	6 (35.3)	29 (8.5)	17 (100)
Other Skill	15 (50.0)	10 (33.4)	4 (13.3)	-	30 (100)
				1 (3.3)	
All	**318 (49.6)**	**133 (20.7)**	**134 (20.9)**	**56 (8.7)**	**641 (100)**

1: Other include 'training underway', recently trained', need credit for useful application', etc.

The category of 'income earning' reflects the direct positive usefulness, and the indirect use is the feeling satisfied by the knowledge gained and the respect received from others because of the knowledge. The responses given at interviews are first recorded according to pre-structured responses. The additional responses, along with the structured outcome are classified into four categories. It might be better to view the response category 'satisfaction' as neither directly position nor negative usefulness.

Overall, the members who received training appear to find positive usefulness either directly or through satisfaction for the knowledge gained. As proportionality more women found it of no-use, a look at table 5.3 reveal that livestock, and agriculture sectors come worse-off. A quarter of those receiving the latter training has no use for these. For the silk sector, the frequency is very low for any meaningful interpretation.

The feeling of unusefulness of training may be due to mis-match between training and credit: One receives training but not credit to apply the skill. It may also be the case that the level of return from the related enterprises may have led the women to use their credit in activities other than in which they are trained. It is feasible that some women are not in a position to benefit from the training, due to pre-occupation with household chores, engagement in other livelihood activity, or simply not adept at the skills which have been imparted by the training.

The two use-status categories of 'every day life' and 'respect, etc', with respect to the human development type of training is revealing. The knowledge gained from these training may be used in social contexts such as at tea shops or in discussion with the rural elite as well as peer group, by the men. The ability to hold informed conversation generate respect for the individual from the community which in turn enhances the individuals self-esteem. The fact that proportionately more women who have received this training (60%) than their men counter part (42%) indicate the their standing among their peer group and the community of women. Increased respect given to women by others because of their training, have been found by other micro-studies by RED.

5.3 Credit from RDP

This section describes household level distribution of credit according to membership age and initial endowment; sectoral distribution according the entries made in the members'

loan passbook or their statement in cases earlier loan passbooks are not available; and finally, investment (or use) of loans.

The data set on RDP credit includes information on the outstanding loans at the interview time in October 1993, and for a maximum of four loans that have been repaid, for each VO member in the household. The rationale for the ceiling on the previous loans is necessary so a to reduce the distortion in outcome that might be caused by problems of recall over a long time period. The amount of loans received by the individual members outstanding and repaid, is aggregated to derive the household level of credit from RDP.

Membership Length and Initial Endowment

Of the sample, just under 75 percent has received loans of various amounts. Among them more of the male category (93%) have already accessed credit which is due to their longer membership length (Table 5.4). Just under a third of the female category have not yet received any loan because they are younger in membership age (Table 5.5). The distribution of the borrowing households according to aggregate loan levels is unequal between the two categories of households. At the top end, nearly half of the male category (46.2 percent) has borrowed more than Tk. 7,500 (Table 5.4) whereas female representation in this league is less than one-fifth (17.7 percent in Table 5.5)).

Table 5.4: RDP Loan (cummulative) and Membership Length -- *Male Member Households*

(No. of Households)

Loan Size Category (Tk.)	Membership Length in Months						All
	1-11	12-29	30-47	48-72	73+	NS	
Nil	11	6	3	2	2	-	24
	(45.8)	(25.0)	(12.5)	(8.3)	(8.3)		(100)
< 2500	2	18	11	4	1	-	36
	(5.6)	(50.0)	(30.6)	(11.1)	(2.7)		(100)
2500 < 5000	9	20	28	7	2	2	68
	(13.2)	(29.4)	(41.2)	(10.3)	(2.9)	(2.9)	(100)
5000 < 7500	5	27	32	7	8	2	81
	(6.2)	(33.3)	(39.5)	(8.6)	(9.9)	(2.5)	(100)
7500 < 10000	-	13	27	13	4	2	59
		(22.0)	(45.8)	(22.0)	(6.8)	(3.4)	(100)
10000+	-	10	50	32	28	-	120
		(8.3)	(41.7)	(26.7)	(23.3)		(100)
All	**27**	**94**	**151**	**65**	**45**	**6**	**388**
	(7.0)	**(24.2)**	**(38.9)**	**(16.8)**	**(11.6)**	**(1.5)**	**(100)**

Table 5.5: RDP Loan (cummulative) and Membership Length -- *Male Member Households*

(No. of Households)

Loan Size Category (Tk.)	Membership Length in Months						All
	1-11	12-29	30-47	48-72	73+	NS	
Nil	287	16	13	5	1	2	324
	(88.6)	(4.9)	(4.0)	(1.5)	(0.3)	(0.6)	(100)
< 2500	145	48	24	12	3	1	233
	(62.2)	(20.6)	(10.3)	(5.2)	(1.3)	(0.4)	(100)
2500 < 5000	23	46	56	16	3	-	144
	(6.0)	(31.9)	(38.9)	(11.1)	(2.1)		(100)
5000 < 7500	8	40	45	13	5	-	111
	(7.2)	(36.0)	(40.5)	(11.7)	(4.5)		(100)
7500 < 10000	1	15	40	14	4	-	74
	(1.4)	(20.3)	(54.1)	(18.9)	(5.4)		(100)
10000+	3	3	60	17	18	-	101
	(3.0)	(3.0)	(59.4)	(16.8)	(17.8)		(100)
All	467	168	238	77	34	3	987
	(77.3)	(17.0)	(24.1)	(7.8)	(3.4)	(0.3)	(100)

That membership length is important in accessing credit is clear from the tables 5.4 and 5.5. Among those who recieved large amounts of loans (>Tk. 7,500) 43.5 percent is from the older membership group (more than four years). This increases to 87 percent of the large loan category when the membership length is more than 2.5 years.

For the female category, the borrowers in the large loan group show an identical membership age distribution: 87 percent of the households who borrowed more than Tk. 7500 category, is in the older than 2.5 years (or >30 months) age group. In this loan group 30.3 percent, smaller by 13 percent compared with the male category, is in four year or more length category (Table 5.5).

The next question is: are those with better initial endowment according to land ownership on joining RDP, better serviced by RDP's credit operation? The tables 5.6 and 5.7 indicate that the larger loan categories are dominated by the member households from the pure-target group. By the same token, larger representation from target group in lower levels of loan categories is indicative of their relatively younger age in membership years.

Table 5.6: RDP Loan & Initial Endowment -- *Male Member*

(No. of Households)

Loan Size Category (Tk.)	Land holding in Acres			All
	0-0.49	0.50-1.00	1.01+	
0	18 (75.0)	4 (16.7)	2 (8.3)	24 (100)
< 2500	19 (52.8)	10 (27.8)	7 (19.4)	36 (100)
2500 < 5000	53 (77.9)	7 (10.3)	8 (11.8)	68 (100)
5000 < 7500	59 (72.8)	10 (12.3)	12 (14.8)	81 (100)
7500 < 10000	46 (78.0)	5 (8.5)	8 (13.6)	59 (100)
10000+	84 (70.0)	13 (10.8)	23 (19.2)	120 (100)
All	279 (71.9)	49 (12.6)	60 (15.5)	388 (100)

For the male category, the distribution of the households according to land holding is fairly similar for the separate distribution of each of the loan categories, except the 'nil' loan category (compare the bottom row percentages with each of the loan categories' row distribution). Although there are proportionaly more non-target in Tk. 2500<5000 and greater than Tk. 10,000 loan categories (19.4 and 19.2 precents respectively in Table 5.6) compared with 15.5 percent of the male category, questions of bias are inconclusive.

Table 5.7: RDP Loan & Initial Endowment -- *Female Member*

(No. of Households)

Loan Size Category (Tk.)	Land holding in Acres			All
	0-0.49	0.50-1.00	1.01+	
0	277	22	25	324
	(85.5)	(6.8)	(7.7)	(100)
< 2500	210	10	13	233
	(90.1)	(4.3)	(5.6)	(100)
2500 < 5000	117	15	12	144
	(81.3)	(10.4)	(8.3)	(100)
5000 < 7500	93	7	11	111
	(83.8)	(6.3)	(9.9)	(100)
7500 < 10000	56	7	11	74
	(75.7)	(9.5)	(14.9)	(100)
10000+	85	8	8	101
	(84.2)	(7.9)	(7.9)	(100)
All	838 (84.9)	69 (7.0)	80 (8.1)	987 (100)

For the female category, there is slight hint of non-target households gaining better access to RDP loans. The proportion of non-target in the two loan categories in the Tk. 5000-9999 range may lead sceptics to conclude capturing of the programme by the better-off, as

it happened in the agriculture cooperatives (Table 5.7). The non-target in these two loan groups represents nearly 12 percent of the households who have borrowed between Tk. 5000 and less than Tk. 10,000, which is nearly four percent above the sample distribution by initial endowment. As the length groups between the 30-72 months contain proportionately more non-target compared with younger groups (Table C2), the presence of non-targets in the Tk. 7000-10,000 groups is more likely to have been due to targeting problems than any bias. Because these non-targets have been in RDP for longer period they are among those who received larger loans (see Table 5.5 for the association between loan size and membership length).

Sectoral Distribution of RDP Credit

The amount of RDP credit distribution show marked difference according to per household average of cummulative credit between the two categories of RDP households. For the male category the cummulative average per borrowing houschold stands at Tk. 9,091, that is 1.75 times larger than the average is for the female category (at Tk. 5,186). In the average number of loans for the respective categories. There is large difference - 3.12 loans for the male and 1.37 for the female. However, the per loan (as opposed to per household) averages show a narrowing of the gap between the categories. The per loan average (or the average size of loans) for the males is Tk. 2728 and for the females it in Tk. 2525 (Table 5.8). The large cummulative average per houehold figure for the male category is explained by their longer membership length and the proportionality numerous multiple membership houscholds (56 percent in the annexed Table C3). For the female category multiple membership accounts for only 5.4 percent (annexed Table C4).

Table 5.8: Sectoral Distribution of Cumulative RDP Loans

Sector	Male Member Households			Female Member Households		
	No. of Loans	Sum/ Tk. (%)	Mean/ Loan (tk.)	No. of Loan (%)	Sum/ Tk. (%)	Mean/ Loan (Tk.)
Agriculture and Irrigation	71	185000	2606	35	117500	3357
	(5.9)	(5.6)		(2.6)	(3.4)	
Rural Trading	764	1820200	2382	806	1871050	2321
	(63.0)	(55.0)		(59.2)	(54.4)	
Fishery	13	29000	2231	4	11000	2750
	(1.1)	(0.9)		(0.3)	(0.3)	
Food Processing	69	170000	2463	228	528450	2318
	(5.7)	(5.1)		(16.7)	(15.4)	
Livestock	75	270500	3607	147	394000	2680
	(6.2)	(8.2)		(10.8)	(11.5)	
Rural Transport	79	289000	3658	12	40000	3333
	(6.5)	(8.7)		(0.9)	(1.2)	
Rural Industry	69	283500	4109	63	259000	4111
	(5.7)	(8.6)		(4.6)	(7.5)	
Housing	17	78500	4618	10	39500	3950
	(1.4)	(2.4)		(0.7)	(1.2)	
Others	56	183500	3277	57	178000	3123
	(4.6)	(5.6		(4.2)	(5.2)	
All	**1213**	**3309200**	**2728**	**1362**	**3438500**	**2525**
	(100)	**(100)**		**(100)**	**(100)**	

The sectors for which the loans are officially sanctioned as reported by the sample show some variation from RDP annual report for 1992. The programme disbursement proportion differ in rural trading which is 48 percent in comparison with the sample households at 55 percent (63% and 59.2% for male and female respectively of the total amount). The livestock sector which is the single largest sector, for skill training, accounts, for between 8.2% and 11.5% of the loan amount respectively in the two categories of households. The food processing sector that incorporates paddy processing and rice marketing, is second to trading at nearly 17% of the loans received by female households. This is a sector where very low level of technology is involved and where no training is given. The sectoral distribution of loans as displayed in Table 5.8, once again indicates the low representation of sectoral programmes vis-a-vis the entire VO population.

That credit coverage intensity is deep is indicated by the average number of loans (1.8 per household) despite the fact that 25 percent of the sample is yet to receive loans from RDP.

There is little evidence of bias according to sex of the member or the initial endowment of the households. The difference between the male and female categories is only in the average number of loans and the consequent per household amount, which is due to average length of the households' membership and the structure of membership. The reduced gap between the household categories with regards per loan values is indicative of the increasing emphasis on women since the early 1990s.

5.3.3 Household Investment Behaviour

The data set on RDP credit contains information on the use of loans by the households. The data set allows for the analysis of loan use in single or multiple investment. From the example of one `household in Box-one, it is clear that a single loan may be invested in multiple or single use. The case in the Tow, which is from the household survey, illustrates that the household's investment behaviour is fairly complex: the husband is stated to have invested his loan in single use-sector while the wife's is used for multiple investment. This case should not be viewed as representative but only as an illustration of a very likely special case. Although it may not be representative in the sence of the number of use areas or proportional distribution among the different uses, multiple use of loan is common due to what some economists called "fungibility of funds".

It illustrates that a resourceful (spiritually, and not in the material sense) household is able to make investment decisions which are beneficial for itself (and may even indicate what economists call a `rational behaviour').

The use of wife's loan for investment in crop production which is an activity that is in the men's domain, is her contribution to increasing household income. The household survey do not shed any light on the control of the decision making process, of the materials gained or over the return from the productive investment.

Table 5.9: Investment of RDP Loan (Cumulative)

Loan Invested in	Household Category	
	Male member	Female Member
Fixed productive investment	27.76	23.78
Working capital	58.60	55.88
Housing	5.55	5.06
Money lending	0.72	2.65
Consumption	6.08	8.65
Debt servicing	1.54	2.69
Other	0.46	0.45
Total	100	100

Box Two: Investment Behaviour of RDP Household

A single household which has been associated with RDP for about two-and-a-half-year, is used to illustrate investment behaviour of the rural poor. The household which has multiple membership in RDP is reported by the head and his wife both of whom are in their 30s, and live with their two daughters and two sons in Faridpur. The elder son (10 years old) and daughter (7 yrs) are school going. This is a landless household owning only the homestead plot (0.08 acre).

The wife has no major source of income, rears a cow on share-rearing basis. She is about to return the cow which has given birth to a calf and will retain the calf and the cow's milk as payment for rearing the cow.

The husband who is illiterate like his wife, appears to be a resourcesfull person. Agriculture wage labouring is his stated occupation, he also earns his livelihood from rented land cultivation and running his bullockcart for transportation service and selling ploughing service with his bullocks and plough. He has repaid the first RDP loan of Tk. 2000/- used in paddy trade, and has bought a bull with his second loan of Tk. 3000 which is outstanding. He has engaged in the credit market as a lender with a loan of Tk. 4500 to a household that is "much better-off" than his own, in exchange for the exclusive use of a plot of land measuring 0.95 acre. He grows paddy (Aus) and jute on this mortgaged and a plot of 1.20 acre land which is rented on a share-cropping basis. In addition to these monsoon crops, he cultivates paddy (Aman) and mustard in the Autumn, spliting the mortgaged land equally between the crops. For the monsoon crop, family labour is the only source of labour input, except for trains-planting which is contracted out on piece rate basis. He requires assistance for the Autum crop and hires wage labour for four labour-days. Data on Rabi or winter crop is not available but it is known that he cultivates wheat which is found in the loan investment data set.

Table B1. Distribution of investment

Investment Sector		*Amount (Tk.) %*
1. Fixed productive assets (pultry)		*350 (15.6)*
2. Working capital (input or crop)		*350 (15.6)*
3. Household	*a. Sanitary latrine*	*405 (18.0)*
	b. House repair	*425 (18.9)*
4. Debt servicing RDP loan repayment		*220 (9.8)*
5. Cash of hand total		*500 (22.2)*
Total of Tk. 2,500 credit received		***2250 (100)***

Although the husband's two loans are invested in two specific areas, the wife's which is only her first loan from RDP, is invested in multiple sectors. The distribution of the loan by the sectors of investment is displayed in Table B1. It indicates multiple demand on a resource accessed by the wife, the official purpose for which the loan is sanctioned by RDP constitutes 20% of the take-home amount. The husbands' investment are directed at income generation whereas the wife's is partially so and it is used more to improve the material well-being of the household as a whole. Poultry rearing is in the women's domain and can said to constitute the wife's only direct investment. In this household the income earned by the woman is used for purchasing household effects, and the decision is taken by the husband who considers women's work outside the home for earning an income is 'good' (which is not qualified by the need to be within purdah).

The example appears to be somewhat different from the aggregate situation in that the magnitude of distributions different respectively. The case in the Box-Two may well come to reasonable the aggregate situation, as displayed in table 5.9, once the 'cash at hand' is invested. The table 5.9 does not say anything whether or not the investment are multiple. On the whole the two categories of sample households are similar in their investment behaviour. The share of investment in working capital is more than half of total investment for both household categories, which includes trading. The difference between the two household categories with respect to the proportion of loan used for consumption, indicate the female category's worse-off situation compared with the male. That female category may be more risk-averse may be learned from money lending sector's larger presence in its investment portfolio.

Table 5.10: Investment of RDP Loans -- *Male Members Household*

(Mean Tk. Per Household)

Loan Use For	Membership Age Category (Months)					All
	1-11	12-29	30-47	48-72	73+	
Fixed Productive Assets	1620 (14.1)	2915 (24.1)	4489 (28.0)	6230 (29.3)	6166 (30.2)	4660 (27.6)
Working capital	3325 (70.3)	4250 (67.5)	5703 (57.0)	7399 (55.8)	8664 (53.0)	5822 (58.2)
Housing Assets	2925 (10.3)	986 (1.5)	3113 (6.1)	3628 (6.2)	2473 (6.5)	2796 (5.5)
Money Lending	2700 (4.8)	1300 (0.6)	1613 (0.6)	1800 (0.8)	4150 (0.7)	1936 (0.7)
Consumption	200 (0.4)	1244 (4.3)	1634 (6.7)	2031 (5.2)	2386 (7.5)	1772 (6.0)
Loan Repay	-	1700 (1.9)	1767 (1.4)	2157 (2.1)	1250 (1.1)	1760 (1.5)
Others	-	1500 (2.0)	1950 (1.7)	2139 (2.7)	1942 (2.0)	1916 (2.0)
All	**56750 (100)**	**459400 (100)**	**1170890 (100)**	**702475 (100)**	**571730 (100)**	**2992275 (100)**

Figure in the parentheses indicate case percentage. The "All" column includes seven observations for which the membership length data are missing.

The length of membership of the households appear to exert a mixed bag of influence on the investment behaviour of the members. The female category display no particular trend according to membership length (Table 5.10), whereas in the male category a pattern is beginning to appear. The proportion of loan money invested in fixed productive assets and working capital show an opposite direction of change across the age categories. Investment in working capital is highest in the youngest group (at 70 percent in Table 5.10) which declines as the membership age increases. The pattern for investment in fixed capital for the male category, is increasing with length, from 14% in the under-one year membership length category to 30% in more than six years category, for the total invested (Table 5.10).

Table 5.3.8: Investment of RDP Loans -- *Female Member Household*

(Mean Tk. Per Household)

Loan Use for	Membership Age Category (Months)					All
	1-11	12-29	30-47	48-72	73+	
Fixed Productive Assets	1657 (27.9)	2449 (22.6)	3532 (24.4)	2792 (23.1)	4029 (21.5)	2824 (24.0)
Working capital	1669 (54.4)	2966 (61.3)	4439 (56.8)	4697 (48.4)	7547 (59.3)	3616 (56.4)
Housing Assets	1663 (5.6)	1651 (4.2)	2646 (4.3)	2719 (11.0)	1350 (1.3)	2209 (5.1)
Money Lending	2038 (2.3)	2463 (2.7)	2831 (2.6)	3770 (4.2)	3600 (1.1)	2834 (2.7)
Consumption	815 (6.8)	990 (5.4)	1963 (9.2)	1650 (10.3)	2555 (12.0)	1586 (8.7)
Loan Repay	1144 (2.9)	1697 (3.7)	1681 (2.5)	1267 (1.7)	1950 (3.1)	1572 (2.7)
Others	1031 (2.9)	1605 (3.8)	1707 (2.7)	1484 (3.0)	2525 (4.1)	1621 (3.2)
All	**349725 (100) (N=228)**	**551510 (100) (N=228)**	**1406320 (100) (N=401)**	**446710 (100) (N=143)**	**318290 (100) (N=67)**	**3073455 (100) (N=1069)**

Figure in the parentheses indicate case percentage. The "All" column includes two observations for which membership length data are missing.

As with the household in Box-two, the younger members among the male category invest their initial loans in working capital and as the length of membership increases, there is a sharp decline from 70.3 percent to 57.0 percent (in 1-11 and 30-47 age groups). The need to start loan repayment immediately after disbursement, longer gestation period in some fixed investment (e.g. livestock), circumstances such as experience in crop cultivation and opportunities for petty trading, may be some of the reasons for this behaviour. Also the size of initial loans are smaller which may be better used as working capital, and any accumulation from there may be reinvested in other areas along with subsequent loans. When these two loan use categories are taken together, it is clear that both the male and female categories use large portion of their loans for revenue (income) earning purpose. The females use it at a rate that is marginally lower than the males. It may be due to the females initial condition which is worse than the males (see chapter 4). However, as will be shown in the following chapter, the growth in assets and consumption in the female category, over length of membership, is greater than it is in the male category. The female borrower may well use their loans more effectively with respect to accumulation of assets and improved consumption expenditure.

6. Maternal well-being of RDP member Households

6.1 Key indicators implying major economic impact

Table 6.1 provides a breakdown of household survey interviews by length of RDP membership, the increasing amount of credit received by members over time, and key indicators of material well-being. Relevant comparison group (non-RDP) data is also included. Overall, the data suggests that RDP has achieved considerable impact.

Comparing those households which joined BRAC in the 11 months preceding the interview, with those households which joined more than four years ago, shows that the latter ("older") group have:

- average gross household asset values which are 112% higher
- average household revenue-earning (fixed and working capital) assets which are 100% greater in value
- average weekly household expenditure which is 26% greater
- average weekly per capita expenditure on food which is 15% higher

It should be noted that the comparison group households show lower average values in all economic well-being indicators than the recently joined BRAC households. However, while the differences appear marked (eg. see asset values and weekly expenditure), statistical tests show that these differences are <u>not</u> significant. In addition, the village profiles show that on average there are no marked infrastructural, market access or economic vibrancy differences between non-BRAC comparison villages and RDP villages. These results suggest the comparison group retains validity as a control.

Marginally higher levels of total household, and per capita food expenditure by "older" members are combined with marked differences in total and productive household assets. This asset-growth is suggestive of a structural change in the economic status of these households. Such structural change implies that RDP is having a significant impact on members over time.

The comparison of different groups of RDP members according to their length of membership and credit received (to assess impact) is not conclusive on its own. Further statistical analysis is presented below.

In particular, there is some evidence to suggest that the average initial economic condition (ie. on joining RDP) of "older" members was better than that of members who have joined more recently. Analysis of membership groups according to initial endowment is carried out below (to compensate for such differences), and show that differences of a "before" and "after" nature for groups with different initial endowments can be measured.

In addition, contextual (non-RDP) variables which may influence the performance and economic status of different length-of-membership categories need to be statistically controlled to qualify the degree of impact suggested by table 6.1. These variables include life cycle effects, local economic vibrancy and the educational status of households - which are also assessed in the latter section of this chapter.

The additional data presented below shows that the impact of RDP credit can be isolated; and while this measurable impact is less dramatic than the data in table 6.1 implies, it is undoubtedly significant.

Table 6.1: Sampled households by length of membership and key indicators of material well-being

Household (H/h) Survey Interviews	BRAC Membership age in months (& years)				Com. Group
	1-11 (< 1)	12-29 (1<2.5)	30-47 (2.5<4)	48+ (4+)	
Average value of gross H/h assets (Tk)	10,959	14,037	20,282	23,230	7,250
Average % (& value) of assets which are productive (revenue-earning)	32.9% (3,606)	39.1% (5,488)	31.6% (6,409)	31.0% (7,201)	
Average H/h weekly expenditure (Tk), including peak & slack seasonal data	419	455	560	528	382
Average per capita weekly food expenditure	55.5	60.8	63.0	64.1	55.3

6.2 Verifying RDP's impact on members' material well-being: achieving "critical mass"

This section outlines findings which are summarised by the metaphor of achieving "critical mass".

Critical mass is defined as a combination of (a) length of membership and (b) amount of credit received. To achieve measurable impact the combination of receiving a large amount of credit over a long time period are both necessary, but neither is a sufficient condition on its own.

In other words, there are households which joined BRAC relatively recently which have borrowed substantial amounts of credit (as much as the average for "older" members), but for which changes in material well-being are not measurable. In addition, there is a minority of households which have been associated with RDP since its beginning in the mid-1980s, but have not taken significant amounts of credit, and for which changes in economic well-being are not measurable.

The finding that households which have benefited most are those which have taken a large amount of credit over a longer time period suggests the conclusion that gradual (rather than sudden) impact is experienced by RDP members.
Statistical analysis has resulted a preliminary model of critical mass as: those members who joined RDP more than two and a half years ago, and have taken cumulative loans to the value of Tk 7,500 or more. Also, as "mass" (length of membership and loan amount) increases beyond this level the probability of greater improvements in well-being increases.

The above model of critical mass is statistically established by comparing key indicators of different groups, specifically:

- those households which have been members of RDP for less than two and a half years, during which time they have received a maximum of only Tk 2,500 worth of credit; and

- those households which have received the highest level of RDP support according to length of membership (over two and a half years) and credit received (more than Tk 7,500).

Because there appear to be systematic differences in the economic statues of male versus female member households, they have been disaggregated for the purpose of these tests. These differences suggest that male BRAC members tend to be selected from households which are economically better off than the female members. The results of the comparisons are presented in table 6.2 below.

Table 6.2: Means for key indicators by length of membership and RDP loan groups

INDICATORS (1)	Male Category		Female Category	
	Loan >7500 Length >2.5Yrs (2)	Loan <2500 Length <2.5Yrs (3)	Loan >TK7500 Length >2.5Yrs (4)	Loan <TK2500 Length <2.5Yrs (5)
	(n=154)	(n=37)	(n=153)	(n=496)
Density of Living Quarters (Sq ft/Person)	52.2	52.5	57.65*	48.15
Livestock (Tk/Hh)	4,119	3,580	3,182*	2,297
House Structure (Tk/Hh)	17,635*	5,340	11,972*	6,362
All Assets (Tk/Hh)	32,236*	15,453	21,051*	10,172
All Assets (Tk pc)	4,477*	3,010	4,001*	1,974
Share of Revenue Earning Assets	35.79	44.27 (% of	30.54 total	32.12 assets)
Cash Earning (Per Capita/Week)	61.60	61.30	61.49*	44.9
Food Expenditure (Per Capita/Week)	69.82	69.12	66.16*	54.89
Consumption Expend (Per Capital/Week)	108	97	103*	76.9
Deficit Months (No.)	2.78	2.95	3.23	4.57
Food Stock (Meal Days/Hh Lean Season)	13.8	24.97	15.98*	5.36
Non - RDP Saving (Tk)	804	950	1,133	336
Food Stock in Peak Season	30.51	44.0	19.12	17.0
All Weather Roofing Material (No. & % of houses)	177 (73%)	17(38.6)	146 (71%)	286 (49%)

'' = denotes P<0.05 (statistical significance) for Col. 2 VS.3, and Col. 4 VS.5*

The comparison of key indicators means for the different male/female - loan/length of membership groups in table 6.2 show that the achievements made by the households in the female category are greater than those in the male category; more specifically:

- for male member households: statistical significance tests to measure the differences between the two loan/length defined groups show that a high level of RDP support has generated insignificant differences in terms of cash earning, expenditure, and food stocks. There is a marginal improvement in the value of livestock for the older/higher credit group, but this difference is not significant. However, the values of house structure and total assets are key indicators that support the critical mass argument in the case of the male category. For both these indicators the differences are marked, and as denoted by "*", are significant. Because total asset and house structure values are undoubtedly crucial features of households' economic status, these results do support the critical mass argument.

- for female member households: tests produce significant differences for nine key indicators. Not only total assets and housing structure, but also livestock, cash earning, expenditure, food stocks/security and living quarter values are all higher for the higher borrowing, longer membership households. While all these differences are significant ("*"), those for assets, house structure, food stocks and consumption indicate marked quantitative improvements in economic status.

The female category produces results which show that micro-credit for poor women will benefit the entire household, which appears to justify RDP's increasing emphasis on female membership since the late 1980s. This is further emphasised when the female/ male households which have experienced the critical mass of RDP input, are compared.

Although the average values of key indicators of the male critical mass group are higher than those of the female group in eight out of 13 indicators (see columns 2 and 4 in table 6.2), statistical tests rule out these differences as being of significance ($P>0.05$) in most cases (see annex table D1 for t-values). These statistical tests indicate that the female group is similar to their male counterparts in terms of material well-being.

In 12 out of 13 indicators, the odd one out is the value of household structure and effects, the female group has experienced greater improvements than their counterparts with a low level of RDP input, compared to the differences between the two male groups. A

combination of membership length and credit from RDP has enabled the female category to make greater improvements than the male group with similarly large RDP input.

The analysis thus far raises the issue of the similarity (or not) in the resource endowment of the groups that have been used to assess the issue of critical mass, and the resulting conclusion that loans to female members have generated greater (comparative) impact. If the condition of the recently joined households in the female group is better than their male counterparts, the validity of the critical mass argument will be weakened. This is because the female category may be deemed to have started from a higher level than the males, and would therefore be expected to perform better.

A comparison between these two gender categories at the early stages of membership produces results to indicate that the females are worse off compared with the males, according to the indicators. The male group in the recently joined category is better off with respect to seven indicators that are statistically significant, and a further five on average. Thus, these findings suggest that the female group which has joined RDP with a poorer endowment than male households generates greater differences - as it receives increasing amounts of credit over a longer period of time - and reaches levels of material well-being which are similar to their male counterparts.

It should be noted that the initial condition as used in the above discussion is the current condition of the new members in the survey sample, and does not necessarily represent the condition of the older members on joining RDP. The term "initial endowment" is used below to mean the latter, and is defined with respect to their land ownership at the time of joining BRAC.

6.2.2 Initial Endowment Induced Impact?

The term "initial endowment" is used to refer to the original condition of households when they joined BRAC (ie. at the pre-RDP intervention, or "before" stage). Because the survey could not collect comprehensive data to assess the pre-RDP condition of households more than four years ago, the proxy indicator of initial endowment used here is the amount of household owned land at the time of joining (calculated on the basis of interview information about present landholding, accounting for any sale or purchase of land "since joining RDP").

It may be argued that households with larger land ownership on joining RDP will have been in a better economic condition generally, and therefore should have "performed better" than those of smaller endowment, but with similar inputs from RDP. In order to test the robustness of the critical mass argument, it is necessary to show that the differences between the two levels of RDP inputs are as large in the case of high endowment households as they are for weak endowment households.

In order to assess the influence of initial endowment on the impact of RDP support, the landholding factor is used to define different groups. The membership length and RDP credit (as used above in table 2.2) are retained and the low (weak) and high (strong) initial endowment condition are specified as:

- landownership of less than 0.25 acres is taken as indicating low endowment; and
- landownership of more than 0.51 acres is taken as indicating high endowment.

The low endowment group is likely to contain the worst-off amongst BRAC's functionally landless target group (and the degree of change in their economic status will therefore assess the effectiveness of credit for the poorer amongst RDP's membership).

Any upward pressure on the economic condition of the households emanating from non-land resources such as human or working capital are assumed to be equal in both of the groups. This assumption is based on the proportional distribution of household heads' occupation by landholding category which show broad similarities. The number of working age population is greater in the larger landholding groups than the smaller. Therefore, that smaller landholding groups' economic condition is improved through non-land resources is unlikely in the case of the present study sample.

Each endowment group is analysed separately to assess the difference made by large amounts of credit over a period longer than two and a half years compared to smaller amounts of credit and shorter membership. Each gender category is analysed separately (because of the differences noted above). The high endowment households produce key indicator values that are higher on average than the low endowment group. This is true for both male and female member categories. However, the comparative differences between the two RDP loan/length groups are greater for those households with low initial endowment, in both male and female member categories, and the female category in particular.

In other words, the high endowment groups in both of the gender categories have achieved smaller comparative differences when the two input size groups are compared (see columns three and five in annex table D3). These results suggest that RDP's impact on the low endowment female group has been more effective, and generated more dramatic changes with respect to material well-being, as and when their involvement with RDP goes beyond the critical mass level (compare columns three and seven in annex table D2, and columns 4 & 5 in annex table D3). The results for tests in group means with respect to the key indicators are not statistically significant in the female categories' high endowment group (column 5 in annex table D3).

The results for the male member categories produce slightly larger differences (compare columns 1 & 2 in annex table D2, and column 3 in annex table D3). This difference is significant only with respect to wealth and one of its components - the value of house structure (column 3 in annex table D3).

The differences in the low endowment group of the female category are either equal or greater than that those of the high endowment group. Indicators which show such differences include: both household and per capita wealth (total assets), house structure value, expenditure on consumption generally and food in particular, food stocks in the lean season, food security in the previous 12 months, and cash earnings.

The gap between the high and low endowment groups which received a critical mass of RDP input is narrower for the female category than for the male (columns 7 & 6 in annex table D3). The female categories' low endowment group may be narrowing the gap with their female counterparts in the high endowment group. This result is not conclusive because the differences are varied across the indicators.

In conclusion, there is little evidence to suggest that the households with high initial endowment are likely to better utilise RDP credit over time than their counterparts in the low endowment group. Indeed, the reverse is suggested by the tests: RDP's impact on poorer households' material well-being has been, in comparative terms, more notable.

6.3 Critical Mass : A detailed Assessment

Wealth of households RDP Loan and Membership Length

The RDP households may be disaggregated according to amount of loan received and membership age, and statistically tested for difference in wealth. The results of 't-test' for mean difference are displayed in Annex D, table D4 and table D5 for male and female categories respectively.

The male category households divided into eight groups by five levels of credit, and membership age of 'relatively young' (age <30 months) and 'relatively old' (age >30 months). They are tested against each other as well as against the comparison group. From table D4, it is clear that the all groups of male households are better-off than the comparison households. Whether or not the comparison households are systematically poorer than the RDP households is assessed in the last chapter in this report.

The male group that has received more than Tk. 7,500 (the largest loan category presently) and are 'relatively young' do not appeared to have improved their wealth situation compared with smaller loan size groups. If the amount of loan alone is expected to cause change in wealth then this result is unexpected.

The explanation is in the performance of the 'relatively old' and large loan group that is consistently and significantly wealthy than all other groups. As is seen earlier, the wealthiest groups of households have a membership age over 2.5 years and they are in the larger than Tk. 7,500 loan categories. This group by virtue of age is likely to have received larger average loan over a time which allowed them to convert their RDP loan into wealth. The second is that the real value of their loan is higher than the relatively young group, because the amount used presently is not adjusted for price level changes.

There is consistent difference in the wealth of other groups with smaller loans, but these are not statistically significant. The 'relatively old' medium size loan group owns on average higher value wealth compared with younger, and smaller loan groups.

The female category of households, given their more numerous presence in IAS, are divided in nine groups with respect to two age categories, as for the male, and five loan size groups. The 'relatively-young-and-large-loan' group in the female category follow in the footstep of their counter part in male category. The results in table D5 show that it is

the groups with larger loans and older membership who are likely to be better-off. The difference of 'older-member-and-large-loan' in the female category from other groups is not as clear cut as in the case of male category. This group is significantly more wealthy than the zero loan-all ages, and all-ages with less than Tk. 5,000 loan size. This group is on average different from the groups with medium size loans and all ages, as expected.

This simple analysis indicate consistent movement along the path to greater wealth ownership according to loan size and membership age. The Case Study discussions with VO members reveal that improvement in material well-being is influenced by the manner in which the RDP loan is used. In other words, RDP loan on its own, per se, do not affect improvements. The case Study identify initial endowment and local condition as important factor of determination of improvement.

Food Expenditure : RDP Loan and Membership Length

The tables D9 and D10 in the Annex D display results of statistical tests carried out to assess the significance level of the difference in expenditure on food. The households are divided into groups according to membership age and loan size, as used for wealth. The male member category is significantly better-off than the comparison group, except the young age members with medium level loan size (Tk. 5000-7500). This young group spends more than the comparison households but this may be due to some exceptionally large spenders among them which has pulled the group average to higher level.

The female member households the results for which are annexed in table D7, are different from their male counterparts in that they are not systematically and significantly better-off than the comparison group. This implies that the female category is similar to the comparison in poverty situation. Only the older age (>2.5 years) group with large loans (> Tk. 7500) is better-off than the comparison. The households in loan size Tk. 5000 to less than Tk. 7500 of both ages, are consistently different from smaller loan groups but with significance levels that are not in the acceptable range. When the RDP members are compared among themselves, the differences seen earlier in food expenditure do hold strongly. The male category households in the larger loan groups of both ages are consistent in that their mean expenditure is larger than the smaller loan size groups, but this difference is not statistically significant.

The female group when compared among themselves is some-what more consistent with expectation than the male. The older group with large loan is systematically better-off than

the small loan groups. It is similar to those which are in the medium loan size (Tk. 2,500-5,000) with long membership (>2.5 years).

The budget share for food for all the households implies that expenditure pattern is led by basic sustenance needs. At this low level of income, major portion of additional income is spent on food thereby making food expenditure as an indicator very hard to impact on. It is only the older members with largest loan that increased their expenditure on food by a significant amount.

Although these results do not prove causation, but there is be evidence of increasing the difference in food expenditure after a particular length of membership (>2.5 years) and a quantum of RDP loan (> Tk. 7,500) input are reached by the households. This is consistent with the results of tests of difference among groups that received different levels of input, with respect to wealth. The gradual increase in expenditure on food per capita show that the critical mass argument is not the case of exceptional situation.

6.4 Selected Major Indicators

6.4.1 Household Expenditure

The Household expenditure account

Household expenditure for one week in two seasons, is used as an indicator of impact of RDP on material well-being. Two major components of total expenditure are: the food items and non-food consumption (including expenditure on health care, education and transport). Items such as savings contribution to programmatic funds, purchase and maintenance of assets, are also part of the total expenditure. Consumption expenditure which is exclusive of these savings and investment, is considered to be more important as the share of investment in the household budget is low.

The proportion of saving in household expenditure at national and rural areas been found to be under 10 percent by the Bangladesh Bureau of Statistics in its survey in 1988-'89. This is found as part of the exercise to assess the quality of expenditure data generated by the household survey in IAS. See Annex B(4) for the description of IAS household expenditure account.

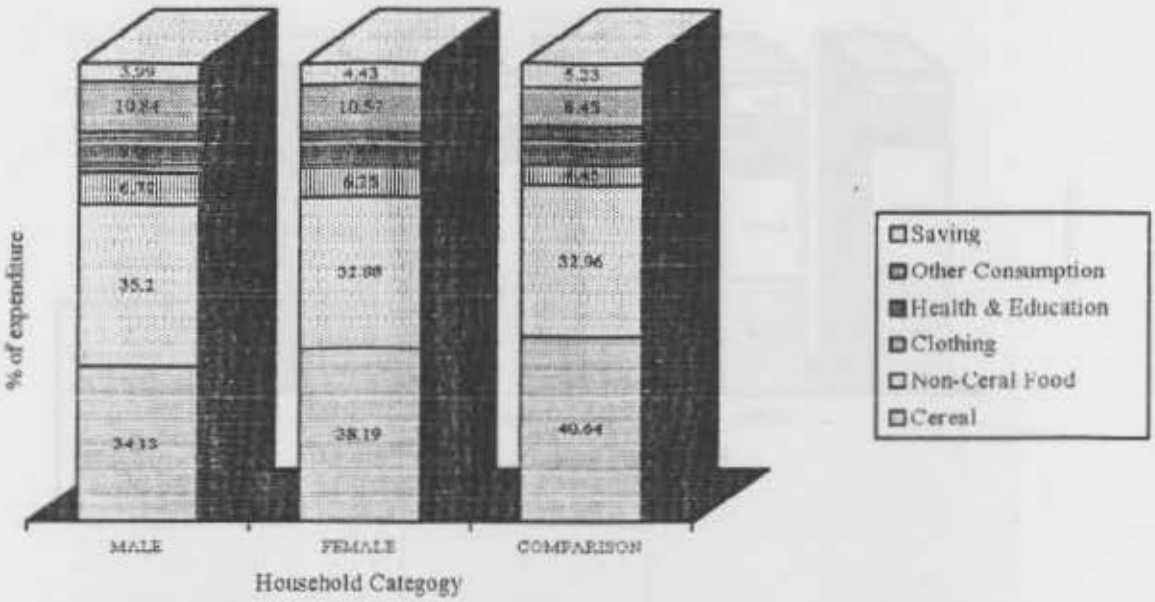
The expenditure is made of two parts: one is for the Autumn lean season (October-November, 1993) and the other is for Winter Peak (January-February, 1994). a one-week reference period is used to carry out the respective seasonal expenditure accounting. An alternative which is widely applied, would have been to account the items according to frequency of purchase or achieved consumption, starting with the most frequent such as cereals and onto the least such as clothing, religious rites. Such an accounting system would have required an interview time period which might have been long enough to cause respondent irritation given the purview of the household survey instrument. The efficacy of the seasonal and time-referred method as used in IAS, and the quality of data is discussed in the following section. See Annex B(5) for a comparison of IAS data set with that of the HES produced by BBS

Composition of Household Expenditure

For the RDP households at the lowest levels of income the share of cereals in their respective food budget make them poorer than the households of similar income level in the HES/BBS study. According to the income levels, 48.6 percent of the entire population is in the bottom third of the 16 level income structure, compared with 78.4 percent of RDP and 86.3 percent of the comparison households in the IAS sample. Just under 96 percent of RDP households is in the lower half, compared with 85 percent of the entire population (Annexed Table B1.1).

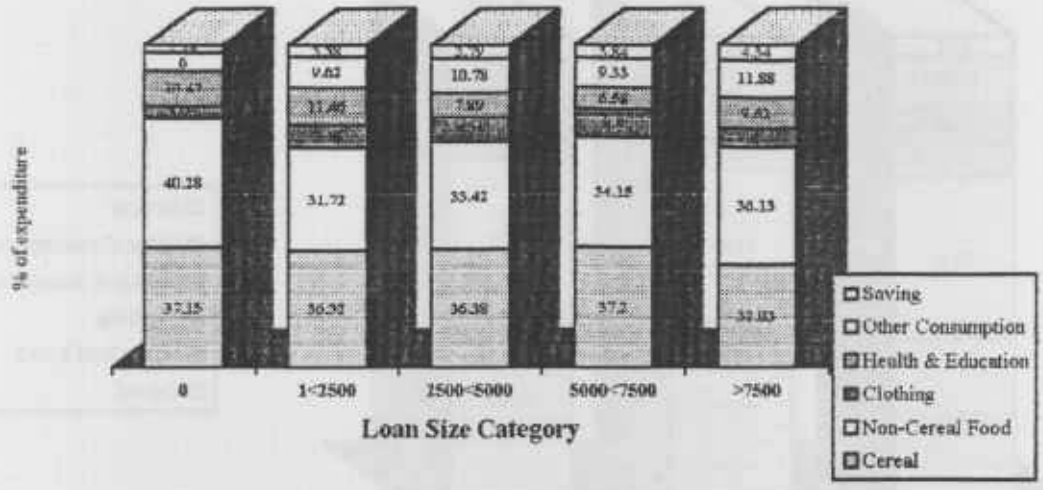
An improvement in material well-being will be indicated by changing share of the various items in the household budget. There has taken place some change in the budget structure of households in rural Bangladesh, as reported in HES by BBS. The share of cereals in the food budget is just under 60 percent for the lower income groups (Annexed Table B1.1). This might be due to a general improvement or due to a lowering of the relative price of rice which has not registered increases vis-a-vis price increases in other commodities and goods.

Chart 6.1: Composition of Household Budget Share



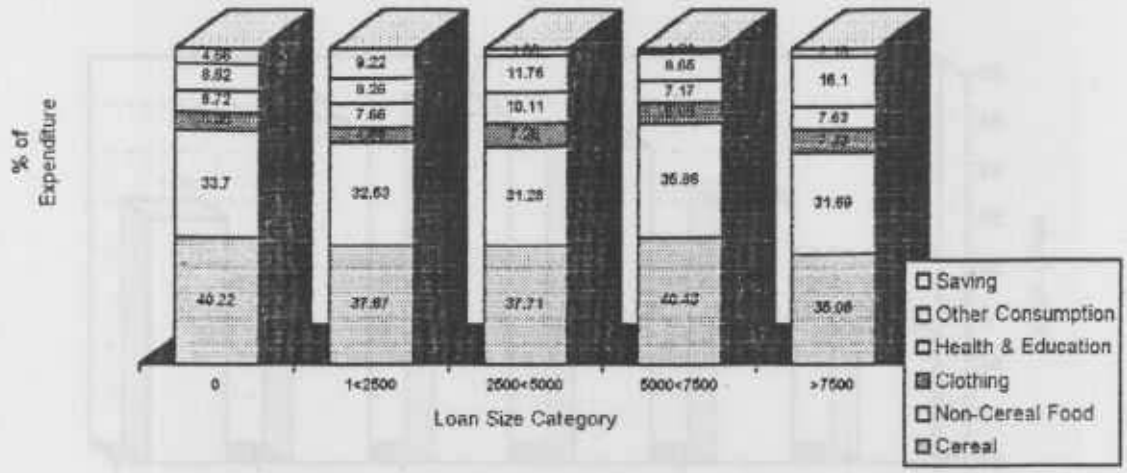
Turning specifically to the IAS households, the one-week average of the seasonal expenditure is somewhat different for the three categories (Chart 6.1). Chart 6.1 and annexed table D6, show that the share of food, and cereals in particular, are very large indicating low levels of household earning (64, 66 and 68 percents respectively for the male, the female and the comparison households). The proportion of cereals in the budegets for the three categories in dicate their comparative differences: for the male it is 34 percent, for female 38 and for the comparasion 41 percent. This proportion for the male do not show any pattern according to either membership length (Annexed Table D9) or amount os f RDP credit (Chart 6.2). For the female the share of cereals deline from 340 percent for the youngest group to 33 percent for the four-to-six-years group (Annexed Table D10) indicating improvement in the expenditure levels overtice. Except for the items that can be termed as essentials (food and necessities such as fuel, toiletries) the comparison households appear marginally worse-off than the RDP households. The comparison group's saving rate is higher than that of the RDP households (Table D8).

Chart 6.2: Household Budget Share and RDP Loan - Male Members



Charts 6.2 and 6.3 display the budget shares of RDP's male and female member households respectively, according to loan categories. The structures of the male category do not seem all that different: the target loan size category's (> Tk. 7,500) share of cereals is lower and of saving largest, compared with the smaller loan categories but only marginally. The food share in the budget of the 'nil' loan male category is larger than the rest. The similarity in the pattern among the loan groups in the male category is present among the female households in different loan groups. The lack of difference among the loan groups for both categories may be due to differences in initial endowment, life-cycle factors and local condition which are subsumed under the loan categories. The respective loan categories is likely to contain variations in these factors which will average out any effect, if any, of RDP loans. At the sametime, the structures may be secular to the influences of RDP loan levels, at the present. These structures are likely to be more sensitive to macro-economic influences such as relative prices, levels of agricultural and infrastructural development and the general buoyancy (or lack of) the economy.

Chart 6.3: Household Budget Share and RDP loan - Female Members

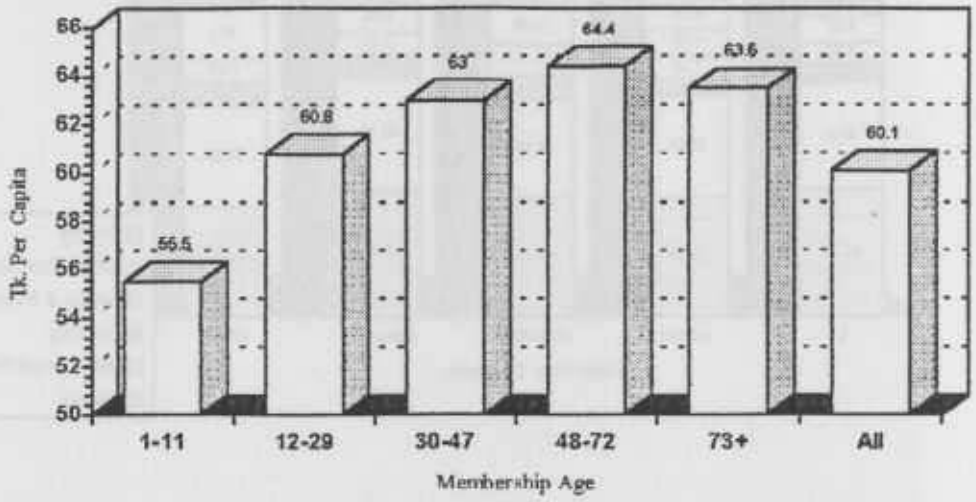


Expenditure on Food

Food is the first of basic human requirement and has been a major indicator in poverty discourse since the classic study of poverty by the Rowntrees in Yorkshire at the turn of this century. The present chapter focuses on food in an economistic approach, i.e. instead of quantities and qualities of food the money spent on it is taken as one of the indicators for material well-being. The definition of poverty, as used in the IAS, incorporates the ability to be adequately fed as a constituent element in the capabilities and entitlement theory of poverty.

This section focuses on the expenditure on food as this overcomes the problem of aggregating different kinds and amount measured in various units, of food consumed by the study households. The quality of diet is not captured directly by consumption expenditure. The section on household expenditure indicated the centrality of expenditure on food in the budget of the RDP households. Both cereal and no-cereal items are considered in the food expenditure account.

Chart 6.4: Food Expenditure (Per Capita) by Membership Length RDP Households



The indicator is assessed according to membership age, loan size and initial endowment. The results follow the earlier pattern. The percapita expenditure on food increases with membership age, loan size category and initial endowment. The chart 6.4 whows that the food expenditure is highest for the four-to-six-year group (at Tk. 64.4 pc). The figure is larger in the annexed table D11 that show the expenditures on food according to loan and length, for the group with more-than-six-year length and more than Tk. 10,000 loan, at between Tk. 74 and Tk. 67. Taka 70 percre on food for the largest loan group, in chapter 6.5 is lower than the combined groups in table D11. That when RDP inputs are combined to analyse impact, the results are more positive and consistant.

Chart 6.5: Food Expenditure (Per Capita) of RDP Household Loan Size

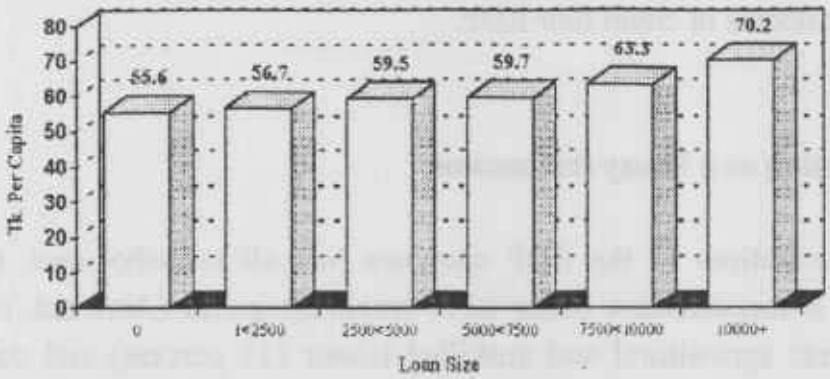
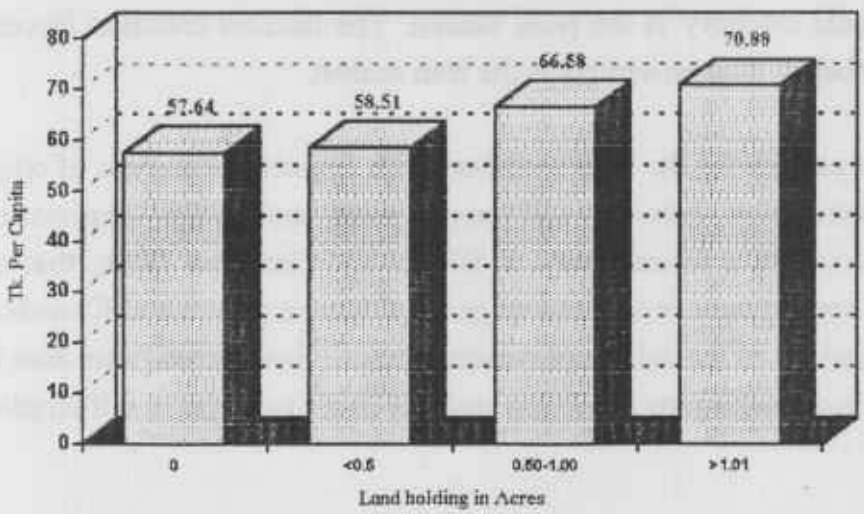


Chart 6.6: Food Expenditure of RDP Households and Initial Endowment



The lowest average food expenditures, (between Tk. 52 and 57)when controlling for land holding instead of age, are in the less than 0.50 acre category with less than Tk. 5,000 loan. In the same land category, the households that are in the higher (loan > Tk. 7,500) loan group the expenditure is higher at between Tk. 58 and 65. As expected the non-target

(land >1.00 acre) category systematically spends more on food and the spending increases with increasing loan (Annexed Table D12). The annexed table D12 show that the food expenditure for the landless (zero land) and the functionally landless (<0.5 acre) increases with increasing amounts of credit four RDP.

6.4.2 Cash Earning as a Proxy for Income

The reported occupations of the RDP members (not all househol (not all household members) show a concentration under three broad categories (Annexed Table D12.1). Trade (30 percent) agricultural and unskilled labour (25 percent) and cultivation (17 percent) account for 72 percent of the men members' occupation. The occupational pattern of the women members is dominated by household work (between 84 and 87 percent, Annexed Table D12.1). The other occupations for women are likely to be related with female headed households and with distress situations (see Kabeer, 1991; Hossain and Sen, 1992 : Annex). Chapter eight in this report explains that there is a lack of opportunity for women to invest their credit from RDP, inaddition to social norms of section of women. This arguement is supported in table that show a decling in the number of women earness for the female category in the peak season. The distress situation forces a slight increase in the number of women earners is the lean season.

The occupations at pattern for the men memners with respect to the type of employment show an equal dstribution between self employment and wage employment. This distribution is reflected in a recent study of BRAC and Grameen Bank, that measured hours permonth of employment in self-and wage-employment (Islam and Khondker 1995 : Table 2). As occupations of the self-employment type are more prestigious than the wage type, participation in a programme involving credit is likely to increase self-employed type of occupations.

This prestige issue often results in misleading pattern particularly with respect to agriculture. A stated occupation of Krishi kaag (cultivation) is likely to mean wage employment (Kamla or Dinmoju) and categorised as farming of owned or rented land. The sources of cash earning on the other hand may overcome this prestige problem. The idea of cash earning is used in this report as a proxy for income which is a much broader concept. (The definition of cash earning is described in Annex B7) payment in kind is not included in cash earning in a one week reference period.

The occupational distribution for women members in female category, show that 137 or 13% are not housewives. In contrast, the total number of earners who are women for the female category, increases in with respect to cash earning (Annexed Table D12.3). There appears to be under reporting of occupation by around a third of the cash earners for female category's women earners. Comparison of the tables D12.1 and D12.3, indicate Peice-meal or part-time earning by women is not indicated in occupational pattern which is likely to show only the fulltime activities.

As the annexed D12.2 and D12.3 tables show, there is a large seasonal difference in the cash earning source of agricultural and other unskilled labour. The frequence of this source increases between 59 and 64 (respectively for male and female) percent from lean to peak season. The proportion of earners in this source category in the peak season is similar to the occupational pattern for men. In other words, this source accounts for fewer of the earners in the lean season compared with the occupational pattern.

One explanation is that petty trading is a traditional mechanism to cope with seasonal down turn as well as crisis (see Sen 1981). The trade and shopkeeping source for the male categories men earner show a decline of 13 percent in the peak season whereas for the male category's men-earners it in the reverse with an increase of 7 percent.

From the perspective of type of employment, it is credit that the peak season resembles the occupational pattern more closely than does the lean season. The self-employment types of sources for male category's men earner account for 69 percent and 58 percent of the earners respectively for lean and peak seasons (Annexed Table D12.2). For the female category's women earners, the self-employed type of sources show a large increase interms of the distributions for the two seasons. The self-employed sources account for 71 percent of the women earners in the peak season in comparison with 45 percent in the slack (Annexed Table D12.3). Wage employment sources which involve payment of wage in kind, eg. cereuls, measls, would have been measured by the cash-earning concept, is a likely explanation for the self employed sources large proportion in the peak season in which the total number of earner also declined.

The questions is : where is the impact of RDP? At the current stage of operation, the impact of RDP is likely to be reflected in the proportions for the engrepreneured or self-employed type of cash earning sources. This reflects the sectoral distribution of the investment of RDP credit which shows large portfolio for working capital (see chapter 5).

Secondly, the impact of RDP with respect to earning sources is likely to be measured by the lean season activities in that a shortage of wage employment is off-set by the use of 'diversification in earning source' to trading activities with RDP's credit support (see chapter 7).

Levels of Cash Earning

On average the levels of cash earning for RDP households are larger than the comparison group, and it is larger for the male category compared with the females (Annexed Table D12.4 and D12.5). The seasonal difference in cash earning is more promounced for the comparison households for which the peak season earning is 20 percent greater than the lean season's. As shown in chapter 7, the seasonal differences in cash earning declines for the female category with increasing membership length, having been larger than that of the comparison in the less-than-one-year length category (see Annexed Table E8).

The annexed tables D12.4 and D12.5 shows that the per household cash earning level is larger for male category in both seasons (Tk. 325 and Tk. 365 for lean and peak seasons respectively). For the female category the figures are lower than these are for the male (Tk. 234 and Tk. 269 respectively).For the female the peak season increase is larger at 15 percent that it is for the males at 12%.

Earning from not of sources increase in the peak season for all three categories of houscholds. Thesc increases point-up thc scasonal dimncsions of cmployment and carning, in particular, and of poverty in general. The shift observed earlier in the agriculture labour sources is explained by the demand side : the peak season weekly per earner figures are between 26 percent and 42 percent larger than the lean season. Suprisingly, the sources categorised as skilled labour show a decline in earning during the peak season for the female category and for the comparison households. For the male category there is increase in skilled labour sources. Difference in the type and level of skills may explain the directional differences in earning from these sources between the respective seasons.

RDP Inputs

The average differences in the seasonal data between the RDP households and the comparison groups appears less systematic in the comparisons after controlling for combined levels of RDP inputs for the RDP households. The annexed tables D12.6 and D12.7, show that the two-week average earning levels for the comparison group (Tk. 203) is larger incomparison with the 'less-than-Tk. 2500-and-longer-than-2.5 years' group of

males (Tk. 141) and of females (Tk. 201). The result of t-tests show that the earning level for the females' "largest-loan-longest-length" group incomparison with the comparison households, is of statistical significance. The earning level for the comparison group in comparison with those for the female category's other loan-length, is not significantly smaller.

The differences in the average earning for the comparison group and for the male category's various loan-length groups, are significant only at the larger loan categories. The diffeences are insignificant at the loan category of Tk. 2,500-5,000 for both the less-than and more-than 2.5 years membership length.

For the largest-loan longest-length the difference in earning (Tk. 414) is highly significant, followed by the earning for the loan Tk. 5,000-7,500-and-length less-than-2.5 years group (Tk. 459; Annexed Table D12.6).

The difference in the mean earning between the "largest-laon-and-longest-length" and the "largest-loan-less-than-2.5 years-length" is not significant, although the averages stand at Tk. 404 and Tk. 252 respectively. Cash earning for the largest-loan-longest-length group of the male category, is significantly different from the earnings for the loan between Tk. 5,000-7,500-and-length more-than-2.5 years.

The annexed table D12.7 shows two unexpected results with respect to cash earning for the female category. The earning for the largest-loan-and-<2.5 years group is consistently larger than that for all other groups of RDP inputs. The differences afe of statistical significance incomparison with all groups except the with its loan amount counter part in the longest length group. The other unexpected result is that the largest-longest group's earning are not statistically different from that of the smaller-shorter groups. These results are contrary to the critical mass arguement. A possible exploration is in the initial endowment of their young age group.

Initial Endowment

Controlling for the initial endowment factor, the results in annexed tables D12.8 and D12.9 show interesting results. On average the earning figures for the small endowment groups, produce opposite results for respective RDP category households. For the females' the small endowment group's earnings are on average greater than that of the large endowment groups (Annexed Table D12.9). In contrast, the figures for males' large

endowment groups are greater than that of the small endowment groups (Annexed Table D12.8).

The results show that the low mean earning for the femele categorys "largest-longest"-group is likely to be the cause for the insignificant results in annxed table D12.7. The earning by the females' small endowed largest-longest group is dificantly greater than those of the 'medium-loan-length' group and of the large endowed 'largest-largest' group. On the other hand, the small endowmed 'smallest-shortest' group's larger earning is likely to have increase the mean of the group without controlling for endowment (Annexed Table D12.9).

For the male category, the difference in cash earning for the small endowed group between the 'largest-longest' and 'smallest-shortest' is significant. The significant difference that is observed between the endowment groups with 'smallest-shortest' input. where the earning for large endowed is greater, for the smallest-shortest' group with controlling for initial endowment. On the other hand, for the largest-longest group the difference in cash earning according to endowment is insignificant. In other words, the large endowment group in largest-longest does not cause the uncontrolled for average as it dees for the 'shortest-smallest' groulp.

In sum, there is little evidence to suggest that the impact of RDP on cash earning may be biased upward by initial endowment. In fact, the small endowed groups for both the and male, produce significant results with strong RDP inputs. The average earning for strong RDP input group is not significantly greater is because of insignificant difference for the large endowment group. However, for the nes-- is need to assess the robustness of the cash earning concept with which to assess material wellbeing of rural households.

6.5 Assessing the Hypotheses

This section contains the results of economitric analysis of the hypotheses that a number variables inluence the impact of RDP

The impact of RDP on the lives of rural poor contained in the earlier sections are assessed according to RDP inputs only. The hypotheses of their study imply that contextual variables likely to influence the impact of RDP inputs. The hypotheses identify the

contextual varilables that either on their own or in interaction with RDP inputs. are likely to determine levels and direction of impact. include lifecycle factors. dynamics in of the micro-regional economy, education levels. and the initial endowment of the households.

In order to measure the impact of RDP inputs and the contribution of contextual factors. econometric analyses are carried out with respect to two indicators, viz. wealth and consumption expenditure. The results of regression analysis support the hypotheses (as the hypotheses is not made formally with concrete conditions for acceptance/rejections. the term support is used to imply not rejection).

6.5.1 Determinants of Wealth

The results of regressions are in the annex table D14. The variables are discussed below according to their respective contribution in explaining the variation in wealth.

The overall impression is that the hypotheses proposed in chapter 3 is a feasible one with respect to the wealth of RDP member households. The annexed table D14 show that the strength of RDP inputs, particularly the amount of cummulative RDP credit, the life-cycle factors, initial endowment on joining RDP, education level of the households, and the local condition are significant determinants of wealth accumulation by RDP households. Two interaction that are constructed to measure the joint impact of two variables, also produce significant results. The model itself is significant resulting in an adjusted R-squared of 0.442, i.e., the model explains 44% of the variable wealth.

The annexed table D13 shows the standardised coefficients the values of which are used to indicate the comparative importance of the explanatory variables. Table D13 suggest the following order of importance of the variables in determing the accumulation of wealth (in descneding order) household aggregate of education, landholding on joining RDP, the interaction between high education and cummulative RDP credit, number of working age (>12 years) population, membership age between 30 and 72 months closely followed by cumulative amount of RDP credit, the interaction variable for the initial endowment of the households with more-than-Tk. 7,500 RDP credit, lastly, but not insignificant, variables which produce negative results : female category households with more-than-2.5 years of membership length, and variable for technicial training from RDP measured by the duration of the respective courses (training days).

The largest contribution in this specification is made by the education scores. (The following discussion of each variable assumes that except the factor in question all other factors are held constant). The co-efficient indicate that the level of household wealth increases on average by Tk. 1,483 with an increase of one unit in education score. The initial endowment is next in contribution, an increase of 0.01 acre in land holding increases wealth on average by Tk. 42. The households in high education category increase their wealth on average by Tk. 1.10 as their RDP loan input increases by one-taka, compared with other households.

The level of wealth increases by a mean amount of Tk. 1,785 with an addition of one working age member in the household population. With larger number of working age members the households may be able to make better use of RDP loans, as noted also by the case study. These members also contribute to wealth by their expenditure saving activities. The contribution of family labour to household economy is well known, in such sub-sectors as crop production, livestock, artisanal production of craft goods, food processing, etc.

The impact of RDP loan in the model specification is lower than the above variables, as judged by the Beta value of association between wealth and loan. The level of its influence is to Tk. 0.46 of wealth for every one-Taka increase in amount RDP credit. This is a fairly large impact because there are confounding factors at play in the economy and society. The case study point out that convention of loan into material wellbeing is in turn dependent upon a multitude of factors. As suggested earlier in the section that a length of membership experience may have greater effect on material well-being than simply loan amount, is bourn out by the outcome of the age variable. The membership age category of 2.5 years to upto-six years, is a contributing factor in wealth level determinations. The level of wealth owned by the group is on average Tk. 5,057 higher than other households, *ceteris pariabs.*

There is a positively significant impact of the variable constructed to measure the interaction between loan size and initial endowment. This is the seventh-in-order contributor to the model following the earlier ones. The households which are in the greater than Tk. 7,000 loan category, own on average Tk. 22 of wealth for every additional 0.01 acre of land compared with other households.

The next in order of contribution is a variable constructed to measure the wealth level of households which are represented only in the VOs for women and whose membership is of greater than 2.5 years' length. The result is unexpected: the group owns a level of wealth on average lower than all other households by Tk. (-) 3,585. A weakness of the model is that it ought to include a variable similarly constructed for the male category households. Then the two could have been compared. As it stands, positive for RDP, a possible interpretation may be that the group includes households that joined in the pre-RDP phase when the strength of input from RDP was much weaker than the late 1980s onward. Specifically, 55.3 percent of this group is in the less than Tk. 7,500 loan size category (Table 5.5).

According to initial endowment which is a strong determinant of wealth accumulation this age group is in lowest category of resource endowment. The annexed table C2 shows that 80 percent of this age group is in the pure target group endowment situation. Once again, the question of critical mass of RDP input including age vis-a-vis household resource endowment ought to be addressed specifically in future analyses.

Staying with RDP input the nineth-in-order variables in the specified model deal with the effect of skill training. Measuring the impact of training input interms of the length of training in skill development the result is a negative one. With an increase of one unit in training the household wealth level declines by Tk. 265. The skill training are aimed at improving the household productivity and therefore income but the result of the regression analysis points in the opposite direction. From tables 5.2 and 5.3, it is clear that a sizeable portion of the trained-in-skills have indicated that the training-in-skills have been useful directly in income earning. One explanation for this surprising result, as the RDP members pointed out in the group discussions for the case studies, is that those who are relatively worse-off among the members are usually willing to under take training. The shortest duration of training on skills is three days for poultry rearing. As proportionately more women are trained in skills and among them poultry rearing is the most frequently offered skill, the worse-off women with low return skills likely to be slower developer than others. It has been found in the rural context that women engage in income earning activities in distress situations (Kabeer, 1991; see also Hossain and Sen 1992).

The level of wealth owned by the households in the marginal and non-target categories of initial endowment, on average is larger by Tk. 2,671 than the pure target group. This is as expected given the result produced by the other indicator of pre-RDP condition of

households.

The last variable next in order of contribution to the regression is a dummy for assessing the effect of local level economic condition or vibrancy which is highly significant. As expected the indicator for high vibrancy locality is a significant determinant of wealth accumulation. The mean wealth level of the households in economically dynamic micro-regions, is higher by Tk. 3,264 than those in less dynamic localities. By being near towns and marketing locations the households opportunity for employment, and other livelihood activities will be greater than in areas remote from towns and market places.

A note on a specific property of the statical procedure used in estimating regression model may be useful. The estimation of the models using a linear regression procedure assumes that the associations between the dependent variable (wealth) and the individual explanatory factors are of a linear nature. A more sophisticated estimation method is necessary to measure the effect of curvilinear relationships. That is, many of the explanatory factors will decline in their respective influence on the wealth as the values continue to rise. At what point, for example, RDP loan or education will begin to slow down their effect on wealth accumulation, can not be ascertained from the present model specification.

6. 5.2 Determinants of Consumption Expenditure

Although there are a number of economic theories of income and consumption, the more commonly used one postulates that current consumption is a function of permanent or 'life-cycle' income. It means that the current income, past-saving and expected future income influence the consumption levels at any given time. Over the life cycle of an economic agent, an individual or a household, there are periods of positive saving when consumption level is lower than current income, and dis-saving occur at periods of lower income vis-a-vis consumption. The level of consumption is said to be maintained by the actor over the life-cycle.

In order to analyse the consumption behaviour of the RDP households proxy variables are used to account for past-saving and expected future income. These are the wealth of households and land holding in size (acres). In addition, the analysis accounts for the study hypothesis by the inclusion in the two model specifications the variables that are to measure the effect of the contextual factors in the hypothesis.

Consumption is composed of all food and non-food items purchased from the market as well as gained from production and through exchange for non-monetary items and services. It is measured in money value for aggregation's ease. The seasonal one-week consumption expenditures of the two seasons are averaged for a one week measure. The one-week average is divided by the respective family size (unadjusted for age) to derive the per capita consumption expenditure. This is regressed on the variables listed below, using two model specifications.

The variables

It is recognised that the RDP inputs and the other factors can be specified in various units of measurement and that the specifications will produce results which will differ in models with different variables. The explanatory power of each model (as judged by the value of adjusted R-squared), the direction (positive or negative sign of the coefficients), the magnitude (values of the coefficients) and significance level (t-statistic) of the various specification will vary among the models.

The case in point involve specifications of RDP loan and household income. The RDP input is specified per capita of amount of credit. The household aggregate loan is inappropriate for it is moderately ($r=0.432$, $p<0.001$) correlated with family size implying that the loan amount increases with family size. This is likely to introduce multicolinearity due to its correlation with wealth ($r=0.365$, $p<0.001$), with initial endowment ($r=0.182$, $p<0.001$), and with the dummy variable for female category RDP households ($r=0.359$, $p<0.001$).

For the specification of income two different concepts are used in order to assess the differing contribution made by the respective concepts. One concept which is more conventional, derives income from the current expenditure account. The second conceptualisation focuses on the idea of cash receipts earned by the household in the reference period. The cash-receipt concept is not comparable with the production account which is the alternative of and equal to the expenditure account. The cash-concept does not account for the payment that are deferred to periods outside the reference period, for labour and other personal services, and in exchange for commodity and goods, occuring in the reference period. Payment received in kind is dropped from the analysis because the data quality may have been affected due to faulty field operation of this component of the cash receipt account. Delayed or advance payment received in the reference period is accounted for in the cash-receipt account.

These three variables for RDP loan and income are included with a set of other variables in two alternative model specifications. The variables are described in Annex B(6)

Results

The model-one that include income from the expenditure account in the specifications explain most of the influences on consumption (percapita). Wealth and land holding also exert strong influences on consumption, as suggested in economic theory. The model-2 that do not incorporate income in its specification is of high significance but of lower magnitude and explanatory power. The first model explain just over 60 percent of the variations in consumption whereas the model that is specified with cash earning account for 22/23 percent of variations. RDP input of loans make significant contribution to or impact on the level of percapita consumption of RDP households, according to both models.

The results of the two regression estimation, as displayed in tables D15 and D16 in Annex, indicate that the contribution made by RDP loans are larger than initial endowment in each of the models (as judged by the respective standardised Beta in table D15). The contribution made by wealth and income from the expenditure account are greater than RDP inputs, as expected. The analysis of wealth (Chapter 6.5.1) produces results that show the contribution of RDP support to wealth accumulation to be positive. In other words, RDP loans contribute to consumption expenditure directly as well as through wealth. The regression results are discussed in the following lines.

A common variable in the models, wealth is an *a priori* determinant of consumption, as is income measured from the expenditure account. The cash-receipts which is always smaller than income and wealth in actual values, is estimated to contribute less than wealth (model-2). The RDP households' average consumption per capita is increased by Tk. 0.112 by an increase of one-taka in cash earning. From the model one in table D16, the effect of expenditure-income is far greater at Tk. 0.539 for similar increase, on average and assuming other things remain constant.

The percapita specification of RDP loan is a highly significant ($p<0.001$) explanator of consumption levels. When the loan is specified in percapita measure, a one-taka increase explains Tk. 0.003 ($t=4.08$) of consumption per capita. In other words, the impact of RDP loan on consumption is Tk. 3.0 on average for Tk. 1000.0 loan, given the model-one's 65 percent explanatory power and assuming all other things remain constant.

In magnitude, of the co-efficient (parameter), the effect of RDP loan percapita is greater than the influence of wealth (per capita), while the latter is more strongly associated with consumption as judged by *standardised coefficient* Beta (at 0.144 compared with Beta for loan at 0.068), and by the measure of *t-statistic* (7.79 and 4.08 respectively). This result is produced by model-one (Table D15 and D16 respectively).

The variable of land holding on joining RDP that is used as a proxy for initial endowment, makes smaller contribution to consumption compared with RDP loan as estimated by the two regressions (Table D15). The magnitudes of the effect of these two are not directly comparable because land is specified in size-measure of decimal (0.01 acre=one decimal) whereas the loan is in actual taka. The money value of land is not available in the IAS data-set, which leaves only the measures of association with consumption for the respective variables, and the significance levels as tools for comparison of the contribution to and the variables effect on consumption.

A major explanator of variations in consumption level is the demographic dependency ratio that is consistently producing a significant negative effect in both specifications. This life-cycle indicator explains that an increase in the number of dependants (aged <15 and >64 years) per 100 active population (aged >16 and <63 years) reduces level of consumption. In other words, on due unit decline in the dependence ratio increases average household consumption by Tk. 0.057 per capita in model-one, *ceteris paribus*. More dependants imply more consumers in proportion to potential or actual earners or active persons. As the Case Studies find in the peoples perception of the poverty characteristics of households and the factors that negatively influence conversion of RDP loan into material well-being impact, the number of *khaneyala* is a major contributor to the determination of consumption expenditure.

Support from interventions such as RDP's can not in the short or medium term influence the dependency ratio. A decline in fertility rate may reduce the ratio through the under-15 population. The RDP inputs will have to work its way through while this constraint is present. The percapita loan variable instead of per household, may be used by RDP in determing the size of loan for the borrowers to overcome the downward pull made by higher dependency ratio. The contribution made by percapita RDP loan is slightly smaller than the dependency ratio in the expenditure-income model whereas it is larger in the cash earning model. The negative impact of life-cycle situation may be overcome with increases in RDP input, *ceteris paribus*.

What level of increase in RDP loan amount from the cumulative average of Tk. 1017 percapita, will make a contribution that will off-set the negative impact made by the demographic factor? The "pathways" through which RDP loan might impact consumption include the effect of RDP credit on income and wealth, *inter alia*. The issue is under investigation jointly by RED and ICDDR,B in the east-central part of the country.

Putting the forthcoming aside, the variables that have been constructed to measure the effect of local condition, and the joint effect of loan and education, produce significant estimates in model-2 (but are insignificant albeit with the expected signs in the expenditure-income model). That the vibrancy of local economy influences consumption is evident: the households that are in high vibrancy locality on average spend Tk. 11 (in model-2) more than the other (those in lower vibrancy condition) households for consumption expenditure, *cetris paribus*. The market condition will influence both the opportunities available for and the return from investment of RDP loan, which in turn determines consumption.

The interaction variable that is constructed to measure the combined effect of high vibrancy locality and large RDP loan, produces insignificant measures of impact. In models one and two, the variable can be considered at the low confidence of 90% ($p>0.095$ and >0.087 respectively). The positive sign as compared with the negative for the low vibrancy indicator, imply that households in the high vibrancy locality and large loan (> Tk. 7,500) category increase their consumption level compared with the rest (the SPSS for windows software using the stepwise method does not produce the estimated coefficients for variables with insignificant confidence). This implies that a similar amount of loan, constancy assumed, will create lesser impact in a low dynamic environment. This interpretaria is consistent with the estimate for the high vibrancy locality.

The high education level and loan interaction explain variation in consumption with a negative effect. The level of consumption expenditure declines with increasing amount of loan for households in the high education category, compared with the rest (in model-2). This is likely to be due to the family size : low level of individual education of all members in households of the size 5 or more will produce an aggregate that qualifies it for the high education level. The dependency ratio may also be high in this education category particularly if their are literate members of age more than 64 years and/or schools going under 15s.

This has been a preliminary analysis of IAS data set, which may well contain errors in variable specification, etc. The models may need to be altered for better understanding of the impact of RDP. Alternative variable constructions are possible. There offcourse remains the specifications of models which will capture alternative assumptions: instead of the linearity of relationships between consumption and the respective explanatory variables, as is implicit in the foregoing, alternative models where increasing or declining effect is feasible may be used in the future.

6.6 Who benefits more from the RDP inputs?

The preceding section assessed the contribution made by, and measured the impact of RDP inputs and the contextual factors, with respect to the wealth and the consumption expenditure of RDP households. This section measures the impact of the respective variables on the two categories of RDP households seperately. The results show that the respective variables impact the level of consumption of the male and the female categories differently. Annexed tables D17 and D18 present the results of resgression for the male and the female respectively, applying two model specifications that are similar to the models discussed in section 6.5.2.

Initial Endowment

The regression results show that the influence of landholding percapita is stronger for the female category households (Table D18) compared with the males (Table D17) in model-one. In other words, per unit increase in landowner increases expenditure for females (Tk. 0.25) by a greater amount compared with the males (Tk. 0.12 in tabel D17). This indicates a better initial endowment position for the male category households, as is evident in chapter-four.

Life-cycle affects

The better situation of the males is also reflected in the influence of life cycle effect. Percent increase in dependency ratio reduces consumption by Tk. 0.105 and 0.118 for male and female respectively.

Income : Expenditure and Cash Earning

These solution with above two variables holds true with the two proxy indicators as user for income-expenditure in model-one and cash earning in model-two. Per unit increase in income derived from the expenditure account causes an increase for the male category (Tk. 0.864) that is double that for female (Tk. 0.44). However, the model-two indicates that the alternative construction of the proxy indicator with cash earning, indicate that it is significantly more important for the female category. This implies that the female rely more on the current cash flow for meeting consumption needs than the male who may have had better stock of both cash and goods for the one-week reference period.

Wealth of Households

The variable of wealth percapita that is used as a proxy to indicate past income and potential for future earning, provides further indication of stronger position for the male category compared with the female. The variable is highly significant for both the categories, explains more of the variation in consumption for the males (Tk. 0.0063 in cash earning model in table D17) than it does for the female (Tk. 0.0041 in Table D18).

Local Condition

The dynamism of micro-regional economy determines larger amount of consumption for the female incomparison with the males. For the female category, the comparatively hight dynamism of the regions explains significant amount of consumption (Tk. 11.55 in model-two in annexed Table D18). The local condition is an insignificant factor of consumption for the male category.

Credit from RDP

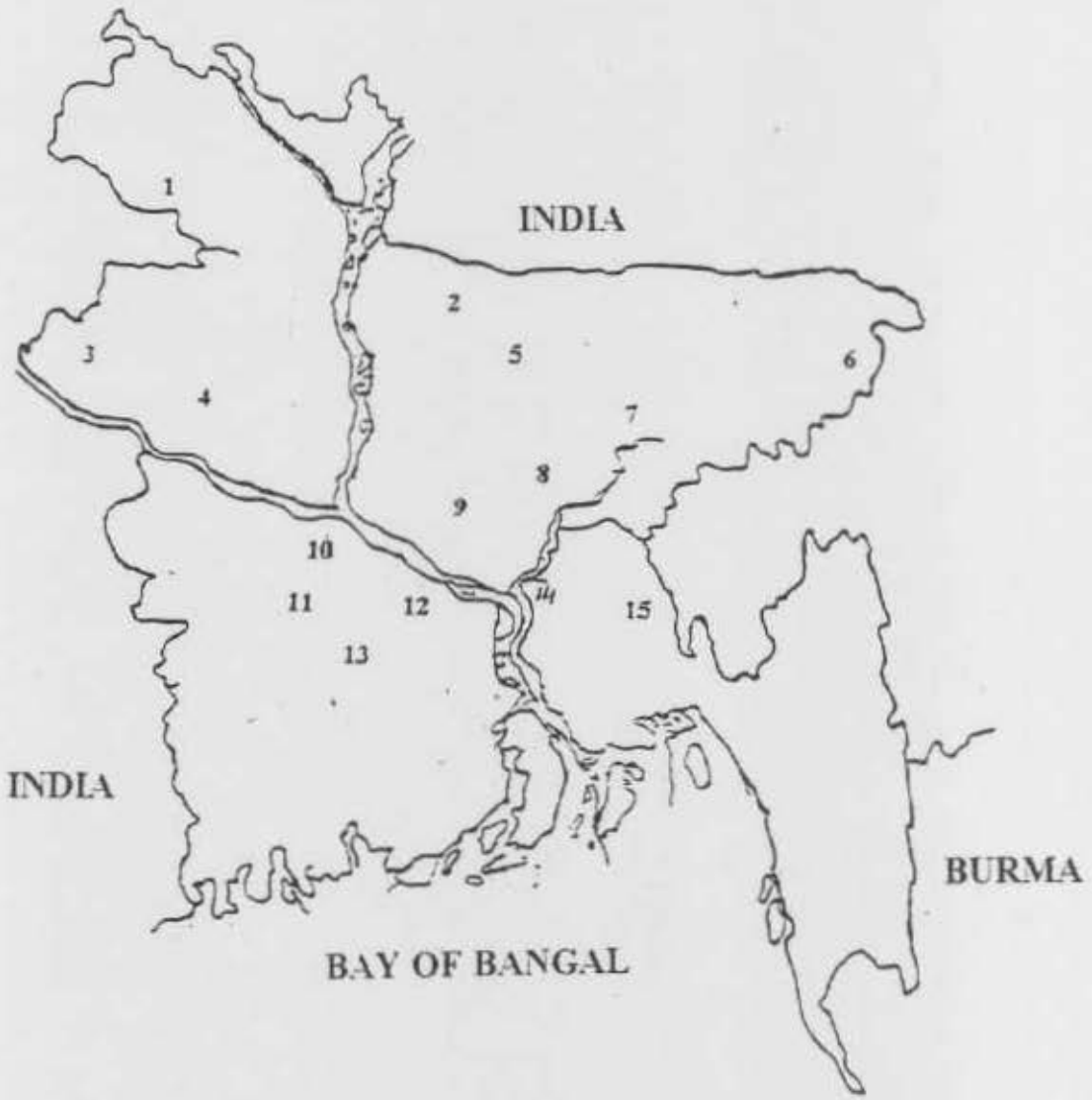
That the amount of credit received from RDP is a significant determinant of consumption expenditure is clearly evidenced. It's impact on consumption is greater for the funds than it is for the males. Per capita increase in the amount of RDP credit increases per capita consumption, *ceteris paribus*, in model-one by Tk. 0.0033 and in model-two by Tk. 0.0068 for the females (Table D18). Only the cash-earning model-two produces significant result for the male category which is smaller than it is for the females (Tk. 0.0055 in Table D17).

In Sum Contextual

In sum, the contextual factors such as affects, income and wealth determines greater proportion of consumption for the males than it does for the female. The impact of the local condition and the initial endowment situation, on consumption is greater for the female category. Most importnatly, the amount of credit from RDP determines significant amount of consumption for the female category. The results of earlier assessment show faster and larger improvements with respect to material wellbeing for the female category over time and with increasing RDP credit are supported by the results of regression estimations.

Map : 2

Lean Seasons at Different Locations



1 = Ashwin, Kartick
2 = Chaitra, Baishakh, Ashwin, Kartick, Agrahayan
3 = Ashwin, Kartick
4 = Ashwin, Kartick
5 = Falgoon, Chaitra, Baishakh
6 = Jaitha, Ashar, Shrabon
7 = Ashwin, Kartick, Baishakh, Jaitha
8 = Ashwin, Kartick
9 = Ashwin, Kartick
10 = Bhadra, Ashwin, Kartick
11 = Ashar, Shrabon, Kartick
12 = Falgoon, Chaitra
13 = Ashar, Kartick, Chaitra
14 = Falgoon, Chaitra, Baishakh
15 = Ashwin, Kartick, Ashar, Shrabon

7. Vulnerability and Coping Capacity

7.1 Introduction

Chapter 6 analysed the findings concerning key indicators of material well-being, which suggest that RDP is achieving a significant poverty reduction impact for its members. However, while the quantitative indicators of assets and average consumption expenditures are defining features of poverty, there are wider dimensions of deprivation which need to be assessed.

This chapter focuses on the major findings with regard to more "structural" determinants of the economic positions of RDP member households, by considering vulnerability to seasonality and their relative coping capacities including indications of their economic security, in the face of stress and crises. By focusing on these more qualitative dimensions of poverty, using both household survey and case study data, a more in-depth assessment of RDP's impact on poverty is possible.

7.2 How many 'lean' seasons are there?

Large numbers of the poor in Bangladesh are precariously balanced between subsistence and destitution, facing severe fluctuations in their income and consumption due to the seasonality of wage employment and other income earning opportunities. When such fluctuations are pronounced, the slack (or lean) season can lead to distress conditions, requiring asset sales which exerts a downward pressure on the poor's (already minimal) economic status. The IAS methodology was designed to account for seasonal variations in certain aspects of livelihood patterns, and this section reports the findings on this issue.

> *"Traditionally, there have been two major periods of seasonal deficits, one in late September to early November and the other in late March to early May. With the widespread expansion of winter planting of rice, incidence of the early summer lean season has significantly declined. However, the autumn lean season, coming after the planting of the aman crop and with harvest time a month of more away remains very much a routine order of the day affecting nearly all parts of the country" (Rahman, 1992; emphasis in original).*

The decline in the severity of economic depression in the early summer is contested by the findings of the case studies. The months of *Chaitra* to *Jaistha* (March to May) still entail declines in employment and income in many parts of the country and for various occupations.

The map-two shows the presence of early summer lean period at five locations. The months of monsoon (*Ashar and Shrabon*) are also indicated to be a lean period (at locations, 6, 11, 13, 15). The data-set however doesn't say anything about the past situation in early summer in places where the period was not identified to be lean. That the early sammer poses uncertainly over livelihood is evident but it is not as wide-spread as the late autumn one (*Aswin and Kartik*).

The tables E1 to E3 in Annex E, indicate the occupational structure of food deficit in the 12 months preceding data generation that took place in October 1993. Between 35 and 44 percent of the sample households face shortage of food in the early summer. Evidently it is not as severe as that of the late autumn during which between 49 and 64 percent face difficulty in meeting food needs with established sources of earning. In table E2, the March lean is more severe for the female category of which 44% identify the month in which it is difficult to make ends meet. The comparison group is similar to the female category (Table E3, Annex).

There also appears occupational dimension to periodic downturn in the maintenance of livelihood: some occupations experience more severe seasonality than others. The severity is lower than average for artisans and skilled workers among RDP households in both the seasons. Fewer of this occupational group identify these two periods as food deficit periods, compared with other occupations. The petty traders, and agricultural and unskilled labourers faced food deficit in both the periods in greater proportions than the other occupation.

Unskilled labouring (both farm and off-farm), and petty trading occupations are particularly affected during the early summer lean season. In these periods low agricultural activity - depressing incomes and demand - affects most parts of the rural economy (both the labour market and trading activities). The famines of 1942 in the geographic Bengal and in 1974 in Bangladesh affected these occupational groups more severely than the others (Sen 1981)

7.3 Levels of Food Security

The occupational pattern of the distribution of the food deficit months is also present in the 12 month food security of households. This indicator is constructed by summing the number of months in the 12 months the interview (in October, 1993) preceding in which the households experienced declines in the level of entitlement to food. More of the artisons and other skilled labourer households experienced no deficit months than did the other occupational groups, for male member category households.

The occupational pattern which is evident with regards to specific seasons, appears differently for the three categories of households. The RDP's male category households display a pattern that suggest the respective occupational groups are fairly heterogenous with respect to levels of food security; ranging from severe deficit to no deficit or surplus (Table E4 in Annex E). On average fewer of the farming households experience severe or moderate deficit from among the RDP member households (Tables E4 and E5 in Annex E).

The distribution of the households according to the food security categories, is faily constant among the occupational groups. In the male category between 36 and 45 percent of the respective occupational groups are in the moderate and severe deficit categories (Annexed Table E4). This situation worsens for the female category as the distributions for respective occupations produce a pattern which is more skewed towards the moderate and severe deficit categories. The percentage figures range between 40 for traders and 53 for transport operators (Annexed Table E5). This reflects earlier outcome with respect in material wellbeing: female category is worse-off than the male. Does membership of RDP improve the food security situation?

RDP inputs : Length of Membership and Loan Values

Analysing the food security issue according to RDP inputs the results are consistent with expectation (i.e., with regard the hypotheses) and with the results in chapter six. With respect to length of membership, the proportion of households for the male category which experienced severe deficit, fluctuates as the membership length increases. The female category experienced a decline from the youngest category (1-11 months) to the next one (12-29 months) but there after proportionately more experienced severe deficit in successively increased membership length categories. The categories (30-47, 48-72, 73-plus months), however, remain below the youngest one (Annexed Table E7).

On the other end of the food security sale, proportionately more female, as well as male, remain in surplus as the membership length increased until the 'more-than-six-year' category is reached. The proportion of female who are in the respective length category, who experienced surplus food security, increases from 10.5 percent in the 'less-than-one-year' category to 18.2 percent in the 'four-to-six-year' category. The corresponding figures for the male category are 18.5 percent to 27.7 percent respectively. The 'more-than-six-year' category of the female experienced little surplus at 5.9 percent. This is the group that joined BRAC in the pre-RDP phases in early 1980s and late 1970s, who are likely to have received fewer inputs during the experimental phases of BRAC's intervention. The material wellbeing status of this group is also lower than that of the 30-72 month groups (in chapter six).

Table 7.1: Food Security of Households by RDP Loan -- *Male Member*

(No. of Households)

Loan Size Category (Tk.)	Food Security Status				All
	Severe Deficit	Moderate to Severe Deficit	Slight Deficit	Surplus	
0	5	8	6	5	24
	(20.8)	(33.3)	(25.0)	(20.8)	(100)
1-2499	4	8	21	3	36
	(11.1)	(22.2)	(58.3)	(8.3)	(100)
2500-4999	11	18	31	8	68
	(16.2)	(26.5)	(45.6)	(11.8)	(100)
5000-7499	12	21	36	12	81
	(14.8)	(25.9)	(44.4)	(14.8)	(100)
7500-9999	6	10	25	18	59
	(10.2)	(17.0)	(42.4)	(30.5)	(100)
10000+	17	36	37	30	120
	(14.2)	(30.0)	(30.8)	(25.0)	(100)
All	**55**	**10**	**156**	**76**	**388**
	(14.2)	**(26.0)**	**(40.2)**	**(19.6)**	**(100)**

Figure in the parentheses indicate row percentage

Analysis of food security status of RDP households with respect to cumulative value of RDP loans, produces stronger results. The female category in particular improves its food security with larger amount of loans from RDP. The male produces somewhat mixed result with respect to severe deficit category. As the 'zero' loan category is likely to contain more better off males (see chapter five) the proportions of this loan group which is in the

surplus is ignored. The Male category's successive higher loan group contain proportionately more who experienced surplus food security (increasing from 8.3 percent in less than Tk. 2500 to 25 percent in more than Tk. 10,000; in Table 7.1).

Table 7.2: Food Security of Households by Loan – *Female Member*

(No. of Households)

Loan Size Category (Tk.)	Level of Food Security				
	Severe Deficit	Moderate to Severe Deficit	Slight Deficit	Surplus	All
0	127	59	103	35	324
	(39.2)	(18.2)	(31.8)	(10.8)	(100)
1-2499	61	58	88	26	233
	(26.2)	(24.9)	(37.8)	(11.2)	(100)
2500-4999	27	47	54	16	144
	(18.8)	(32.6)	(37.5)	(11.1)	(100)
5000-7499	19	29	48	15	111
	(17.1)	(26.1)	(43.2)	(13.5)	(100)
7500-9999	17	13	24	20	74
	(23.0)	(17.6)	(32.4)	(27.0)	(100)
10000+	12	24	37	28	101
	(11.9)	(23.8)	(36.6)	(27.7)	(100)
All	263	230	354	139	987
	(26.6)	(23.3)	(35.9)	(14.1)	(100)

Figure in the parentheses indicate row percentage

The female category improves its security with steadily declines its share of the severe deficit category with increases in the cumulative value of RDP loan received by the households. On the other end of the scale, the pattern is the reverse. A faint pattern may be emerging in the status of security according to RDP loans received. The pattern is more diagonal, moving from north-west corner through the lower centre to the south east corner of the Table 7.2. The decline in the proportion of respective larger loan categories with respect to deficit is followed by increase in the respective right hand column but at a higher loan category. Thirty nine percent of the 'zero' loan category is in severe deficit, which declines to 26.2 and 18.8 percent in the following larger loans categories respectively. There follows increases in Tk. 2,500 to 4,999 category who were moderately deficit but this loan category's distribution remains constant at the two higher security status categories. In the five-to-seven thousand taka category the moderate's share decline

who likely move into the slight deficit and surplus status. The moderates' share of Tk. 7500-9999 category fall compared with the smaller preceding one to increase the surplus of greater than Tk. 10,000 loan category.

It is likely that a household which begins it journey in the 'zero-loan-severe deficit' cell in Table 7.2, and moves into moderate deficit with less than Tk. 2,500 or between Tk. 2,500-4,999 loan category. From there to slight deficit category with cumulative loan reading Tk. 5,000-7,500. The journey to surplus is achieved with Tk. 7,500 to more than Tk. 10,000 loan from RDP.

7.4 Seasonal Vulnerability of RDP Households

RDP's intervention hopes to decrease the seasonal vulnerability of members, by creating alternative employment and income generating opportunities through which member households are able to weather the traditional decline in the lean season quality of living.

Reduction in vulnerability to seasonality can be assessed by comparing the differences in key indicator values between slack and peak seasons, within different RDP groups (defined by length of membership and the cumulative amount of RDP loans received). As the length and strength of membership increases there should be decreases in the seasonal differences with respect to cash earning, consumption expenditure in general and food expenditure in particular, food stock and rice consumed.

Length of Membership and RDP Credit

The findings on the selected indicators of vulnerability (shown in Annexed Tables E8 to E13) show that overall, both male and female member households are less vulnerable to seasonality than the comparison group, and that such vulnerability decreases for those members whose length of membership exceeds two and a half years. These results support the critical mass argument outlined in chapter 6. The comparison group is systematically more vulnerable to seasonal peaks and troughs compared with the male category. However, with respect to the five selected indicators, the female category's youngest group (1-11 months' membership) do appear as systematically less vulnerable as the male, compared with the comparison group. In the higher length groups the sharpness of the fluctuations become blunt, as judged by declining t-ratios, for the female category households. The 30-47 month length groups fluctuations in cash earning and in

consumption of rice are not significant (Tables E8, E11, Annex E). The seasonal difference in the other three indicators, viz. expenditure on food and on all items, and seasonal food stock stabilises in the 48-72 months category and beyond (Annexed Tables E9, E10, E12). The material wellbeing indicators in chapter six, show significant impact for the length groups 2.5 years and more but the seasonality aspect of poverty appear a little harder to impact. It the 'more-than-four-year' and older groups that show significant impact in all five indicators.

The reduction in seasonal difference is also observed after controlling for different levels of RDP loans received by member households. The male category's unexpected, mixed behaviour is further reflected in the table E13 in Annex E. The largest loan group(>Tk. 7,500) produce no significant difference in any of the indicators, meaning insignificant sulnerability to seasonality. Consumption of rice is the only indicator to register significant variation for 'less than Tk. 2,500' and 'Tk. 5,000-7,500 loan categories; as the staple diet increases can not be infinite, and consumption of which is likely to be maintained in the lean season by reduction in other items. This result to some extent support Robert Chambers' 'hierarehy of needs' (see the chapter on 'methodology').

The female category enhances their position by gradually and steadily reducing their seasonal difference as their cumulative loans from RDP increases. Table 7.3 compares the smallest loan size category with the largest and produces striking results. The smallest loan group is vulnerable to seasonality on all counts, by all indicators whereas the largest loan group experience very little difference. This result is further highlighted in Table E14 in Annex E, which captures the graduality and steadiness of the decline in vulnerability.

Table 7.3: Female Category Households' Seasonal Difference in Key Indicators by RDP Credit

	Loan Category (Tk.)					
	< Tk. 2,500			> Tk. 7,500		
	Lean Season	Peak Season	't' Value	Lean Season	Peak Season	't' Value
Food consumption (Tk. PC)	51.0	58.7	-3.81	63.7	66.8	-0.31
Cash earning (Tk. PC)	33.6	54.9	-3.93	65.8	65.1	-1.72
Rice consumption (gmpc/week)	2708.6	2979.7	-2.98	3196.8	3067.9	-0.49
Total expenditure (Tk.)	72.0	97.1	-3.42	96.2	100.2	-1.81
Food stock (days)	6.25	16.9	-5.93	15.5	18.7	1.76
Illness of women (days)	2.25	1.5	3.27	2.5	2.0	0.92

Table 7.3 and E14 incorporate an additional indicator viz. number of days in the 15 day reference period in which an adult woman of the respective households was unable to engage in routine activities due to illness. The significant difference with respect to the 'days-lost-through-illness' indicator is the first one to register decline from the smallest loan category to the 'between Tk. 2,500 and Tk. 5,000.

The number of indicators recording significant differences declines in the Tk. 2,500 to Tk. 5,000 category in which only 'food stock' fluctuates. This difference is lower in significance than in the two 'smaller-than-tk. 5,000' loan category. The gradual improvements observed with respect to the maternal wellbeing indicators is supported by the gradual and stead decline in vulnerability to seasonality.

Vulnerability and Critical Mass of RDP Inputs

Table 7.4 below verifies this argument by comparing households with a high levels of RDP input with those with the lowest level. The results of significance tests for differences in means suggest that the critical mass argument also holds with respect to declining seasonal vulnerability. This finding is more evident for the female member households. The small number of the male member households which have only recently joined appear not to be particularly vulnerable compared with other groups because some of them are in a considerably better economic condition. (The results of statistical tests for the male category are not presented here).

Table 7.4: Seasonal differences in key indicator values for female member RDP households, according to age of membership and cumulative loan values received

Key Indicators	Loan >Tk 7,500 & length > 2.5 yrs (n 153)			Loan <Tk 2,500 & length < 2.5 yrs (n 496)		
	Lean	Peak	t-value	Lean	Peak	t- value
Rice consumption (gm / week pc)	3,258	3,062	1.06	2,712	3,019	-3.16
Food expenditure (Tk pc)	64.7	67.7	-0.74	50.7	59.1	-3.90
Total consumption expenditure (Tk pc)	95.5	109.8	-1.19	69.4	84.4	-4.12
Food stocks (meal days)	16.0	19.1	-0.65	5.4	17.0	-6.12
Cash earning (Tk / week pc)	63.6	59.4	0.46	31.8	58.0	-4.44

The female category's more recently joined members have levels of rice consumption, food stocks and cash earning in the peak season which are similar to the "older" members that have received most RDP support (according to loan amount and length of membership). This may be partly due to the fact that peak season labouring in the agricultural sector commands higher wages, which are paid in kind as well as in cash. Thus, differences between the groups in terms of food stocks and rice consumption are likely to be less during this season. But the seasons the differences are very large. This explanation is supported by the fact that when the two groups are compared with regard to expenditures on food and consumption, (in chapter six) the "older" RDP member households have significantly higher levels during both seasons than the more recently joined households.

More striking are the results of significance tests of the differences between peak and lean season consumption expenditure, food stocks and cash earning. For all these indicators, female member households which have received the most RDP credit over time experience insignificant differences between the two seasons (see t-values in table 7.4). The reverse is the case for those households which joined more recently, and have received under Tk 2,500 of credit. These results clearly indicate that the seasonal vulnerability of the "older" members has decreased, whereas the more recently joined still experience highly significant fluctuations in all aspects included in the table, and particularly with regard to food stocks, consumption expenditure and cash earning.

7.5 Seasonality in Debt Servicing

Before considering the issues of economic security and the strength of the foundation on which the material wellbeing of households is grounded, in the following chapter, an additional issue which is likely to be influenced by seasonality and, further, likely to indicate economic strength is discussed below. Servicing of RDP loans by the borrower households is a multidimensional issue. For a borrower household it is an unavoidable weekly event which might be adversely affected in lean season indicating vulnerability. On the other hand, a households' sustained participation in RDP is contingent upon regular servicing of its debt to RDP. The households that have achieved improvements in material wellbeing and reduced vulnerability should also perform similarly with respect to debt servicing. (Non-RDP debt servicing is not considered here).

Two aspects of the debt issue is considered presently: the amount of repayment made in the one week reference period, and its ratio to total household expenditure, and the respective seasonal dimensions.

The average amount of repayment made by the households increases with commutative loan size categories for both the male and female categories (Annexed Table E15). The average values of debt servicing show differences in magnitude in the respective membership sex categories. Male category which is making larger payments than the female reflect their comparatively larger average debt outstanding to RDP. The seasonal difference is noticeable, (by their respective t-ratios), in the smallest loan category for female category, and in the second to smallest (Tk. 2,500-Tk. 5,000) for the males. The seasonal vulnerability of the smaller loan receivers in the female categors is further pointed-up with respect to level of debt servicing.

The apparent low level of vulnerability of the other, larger loan group can be explained with reference to the overall reduction in vulnerability. More important explanation be the nature of the RDP in requiring weekly repayment. The t-values which measure the differences in mean values, for the female category in particular, reveal an increasing pattern from the Tk. 2,500 to Tk. 5,000 loan categories and upward. Meaning that the difference though insignificant in each loan category, is increasing in the larger categories. Whether or not the t-values will sustain the increasing pattern as the households continue to borrow larger sums, remains to be seen. This, however, should generate food-for-thought for both policy makers and policy analysts.

The seasonal difference in debt servicing ratio (the amount of repayment to total household expenditure) follow the pattern in the amount paid to service the debt, i.e., significant difference in the female category's smaller loan group (Annexed Table E16). The t-values for the female category loan size sub-groups become smaller in the successive longer loan sub-group indicating steady reduction in seasonal difference.
However ratios for the Tk. 5,000-7,500 loan group and the largest loan group appear large at between 20 percent and 26.6 percent, for the female. These ratios have increased from 5.34 percent and 7.07 in smallest loan groups lean and peak season respectively. A closer look at the rate of increase from the smallest to the second smallest (2.96 and 1.75 respective season), the second smallest to the Tk. 5,000-7,500 (1.3 and 1.6 respectively) and from the Tk. 5,000-7,500 to the largest loan group (1.25 and 1.3 respectively) indicate a steady decline in the rate of increase in debt servicing ratio, for the female category (based on Annexed Table E16).

In both seasons the female category households have increased their level of expenditure at a rate slower than the rate of increase in debt repayment at each successively larger loan category. The rate of growth in the expenditure levels have been larger as indicated by the declining rate of growth in the ratios. In other words, the declining growth rate in the ratio is due to increase in expenditure and not a decline in loan repayment (ratio of growth in average amount of repayment from the smelled than to the largest loan groups for female category is 1.77, 1.68, 1.35 in peak season, and 2.59, 1.6, 1.39 in the slack season).

Table 7.5: *Female Category's* Debt Servicing and Critical Mass of RDP Inputs.

Credit size and Length Category	Average debt service payment (Tk/wk)			Ratio of Debt Servicing to total Expenditure (%)		
	Lean	Peak	t-Value	Lean	Peak	t-Value
loan <Tk. 2,500 and Length <2.5 yrs	14.3	23.4	-3.75	5.31	7.25	-2.19
Rest of the Sample	44.5	48.4	-1.15	16.58	14.92	1.11
Loan >Tk.7,500 and Length >2.5 yrs	82.5	88.1	-0.93	25.28	25.95	-0.20

In Table 7.5 the combined effect of membership length and RDP loan size indicate a pattern similar to the analysis according to RDP loan alone. The small and short length experience seasonality in debt servicing as well as debt servicing ratio. The growth rate in debt servicing ratio declines in the 'oldest-largest-loan' category. The strength of the gains made in material wellbeing is strongly grounded, as loan, and loan and length increase, as judged by debt servicing. Further assessment is carried out in the following sections.

7.6 Coping Capacity and Economic Security

That these results on declining seasonal vulnerability are suggestive of more structural changes in RDP members' economic well-being are supported to a large extent by indications of enhanced coping capacity of the strength of the foundation on which the improvements are grounded, with reference to coping capacity and economic security. This section assesses of strength of the foundation on which the improvements are grounded, with reference to coping capacity and economic security. The indicators include access to and use of informal credit (in cash), the declining proportion of RDP loans used for consumption, and direct access to crop production on tenant or own land, correlated with length of membership and cumulative RDP loans.

7.6.1 Mechanisms to Cope with Seasonality

In her study of seasonality and calamity in rural India, Bina Agarwal identify five broad categories of the mechanisms adapted by households for coping with seasonal shortages:

1. *Diversifying sources of income, including seasonal migration;*
2. *Drawing upon communal resources - village common lands and forestry;*
3. *Drawing upon social relationships - patronage, kinship, friendship - and informal credit network;*
4. *Drawing upon household stores (of food, fuel, etc.) and adjusting current consumption patterns;*
5. *Drawing upon assets (1991:345).*

Agarwal argues that social security measures to remedy the effects of uncertainly of livelihood at times of the year need to 'ensure that such interventions *complement* and *strengthen* rather than substitute for peoples own efforts in dealing with contingencies' (p-342, emphasis added). This section explores if and how the RDP inputs 'complement and strengthen' the members' efforts. The data that is used to analyse the coping capacity and economic security of the member households are generated by the households survey and by case studies of 15 VOs.

Group discussions with VO members revealed striking similarity in the coping mechanisms adopted by the poor in rural Bangladesh, with those identified by Aagarwal. The case studies also reveal that the hardship experienced by the VO members have declined in some areas as a result of improvements in the economic environment in which the households operate. The two factors that contributed to the improvements in lean season are:

a. development taking place in the locality including infrastructure, marketing opportunities etc.; and
b. the households' access to RDP inputs, particularly credit.

The case studies respondents report a reduction in the severity of lean season in eight out of 15 study locations. Of these eight, six are in the 'old' category of length of formation (i.e., formation of these VOs occurred four year prior to the case studies) and two in the 'new' or less than four years in existence. In the six VOs where lean season is severe and the coping capacity was assessed to be week (eg. recourse to money lenders at usurious rates, reduction in consumption, asset depletion, etc.), five are in the 'new' category. In one VO-old, seasonality is not an issue of concern to the VO member as employment and other livelihood opportunities are well-served by a very large market place, a railway station and easy communication to the District town.

As for the mechanisms adopted by the households to tied than over the lean season(s), discernible pattern is emerging. First, the mechanisms can be classified as 'common' i.e., a mechanism which was repeatedly or frequently reported, or collectively agreed to by the group members as a widely adopted course of action in the respective locality; and as 'selective' or exceptional in that the mechanism is adopted in exceptional circumstances or by very few of the members. Secondly, the choice of mechanism reflects the households status vis-a-vis severity of hardship experienced in the lean season.

Diversification of income sources

None of the VOs where they reported experience of hardship in lean season, identified mechanisms in the category. At locations where the intensity of handship is low or none, the households use RDP credit to make use of the opportunities available in the locality. These include: investment in the irrigated land; shifting from wage labour to cash crop production with RDP loan which was made possible by opening of a wholesale centre supplying the capital city; investment in rural transport to ply the newly constructed or existing all weather road; expansion of trade and women's activities in the artisanal and craft good production sector. These allowed stability of income flow or saving from earlier period. Instances of migration (seasonal) was eliminated in the cash crop growing area.

Depleting household stores and adjusting consumption

This category of mechanisms are 'common' for weaker households, second in frequency of reporting, whereas these are 'selective' course of action for the stronger households. The mechanisms include sale of saving (poultry birds, eggs, are frequently reported as 'saving' by the group members), use of *mushti chaal* (a fistful of rice which is kept aside at each meal cooking time). Reduction in consumption expenditure was reported at three locations as 'common' practice by the weaker households. As 'selective' choice it was reported at three of the stronger household locations.

Drawing upon common resources

Given the country's high population density and rapid deforestation, it is not surprising that seasonal 'gathering' of fuel wood was reported in one location in the high lands of the north-central Bangladesh. What is surprising is that drawing upon the vast waterbodies in the country which is exploited by large proportion of the rural population, was not reported.

Drawing upon social relations

This is the most frequently reported category of mechanisms used to cope in lean season by both strong and weak households. Two newer VOs who are weak according to severity of hardship as well as nature of the mechanisms, take out credit from high interest sources. The older and stronger households in three locations use networks of kinship and friendship. These networks are also used by three weaker location-households.

Depleting assets

This is the second least frequently reported mechanism category which is 'common' at three locations characterised by weak coping capacity. The mechanisms include sale of livestock, land, and the pawning of land, productive assets, for cash. Depleting assets is used as a coping mechanism in the later stages, as the situations worsens when other courses have been exhosted (see Rahman 1992; Agarwal 1991).

In sum, the results in the earlier chapter on household data is supported by the case study data. Households which are in the older VOs are able to comparatively better withstand the stress in the lean seasons. They are able to make use of the local condition with RDP input. The new VO members are the reverse. It would have been interesting to investigate the condition of the newer members at locations where local condition is similar to those where the stronger households exist.

7.7 Enhanced Economic Security

Improvements in asset holding, consumption and vulnerability indicate the current situation. This section assesses the economic security or the strength to maintain the improvements in the future as well as the security of current consumption levels. The indicators which are used include asset profile as a proxy for future earning capacity, involvement in the informal credit market, and direct entitlement to food to assess security of current consumption.

7.7.1 Security of future earning

Changes in RDP households' asset profile

Table 6.1 shows that, on average, total household asset values increase with length of membership and amount of credit. More significant for household security is the fact that productive (revenue-earning) assets increase notably. Member households which joined more than four years ago have, on average, revenue-earning assets which are 100% greater in value than those members who joined recently (in the last 11 months). This implies that "older" RDP households have considerably more income earning potential, and their security in the face of economic shocks and crises has increased.

The Annexed tables E10 and E18, show that the mean taka value of real capital (fixed productive assets plus working capital) increases stadity over time and with increasing amount of credit from RDP. This is true for both categories of RDP households. For the female category the amount falls in the 'oldest' length and in the largest membership groups. The fall according to length is very sharp, falling below the average of any other length category. The poor performance of this group of members have been observed earlier with respect to most of the indicators.

The increases for the oldest-largest-loan category in the real capital is 36% for the males over the youngest group and it is 94% over the middle category of loan between Tk. 2,500-Tk.7,500 of all length. The larger levels of real capital owned by the recently enrolling non-poor in the 'younest' male category likely to have increased its average amount of real capital. On the other hand, for the female category's oldest-largest-loan group the increase in real capital stands at 103% over the youngest and at 23% over the middle group.

The real capital indicator is constructed with values of fixed productive assets (FPA) and business stock (or working capital-WK) (net of liabilities) the respective average values of which show substantial increases. For the male the increases are greater for the 'longest-largest-loan' group over the middle group at 74 percent and 137 percent respectively with respect to FPA and WK. The increases in these two components of real capital for the female 'longest-largest-loan' group is 60 percent and 358 percent respectively. The growth in real capital for the female category's 'longest-largest' group is primarily due to very high rate of increase in working capital. This implies a preference for continuous cash flow over production although the share of FPA is more than double that of WK, in proportion to total household wealth/assets (Annexed tables E19 and E20).

The structures of the wealth of households, ie. proportion distribution of wealth by the constituent components, are markedly different for the male and the female categories. The values of the housing structure and real capital account for more than 80% of the wealth for the three loan-length categories of females and of males. From the perspective of security of future earning or the capability to reproduce wealth, the value of and the proportion-to-wealth of real capital is an important indicator. For the female category the proportion-to-wealth share of real capital is similar for the 'largest-longest' of RDP input group compared with the two smaller-loan-shorter-length' group (Annexed Table 20). The impact of combined level of RDP inputs is discernibel with respect to the proportion-to-

wealth share of working capital and of saving, increasing from 4.7% and 5% respectively for the youngest group to 10.4% and 11.4% respectively for the oldest-largest group (Table E20).

The main factor underlying these mixed and confusing figures is a priority placed by members on assets such as housing structure is followed by FPA for the males and the females. The case studies found, during wealth ranking exercises, that quality of housing is perceived as a key determinant of economic status within communities. After landholding, housing was the second most commonly mentioned criterion by which villagers judged household wealth. Nevertheless, these investment priorities do not detract from the important finding that increases in asset values amongst RDP member households over time and increasing loan suggests that their economic security has been strengthened, and this finding is supported earlier by several other indicators suggesting declining seasonal vulnerability and enhanced coping capacity.

Saving with RDP vs other saving

Table 7.6: The ratio of non-RDP savings to RDP savings deposits, RDP member households and length of membership

Length of membership (in months)	Male member households	Female member households
1-11	4.9	2.7
12-29	2.2	1.8
30-47	0.6	(15.4)*
48-72	1.6	1.3
73+	0.4	0.6

Key = "" should be discounted, due to probable data processing error*

The data in table 7.6 show a declining of pattern of ratios of non-RDP to RDP savings over time amongst the membership. In monetary terms, RDP savings increase with length of membership, and non-RDP savings decrease. The increase in RDP savings is unsurprising - weekly deposits, and security savings deducted from loan amounts are requirements of VO membership. There may be competing interpretation of these findings. One possible interpretation will view the findings as ambiguous, mainly because RDP savings themselves are not accessible in times of distress or severe need, and their inflexibility is a matter of concern to many members (see chapter 9 in this report). In short,

RDP savings on their own do not contribute to short term coping capacity of households, and they can only be considered a long term asset.

On the other hand it is possible that households perceive less of a need to keep non-RDP savings, (as reported in the survey) given:

a. their increased access to RDP credit (a small proportion of which is used, in practice, for meeting consumption needs, even by the better off households);

b. more secure sources of income, as implied by increased seasonal stability in consumption levels, and by the mechanisms adopted to reduce fluctuations in income earning;

c. the existence of savings in kind as reported by the members in case studies, who identified poultry as a store of saving, as a mechanism to transfer income from one period to another, and as evidenced in the increasing accumulation of assets in the form of real capital; and

d. a reduction in seasonal fluctuation, and the capability to use stronger coping mechanisms imply a decline in the need to access short term saving.

7.7.2 Security of Current Consumption

Indebtedness to informal sources

The household survey data shows that nearly half of all households (47% and 41% of male and female member households, respectively) had informal debts at the time of interview in the (autumn) lean season of 1993. These aggregate figures cannot be interpreted at face value, since they hide various types of informal loans (including those taken from kin, friends and neighbours as well as moneylenders). Also, the case studies found that in five out of 16 locations VO members reported that (since joining RDP) they no longer had to go to the local *mohajans* who lent out small sums at very high interest rates. In another five VOs, members reported that local moneylenders saw them as having increased creditworthiness. These findings indicate the complexity of informal markets.

The indebtedness of households to informal sector moneylenders may be interpreted in two ways, depending on the nature of the informal credit. For some households, high interest loans may constitute dependence on exploitative moneylenders; while for other households

access to certain types of informal credit may represent increased creditworthiness and coping capacity. However, in general the survey data suggests that "older" RDP member households have a reduced reliance on the informal credit market, which in turn suggests increasing economic security. Case study data on mechanisms to cope in lean season support this finding.

Indeed, the findings suggested by the data are that (a) while there is no clear downward trend in the proportion of households taking informal loans as length of membership increases, (b) the average amount of informal credit taken per household declines as length of membership increases, and (c) in addition, "older" member households use a smaller proportion of their informal credit for consumption or hardship purposes - and instead use a higher proportion for investment purposes. These data are illustrated in table 7.7 below.

Table 7.7: Number and proportion of RDP households with informal debts, and their mean size, by *length of membership*

Length of membership in months	Male member households		Female member households	
	No (%) of households with informal debts	Average amount (Tk) of informal debt outstanding	No (%) of households with informal debts	Average amount (Tk) of informal debt outstanding
1-11	10 (37%)	6,090	192 (41%)	2,405
12-29	26 (28%)	2,321	68 (41%)	3,679
30-47	84 (56%)	5,945	99 (24%)	4,233
48-72	32 (54%)	3,869	33 (43%)	1,692
73+	27 (60%)	2,333	12 (35%)	1,244

However, a more complex picture emerges when analysing data for male and female member households separately. For male member households, as the amount of RDP credit increases, the amount of informal credit taken decreases slightly. For female member households, there is a small positive correlation between increasing RDP credit and informal credit. However, the correlation coefficients are small (-0.043 for male, and 0.001 for female member households), suggesting that these opposite "trends" are both extremely weak. Two interpretations may be offered to account for these results:

- given that male member households have, on average, been members for longer and have taken more credit than their female member counterparts, it is possible that

female member households can be expected to follow the male "withdrawal" trend in the future, as and when their economic condition improves to a greater degree; alternatively,

- it is possible that female members' (slight) increase in borrowing in the informal market is because of the growth of women-based networks of small-scale money lending, ie. loans taken from kin, friends and neighbourhood contacts. There is ample evidence from other studies to suggest that one effect of women's access to formal credit is enhanced creditworthiness, enabling greater involvement in "less exploitative" segments of the informal market.

Further research may reveal more information to support one or other of the above interpretations. Yet whichever interpretation is found to be more justifiable, the results on the use of both RDP and informal debt for investment (rather than hardship) purposes, remain positive.

The survey data does show that the average amount of informal debt per borrowing household declines with length of membership (see table 7.7 above), which suggests a degree of "withdrawal" from the informal credit market by households which are, on average, better off than those joining BRAC more recently. The smallest average informal debt is recorded for those RDP member households which joined more than six years ago.

Table 7.8: Number and proportion of RDP households with informal debts, and their mean size, by *Loan category*

Loan Category	Male VO		Female VO	
	No. (%) of Hhs with informal debts	Average amount (Tk.) of informal debt outstanding	No. (%) of Hhs with informal debts	Average amount (Tk.) of informal debt outstanding
Nil	12 (50)	5929	146 (45)	2114
1-2499	18 (50)	11444	89 (38)	3283
500-4999	31 (46)	2043	68 (47)	4790
5000-7499	39 (48)	3676	41 (37)	2362
7500-9999	23 (39)	5037	25 (34)	2099
10000+	58 (48)	3628	38 (38)	3328

The clear pattern in informal loan that everges according to membership length categories, becomes hazy when assessed according to RDP loan values. In table 7.8 the average values of informal loan and proportion of members in each RDP loan category, do not indicate as clear a downward stope as it does elsewhere. For the female category any hint of withdrawal from the informal market, after peaking in the Tk. 2,500 to Tk. 5,000 category, is questioned as the average rise in the largest category (Tk. 10,000+). The table 8 shows that the averages are based on highly dispersed values, judged by standard diviations. The apparent withdrawal from the informal market, observed in table 7.7, is as clearly indicated in table 7.8 this is likely to add fuel to the debate whether programme participation improves the members' credit worthiness, or reduction in informal borrowing is a positive impact.

Large variation in the observations (raw data) are present in the assessment according to combined levels of RDP loan and membership length. In table 7.9 howevr, there appears a discertble pattern: proportionately fewer members in the largest loan-length category for the females borrow from informal sources on average smaller sums compared with the smallest and the middle categories. This declining pattern, indicating positive impact on current economic security, is influenced by the results achieved according to length alone (in Table 7.7). In other words, singular controls like length or loan produce mixed results, whereas the combined impact is positive as in the cases of material wellbeing indicators. Alternatively, the analysis of informal borrowing according to RDP loan sizes may reflect a true impression of the reality.

Table 7.9: No and average size of informal loan taken by RDP households, by combined levels of loan and length

RDP loan	Male Member		Female Member	
Category	No of Hh (%)	Average loan	No. of Hh (%)	Average loan
Loan < 2,500 Length < 2.5 years	14 (37.8)	1856	208 (42.0)	2402
Loan >7,500 Length > 2.5 years	75 (48.7)	3882	53 (34.6)	3101
Res of the sample	92 (46.7)	5358	146 (43.2)	3687

** Figures in the parentheses indicate standard deviations*

Use of informal debt

These "older" member households are also using a higher proportion of such informal credit for investment purposes (ie. not for consumption or other hardship purposes). (Annexed Tables E21, E22). Table 7.19 shows the more complex picture presented by the data. In fact, there seems to be an increase in the proportion of informal credit used for consumption purposes by those members (mostly more recently joined) who have received medium amounts of RDP credit. This is particularly evident in the male category. In the female category, an initial rise in the proportional use of informal loans for consumption follows a clear downward trend (amongst the high-RDP borrowing group) to using only 37% of such informal credit taken for consumption purposes.

Table 7.10: Proportion of informal loans used for consumption and hardship purposes, by RDP loan groups

RDP loan groups	% of male member households' informal loans used for consumption	% of female member households' informal loans used for consumption
0	35.7	64.9
1-2499	51.4	64.3
2500-4999	60.0	66.8
5000-7499	60.9	46.4
7500-9999	28.6	48.4
10,000	36.2	36.6
All RDP (Average)	46.2	59.2

On the other hand Annexed tables E23 and E24 respectively show slow but discernible upward trend in proportional use of informal borrowing for asset creation and income generating purposes for male and female categories. Upward trend is noticeable, for males in the Tk. 7,500 or more RDP credit size categories, but for female the increase is in the smaller in Tk. 5000 or more of RDP credit. The reduction in the proportional use of informal borrowing for consumption purpose is at lower levels of RDP input (Tk. 5000 upward) for the female than for the male (Tk. 7500 upward). The tables 7.8, E23 and E24 suggest that the female category have achieved stronger security of current consumption at lower level of wealth than the male. This supports the finding that female category is faster achiever than the male category's which is on average more wealthy

Table 7.11: Use of Informal Loan and Combined Levels of RDP Inputs -- *Male Household*

Loan Use for	Loan >Tk. 7,500 Length >2.5 yrs n=75	Rest of the Sample (informal borrower) n=92	Loan <Tk. 2,500 Length <2.5 yrs n=14
Asset and Income	63.29	31.74	36.79
Consumption	32.37	61.05	55.36
Debt Servings	1.68	2.21	7.86
Other[1]	2.67	5.00	-
Total	100	100	100

1: Others include charges paid for overseas employment service litigation expenses, bribery electricity bills etc.

The same pattern holds when proportional use of informal loans are distributed according to the combined levels of RDP inputs viz loan and length of membership. As expected the, the `large loan and long membership' groups in both male and female categories invest larger proportion of informal loan in income generation and asset creation (Tables 7.11 and 7.12). There is a steady increase in this regard for the female from the `smallest loan and shortest membership' and the middle length-loan group to the largest (Table 7.12).

Table 7.12: Use of Informal Loan and Combined Levels of RDP Inputs--*Female Household*

Loan Use for	Loan >Tk. 7,500 Length >2.5 yrs n=53	Rest of the Sample (informal borrower) n=146	Loan <Tk. 2,500 Length <2.5 yrs n=208
Asset and Income	56.40	34.43	31.70
Consumption	40.77	61.83	67.01
Debt Servings	0.94	1.69	0.38
Other	1.89	2.04	0.87
Total	100	100	100

1: Others include charges paid for overseas employment service litigation expenses, bribery electricity bills etc.

Use of RDP Loan

These findings on the use of informal loans may be compared to those relating to the use of RDP loans taken; the results are shown in Table 7.13 below.

Table7.13: Percentage of the last RDP loan taken before the interview, used for consumption or other hardship purposes

RDP loan groups	% of male member households	% of female member households
1-2499	10.7	8.6
2500-4999	10.7	13.6
5000-7499	11.0	11.0
7500-9999	4.7	10.7
10,000	4.5	4.8

For male member households, the data in table 7.12 shows that a decline in the consumption proportion of the outstanding RDP loan at the time of interview is evident for those households which have received a larger amount of (cumulative) RDP credit. For the female member households, use of RDP loans for consumption purposes increases initially, but falls significantly in the largest RDP loan group (to a comparable level to the proportion used for consumption by male member borrowers). Table 7.13 suggests that female members may meet that part of their consumption needs from RDP credit, which is transfered from the informally borrowed fund. In Table 7.10 the decline is in the Tk. 5000 category whereas for RDP credit the corresponding figure is Tk. 10,000-plus category.

In combination, the above data on informal and RDP credit used for consumption purposes suggest the conclusion that RDP member households continue to access informal credit during their membership, but the average amount of such debts decreases, and such loans are used more for investment purposes.

Direct entitlement to food

One additional indicator of the enhanced enhanced security of current consumption of some households within the survey sample is provided by data on crop production, on either rented or owned plots. The cultivation of *aman* paddy (harvested in mid November at the beginning of the peak season) is a major source of food stock. Table 7.14 indicates that as length of membership increases, an increasing proportion of both male and female member households have direct access to peak season paddy, providing food stocks for future months.

Table 7.14: Number and percentage of male and female member households involved in direct production of paddy, by length of membership

Length of membership (in months)	Male member households	Male member households
1-11	11 (40.7)	154 (33.0)
12-29	48 (51.1)	53 (31.6)
30-47	77 (51.0)	96 (40.3)
48+	59 (53.6)	42 (37.8)

In combination, the data discussed in this and the preceding section suggests that a reduction in seasonal vulnerability corresponds with enhanced coping capacity and strenghened economic security amongst households which have received higher amounts of credit over a longer membership period.

7.8 Strength of Material Wellbeing/of Material Condition

A recent study of targeted credit programmes in Bangladesh, attempts to assess the 'sustainability of borrowers'; Khondker and Chowdhury (1995 : 24) argue that "... one of the prime concerns of targeted credit programs is not only to raise the levels of [participating households] consumption but also to raise their sustainable income. Their results indicate that increasing length as well as loans received by the households, result in reductions in the two indicators of 'borrower viability'. The two indicators, viz. ratios of outstanding loan to net worth and of outstanding loan to savings, shown in tables 8. and 8 move in opposite direction to the Khondker and Chowdhury findings.

Khondker and Chowdhury find the ratio of outstanding loan to net worth to decline from 0.04 for less than Tk. 2,500 loan amount to 0.02 for tk. 10,000 Tk. 15,000 loan amount and it increases slightly to 0.06 in Tk. 15,000-plus category (1995 : Annexed Table 11). The ratios of outstanding RDP loan to net worth for male and female categories according to RDP loan category, show a steady increase (in Table 7.15). This means the net worth is not increasing as fast as the growth in the amount of RDP credit. The average net worth, however, increases with RDP loan amount, for both male and female categories (see Annexed Table E25).

Table 7.15: Ratios of outstanding loan to networth and of outstanding RDP loan to saving by RDP loan category

RDP Loan Category	Male		Female	
	Outstanding loan to networth	Outstanding loan to savings	Outstanding loan to networth	Outstanding loan to savings
< 2499	0.05	1.28	0.09	1.39
2500-4999	0.09	1.50	0.09	1.37
5000-7499	0.09	1.56	0.12	1.8
7500-9999	0.10	1.82	0.11	1.53
10000+	0.14	1.66	0.17	1.32
All	**0.11**	**1.63**	**0.11**	**1.45**

Note: Respective figures for all loan category do not include those households that did not recieve any loan for RDP

The ratio of outstanding RDP loan to saving, increases with loan size than decline. For the males the decline is observed in the more than Tk. 10,000 loan size and for the female it is observed in the Tk. 7,500-10,000 category which continues in the largest category. The increasing ratio means that the growth in saving is slower than the growth in loan size. In other words, the members' savings relative to loan is lower upton the Tk. 7,500 cumulative loan category. On average, for every Tk. 10,000 RDP loan the members' saving stand at between Tk. 613 for males and Tk. 690 for females. Between 61 percent and 69 percent of the members' debt to RDP is backed by saving. A clear indication of increasing economic strength or sustanability of the RDP households material condition.

Table 7.16: Ratios of Outstanding RDP Loan to Networth and to Saving, by Combined Levels of RDP Input

Loan Category & length	Current loan to savings		Current loan to networth	
	Male Member	Female Member	Male Member	Female Member
Loan <Tk. 2,500 Length <2.5 yrs	0.72	0.96	0.02	0.03
Loan >Tk. 7,500 Length >2.5 yrs	1.60	1.36	0.11	0.13
Rest of the sample (middle group)	1.65	1.39	0.10	0.09

The combined levels of RDP input do not provide a better picture than the single input of RDP loans with regards to indebtedness to RDP. As the households with zero loan are included in the combined input categories, the youngest groups' indebtedness ratios to networth and saving produce misleading results. The "largest-loan-longest-length" category in both the sex categoreis appear more indebted relative to networth in comparison to middle input level category. There appears diminishing return to RDP loans. Khondker and Chowdhury (1995) findings point to similar situation (with the magnitude of the ratios being smaller compared with the present).

On the other hand, the category to achieve critical mass of input, appear in a better situation with respect to indebtedness realtive to saving. Both male and female have accumulated greater saving relative to outstanding loan in comparison with their respective counterparts in the middle input level.

The ratio of current RDP loan to networth for the IAS sample of RDP households show that, (a) the indebtedness relative to networth is increasing and, (b) the magnitude of the ratios are greater than those found in Khandker and Chowdhury. Further research is necessary to comment on the upward pressure in the ratios and its persistance in the future. Particularly an investigation to reveal whether there is a critical level of cummulative credit and a critical rate of increase in the amount credit, before which the ratio is unlikely to stabilise or decline. The standard economic theory of diministing return may already have set-in which would imply there is a limit to poverty alleviating credit intervention as hypothesied by Osmani (1989).

7.9 Conclusions

Changes in the nature of household assets, with increases in the monetary value of productive (revenue earning) fixed and working capital, along with investment in housing structures, suggest both greater economic security and an improved standard of living for "older" members of RDP.

Such enhanced security is confirmed most clearly by the reduced seasonal fluctuations in income, expenditure, food consumption and stocks for those members who joined RDP more than two a half years ago, and have received over Tk 7,500 of cumulative RDP loans. These findings clearly indicate that seasonal vulnerability of such households has

decreased markedly. In addition, the evidence concerning enhanced coping capacity is generally positive. There is a trend to "withdraw" from the informal credit market, the average amount of credit taken by "older" members declines, and the use of both RDP and informal loans for consumption or hardship purposes decreases with length of membership, just as households experience improvements in their material well-being and ability to weather seasonal lean and peak periods.

Although there is an increase in the indebtedness relative to networth, the declining pattern observed in indebtedness to savings along with increases in both the absolute values of gross wealth and networth, indicate strengthened capability for RDP households to sustain the improveds in meterial wellbeing.

8. Changes in Women's Lives

8.1 Introduction

By social custom Bangladeshi women are dominated by men in all spheres of their lives. In her work on poverty in Bangladesh, Lovell (1991) states:

> *"Women are particularly affected by poverty. Poor women in rural areas have the least power. Traditionally women in Bangladeshi villages have few rights, little choice about the course of their lives, and almost no opportunities to change their situations. Women work nearly twice as many hours each day as men and they are often pregnant or lactating. They have little or no access to people or positions of influence; for the most part they are illiterate; they eat last and eat least. They are often deserted when husbands cannot find income in the villages and move away to pursue work."*

According to most of the usual indices of quality of life and of economic development, women in Bangladesh are disadvantaged in comparison to men. Traditional attitudes and customs in Bangladesh are the major obstacles to any effort to improve the situation of women. A study by ICDDR,B quoted in White (1988) showed that both child mortality and malnutrition rates are higher among female than male children. Females are taken less frequently for medical treatment than male children and their school enrollment rate is lower. Parents do not consider it important to educate girls as they will eventually marry and go away. Boys on the other hand, are expected to shoulder responsibility for the welfare of their parents in old age. Although the Bangladesh constitution grants equal rights to women in all spheres except those governed by Muslim Inheritance Law, in reality, there is a big gap between what women are legally entitled to and what society considers acceptable and justified.

Against this background, BRAC along with other NGOs and intervention agencies has realised that true development cannot be achieved unless and until the women made part of the development process. Consequently, BRAC has been incorporating women into its multifaceted development activities since 1975 (beginning with the Jamalpur Women's Project). In 1991, BRAC made a major shift in targeting from male to female members.

Despite its commitment to improving the lives of poor women, BRAC programmes continue to be challenged by the complex web of social and economic relations that hinder change.

The main activities of BRAC's Rural Development Programme (RDP) are, a) Institution building including functional education, b) Credit operation, c) Income and employment generation and d) Support service programmes. Each of these interventions are expected to have different kinds of impacts on women's lives.

Institution building activities aim to unite VO members, and create a strong sense of group identity and cohesion. It is expected that leadership will emerge from the group and members will act like an autonomous body under this leadership in the pursuit of their common interest. As discussed in the chapter on Institution Building, the process of group formation is also expected to build a sense of self worth among its members.

The rest of RDP activities i.e. credit operations, income and employment generation and support service programmes are intended to give women access to loan and income, increase women's control over these resources, raise their decision making power within the household and status. Increased awareness of domestic rights, basic literacy (i.e. learning to write their names) are also expected to change women's status in the household. It is also hypothesized that participation in RDP activities will increase women's mobility as well as change people's attitude towards women involvement in public spheres.

It is undoubtedly a complex task to capture all of the expected impacts. It is even more complicated to isolate the changes brought about by BRAC from changes caused by other agents. Although we realize that BRAC interventions result in some negative changes in women's lives, this study focuses on positive change in particular. Four major areas of women's lives were examined to distinguish the changes brought about by BRAC. These are: attitudes towards women's mobility, their role in decision making, women's control over income and status of women. Although there are other areas of life, which BRAC inputs are likely to influence. We limit our focus to these four issues given our belief that they will be most directly influenced.

8.2 Attitudes towards women's mobility

Traditionally rural women in Bangladesh are docile, mute and locked in 'cages'. The village border draws the boundary for their "room for maneuver". This boundary changes over the life cycle. Restrictions on women begins as they reach adolescence; and decline gradually as they become the mother of children. Generally, a woman who has become a grand mother enjoys the highest level of freedom. The degree of restriction and/or freedom women enjoy are closely related to their mobility. By mobility, we mean the ability to circulate to places other than the homes of friends or relatives such as the BRAC initiated social networks (women to women), economic activities within immediate neighbourhoods (often women to women, but not just BRAC), local BRAC office, BRAC training centres, UP office or market.

In Bangladesh, women's mobility is limited by custom, and their social and economic dependence on men. Because of purdah, their contacts with the outside world are extremely limited.

> *"Their isolation constrains their potential to generate income and makes it difficult for them to take advantage of family planning, health and other services that may be available, unless these services are brought to their doorsteps"* (Schuler & Hashemi, 1994).

The way in which a VO is formed in a village and operates is opposite to traditional ideas. Through their participation in weekly meetings, women's mobility and access to information increases. Confidence is gained as they go to places by themselves. Moreover, they also get to know about what women in other villages are doing, which in turn increases their exposure to new ideas. In short, through credit and skills development training, BRAC has paved the way for its female members to come out of their 'Bari' and participate in income generating activities.

Box 3:

Selina - a BRAC member, aged 25, did not wait for her husband or any one else for accompanying her to the health centre instead took her ill son to the health centre on her own, which was quite far from her village. She knew the health centre while going to the BRAC office and also got the confidence of going there by herself through her regular visits to BRAC office.

When BRAC enters a village, it faces opposition from various quarters. Those who oppose BRAC interventions, do so for various reasons. Most are unwilling to accept women's coming out of their homes, nor do they like the idea of women talking to outsiders, building their own social network through women's groups, and becoming economically less dependent. The rich on the other hand, do not like the idea of the poor organizing to become less dependent on their power and influence.

Despite all the opposition, women are participating in VO activities with great enthusiasm. Indeed, the large majority of VO members do not encounter any problems in going to BRAC meetings or BRAC Area offices to get loans, medicines or other support services. In the case of two VOs, however, respondents reported that their husbands do not allow them to go away where they would be required to spend the night (e.g., TARCs). Similarly, from the point of view of villagers, they have accepted their women going to BRAC meetings, or to BRAC offices, but still oppose them going to another place for training and staying overnight. Inconvenient timing1 and in certain circumstances, the inappropriateness of training may also explain this opposition.

In general, however, the husbands of these VO members, irrespective of whether they themselves are VO members or not, accept their wive's mobility because of circumstantial reasons. This was evident when we asked them about their views on women related issues. In most cases they told us what they thought we would like to hear: For example, one male respondent group told us that their wives now say:

1By inconvenient timing we mean training does not take into consideration whether the trainees have some one else at their home to run their home in their absence. Inappropriateness refers to the fact that trainees with no land are being sent for home gardening training or trainees from a village with no ponds are being sent for fishery training etc.

"Women have become more powerful since BRAC came".

They added:

"After a whole day's work when we ask them to serve us meal, they just snap at us".

The household survey also confirmed the hypothesis of circumstantial reasons. Majority of the female respondents (70% of comparison group, 69% of female members from the female member households, 64% of female members from the male member households) expressed positive view towards 'because of economic hardship women are going out for their living'. Their positive view includes answers like 'good','to be independent', 'for improvement of economic condition', 'for survival they should'. The comparison group is on the average poorer than BRAC group members (see Table:1 in the Annex-G1). Again the female member households are poorer than the male member households. Respondents from the better off households (i.e. male member households) appeared to be most conservative, in that 32% of them did not think that women should go out. It seems that circumstantial reasons predominates women's positive attitudes towards their mobility.

Seventy two percent of the male respondents think that it is either good or women ought to engage themselves in different income generating activities. Again male members from the BRAC involved households were more in favour of it than the male members from the comparison group households (72% from male member households and 74% from female member households as opposed to 69% from the comparison group).

However, if we break down BRAC members according to their different lengths of BRAC involvement, we can not really conclude that the older BRAC members have more positive attitudes towards women's mobility.

How much power BRAC has really given to these women is open to debate. Villagers have accepted women's mobility insofar as it is necessary for survival. Apart from elders or the extremely religious (both of these more or less overlap), wealthy villagers think it is very good for poor women to join BRAC, just for humanitarian reasons.

"It gives them an earning source, in the absence of which they would have been pushed out to begging".

They related the story of Korimon:

Box 4:

Korimon a widow of 48 years, has a small family with 2 small grand children. She does not have anything of her own other than her homestead. She does not have anyone to help her either. She is a BRAC member and was trained as a poultry worker. But now that she has become old and cannot see properly, she cannot vaccinate the chicks. She has now moved to a new trade. She goes to the nearby ***haat*** *(about 8 km. away) to buy toiletries and cosmetic jewelry which she sells to the villagers by going door to door. She got the capital from BRAC. That is how she is managing her family.*

The male informant group of this village explained that if Koriman did not have this opportunity, then she would have no alternative except begging. It seems that society is willing to accept mobility among women in vulnerable circumstances, such as those who are divorced or widowed with children to support, and little assets and no income.

This outlook differs, however, according to the age of the woman concerned. For example, young women are criticized more frequently for doing work than widows or older women. This criticism comes from people from all walks of life: rich-poor, male-female etc. As a result, few women actively seem to establish their own identity, network of friends, information sources through work. If they have enough to live on, they are quite happy to stay at home.

Apart from going to BRAC AO or UP office, VO members rarely go to other places. In some cases, they go to hospitals with their children. But if it is too far, get someone else to go with them. Only a few women from richer families who are lucky enough to be educated have regular out-of-house employment. They are not criticised, because they come from the upper class.

BRAC is developing some para-professionals in the villages. These include Shasthya Sebika, Poultry Vaccinators, Paravets etc. Such professions necessitate that women move around the village and on occasion require to travel to distant villages. The number of para-professionals is usually not more than two in one VO. These women tend to be smart, vocal and mobile and as a result, they do not face much criticism.

Women are not criticised if they can earn by staying within the house and through maintaining **purdah** (e.g. embroidery, paddy husking, pitha making etc.) Respondents

from a 10 year old female group mentioned that with their BRAC loans, they make 'pitha' and sell it to the market through their small children. Although they are relatively older women, they still do not feel comfortable about going to the market. Maintenance of **purdah** is very important for women members. In almost all cases they mentioned that they go to the BRAC office in proper **purdah**. So there is no harm in going to BRAC office.

Box:5

*In the case of one VO (T), initially the venue for weekly meeting was the "**Katchari Ghar**" of Munshi Bari. Most female members refused to go there for meeting as it was a public place and it is indecent for women to go there. As a result, their husbands used to deposit their savings and installment for them. After 3 months, the venue was shifted to the secretary's house, and the attendance in the meeting increased remarkably.*

In conclusion it can be inferred that BRAC involvement has increased women's mobility to some extent. Their increased mobility has created lot of reactions among the villagers (See for instance Mannan et al, 1994). However, if we want to compare the changes in attitudes towards women's mobility with the date of formation of the VOs, no clear trend can be observed. Initially in many villages there was hostility towards female VOs2 except the ones which began by making many promises or own initiatives by women themselves. All the villagers accept women attending meetings and visiting BRAC AO. But their going to BRAC training centres for more than a day is still not approved of in many areas. Only 5 out of 16 VOs did not raise any objection to women's travelling to other places for BRAC related activities. Among these 5 VOs, 4 cases women were relatively mobile even before BRAC interventions. In the last VO, which is from the pre RDP period, women members are relatively older. Their increased mobility, therefore are attributable to both BRAC interventions and the age of VO members. In all cases, women's work in public places is approved only under extreme circumstances.

8.3 Decision making power within and outside household

Decision making power is an important indicator of women's status. However, it is a very difficult indicator to capture changes in. Household decisions are rarely discrete events. Rather, there is a lot of prior discussion, argument and persuasion behind each decision made. Consequently, when we claim that a certain decision was made by a certain

2Please see Annex- for different age categories of Vos and the rational for such categories.

member of the household, there is a danger of ignoring the likely involvement of others. Although we are aware of this, in the following analysis, we took the answers from the respondents at face value.

It is expected that as a result of participation in BRAC programmes, women will acquire resources, build social networks and gain knowledge and power to make decisions regarding matters both within and outside the households. Blood and Wolfe think "the continual participation of the wife in the occupational world accelerates her maturity toward decision making resourcefulness" (Quoted in Ainun nahar Mizan, 1994). A study on the Grameen Bank found that greater mobility and a wider scope for association as a whole has resulted in a general elevation of women's self confidence. Greater awareness has also led to increased female participation in household decision making (Huq, 1985).

In an attempt to estimate women's decision making power, we divided women's decision making power into private and public spheres.

8.3.1 Decision making within the household

To bring about changes in women's status in the household participation in household decisions about the education of their own children, savings, credit, sale or purchase of assets (poultry and livestock) and children's marriage etc are prerequisites. It was hypothesized that women's involvement in different RDP activities would result in greater female participation in these household decision making process.

In terms of children's education, almost all the female group members interviewed stated that they were responsible for monitoring their children's education because they stay at home.
As `Madhuri' President of VO 'N' stated

> *"Is it possible for any husband to look after the schooling of the children when he is at work the whole day?".*

Women also reported spending the small amount of money they save by selling eggs or poultry birds or **"mushti chal"** (fistful rice) to cover the costs of education. As Ahmed (1980) notes women take pride in spending their own money for their children.

It should be noted, however, that most of the women interviewed did not have any children in school before joining BRAC. It was only after BRAC schools were established, that they started sending their children to schools. Women now consider themselves the principal guardians of children and they regularly attend monthly parent's meeting. Although the final decision to send children to school is taken by the father, women enjoy the responsibility of looking after their children's education.

Savings is another area of decision making. After joining the VO, women usually pay weekly savings from the "expenditure saving homestead activities" like sales from eggs, fruits, home grown vegetables or accumulated "**mushti chal**". Women also use these sources for repaying their loan instalments in cases where husbands do not regularly supply the weekly installment. (Loan repayment from these sources are likely to have a negative outcome in terms of a depletion of daily consumption resources within the household, as well as a depletion in resources otherwise kept for savings.) Members from two (one from pre-RDP period and another from RDP Phase-I) out of sixteen VOs stated that they managed loans themselves from their own (domestic) income.

An important observation regarding cash savings is that poorer women tend to report a greater degree of independence than those who are a little better-off than them. For example, one of the VO president - Rohima, a poor woman, said that she and her fellow members decided by themselves how much they would save. She saved Tk. 2,200 herself, and her fellow members also saved a substantial amount. Sufia-a relatively well off member, on the other hand, saved only a small amount. There are several explanations for this. Firstly, male members of the comparatively well-off households tend to use their wives as a means of getting loans and co-operate with them to save the required floor amount needed to obtain the loan only. Poorer women on the other hand, consider their savings as their only asset.

Secondly, women from relatively well-off households do not usually work outside the household but are involved in income generating activities within their household. As a result, they have very little cash income of their own. By contrast, women from poorer households are engaged in both home-based and certain types of income generating activities outside the home which give them slightly higher income than the household based-income generating activities. As they earn it themselves, they have greater degree of control over it.

Decision making regarding loan is directly related to the production process. Except for a

few female headed households all the members from 12 out of 16 VOs stated that they discuss the timing and use of loans with their husbands. The tribal (Garo) female members stated that they decided themselves when to draw loans. Members from three other VOs told us that their husbands usually decide when to draw loan without consulting them.

The household(HH) survey data shows that in a household, who decides about whether or not to take loan is influenced by the length of BRAC membership. There is a clear trend of decline in the percentage of women deciding herself about when to take loan. While the percentage of jointly deciding increases over the same period. However, the husband remains the most important decision maker regardless of the length of BRAC involvement (See Table 4 of Annex-G3).

This is not necessarily an unacceptable situation. with long BRAC involvement, the size of loan grows. Women themselves do not have opportunities to invest those. Consequently, their husbands are consulted.

However, the HH survey data shows that women in general decide where to spend their income (sources of income are not known). Female BRAC members are more assertive compared to non-BRAC female respondents from BRAC HHs(there is no information on women respondents from the comparison group). Although the decision making ability of women does not have any relation with the types of activities performed by them, the length of membership does have some bearing on their decision making about spending their income. The percentage of women deciding by themselves and by their husbands steadily goes down with their length of membership. We can assume that with longer BRAC involvement, their income level goes up which they then spend/invest on some productive purpose (other than HH consumption). And they are now being consulted which is an indication of their improved status (within the HH) also (See Table1 and Table2 of Annex G3).

Regarding loan size and decision maker, although there is a clear distinction between decision makers of smallest loan holder and largest loan holders, but no clear trend can be traced back for other loan holders. For smallest loan holders, more women made their decisions by themselves, for largest loan holders, husbands' involvement increased remarkably (See Table 3 of Annex- G3).

Decision making power is highly correlated with control over income and assets. As we discussed earlier, women in general have little control over the income that arises from their loan investments (as it is handled by men). Most of the women own only clothing type of assets except for a few who own land and non land productive assets which they acquired mostly from various sources (other). Women's decision making ability is not related to their asset ownership either.

This study confirms that in the case of minor household decisions, women's participation is increasing. In reply to our question about selling and purchasing poultry and livestock, women group members said that they could make decisions about whether to purchase or sell poultry. In the case of VGD (vulnerable group development) card holders, the situation is slightly different. They purchase poultry according to the programme rules. Most of the VGD card holders told us that given the choice, they would have preferred to buy local varieties as their mortality rate is low. But in the case of purchasing or selling of livestock they discuss with their husbands. Two female VOs claimed that they themselves decided on whether to purchase or sell both poultry and livestock. In 7 VOs, women stated that they consulted with their husbands on selling or purchasing assets such as poultry and livestock, while 6 others said that they were influenced by outsiders (e.g. BRAC staff insisted on their buying it). In the remaining 6 VOs women stated that they consider poultry birds as assets only because they had nothing but poultry birds to purchase or sell. In short, it seems that women (except the VGD programme beneficiaries) are enjoying the right to decide on the purchase or sale of poultry , but not livestock. Since most of the time women are directly involved in the management of poultry, this gives them the right and opportunity to participate in decision making.

Decisions about children's marriage are important in family life. In our study, almost all our female respondents said that they discuss their children's marriage with their husbands, though they admitted that the final decision is made by their husbands. On the other hand, dowry is handled entirely by men. From the bridegroom's side, either the bridegroom or his father decides how much dowry they want, and on the brides side, it is the father of the bride who negotiates whether or not he will pay that amount.

According to the women group members, they have greater power to oppose their husband's second marriage than before. According to the HS 68% of the respondents from BRAC member households know that a marriage to be legalised it has to be registered. This compares to only 32% of the comparison group. Although no incidents of husband's

taking a second wife were reported, the women in two VOs (N and Q) claimed that they would resist it if it really happens. Though it is merely a claim it was made decisively. In another instance, in one VO women successfully resisted such a case. When a husband of a VO member wanted to throw his wife out of the house in order to marry again, women members opposed it by threatening:

> "If you want to marry again, it is you who would leave this house. It was built with your wife's loan money."

However, the HS did not show very encouraging picture about their knowledge about divorce, where 52% of the female respondents from the BRAC member households said that divorce takes place if any one pronounces the word 'divorce' thrice. This compares with 47% from the comparison group.

8.3.2 Decision making outside the household

Involvement of women in making decision outside household is critical in achieving desired changes. In women's lives, through RDP, female group members are directly involved in different activities such as the process of VO formation, management committee formation and reformation, VGD card recipient selection, trainees and loanees selection etc. It is presumed that these types of activities will enable women to have a greater say in decisions about matters in the public sphere.

If we look at the women's role in political decision making such as voting, it is not very encouraging. Fourteen VOs stated that their husbands decide for whom they will vote. Only two VOs mentioned that they decided who they would vote for in a participatory way with their husbands. The majority of female members, however, claimed that:

> "The ways followed by the husband should be followed by their wives".

However, a few of the informants said that if their husbands pressed them to vote for a bad person they would secretly cast their vote for the person they think is good. When female members of the management committee were asked these questions, they replied that they voted as per their own decision. A number of male member also said that the women could

vote for anybody they liked.

According to the HS information, 84% of the members from BRAC households casted their votes in the last election whereas the percentage for the comparison group was 77% only.

One of the most important areas of decision making is the village organizations to which women are associated. Decisions about joining the VO are considered first. A great number of institution building activities like individual contacts, small and large group discussions take place before a VO is officially formed, which have a big influence on the decisions to form a village organization. According to female members, while they consulted the matter with their husbands, in most cases the decision of the woman was the final one. In some instances, the women were so eager to form a village organisation that they attended the meeting in an adjacent village several times in hopes of being included in the VO. The power exercised by the women in making the decision to join a group represents a great step forward in terms of women's participation in the public sphere.

Women also make decisions about the formation and reformation of the management committee. However, in the case of 13 VOs, the management committee has not changed since its formation. It was alleged by the members that BRAC's field staff preferred to depend on a few management committee members, thereby denying many women the opportunity to develop their ability to make decisions.

Women also voiced their opinion regarding the other VO activities where women can theoretically participate in the decision making process. These activities include the selection of borrowers, and VGD card recipients. Fourteen VOs reported that except for the first time, all the VGD card holders were selected by BRAC staff and the list of deserving women provided by the VO was not considered. However, in selecting trainees and loanees, almost all VO members stated that they themselves made the decisions.

8.4 Control Over Income

In Bangladesh, women are dominated by men. In rural poor families women provide "household services", but have no involvement in decision making about households' financial matters. They often have no control over their own savings, jewelry and brass

utensils, which were given to them at their marriage(see Kabeer, 1994 for instance).

Control over own income is an important area of women's life which is expected to change as a result of RDP's intervention. In the case studies we tried to assess how much control women have over their income both from BRAC loans/employment and other home based production. Household survey data showed that BRAC members are engaged in 41 different kinds of income generating activities. In some of these activities, women do only the traditional part of it (e.g. paddy husking, mat making, puffed rice making, bamboo cane work). Raw material procurement and marketing of the final product are generally done by a male member of their family. Traditional activities in which women can do everything in the production cycle including marketing are kantha stitching, fuel (dried cow dung) selling, bobbin winding, tailoring at home etc. Some non-traditional activities supported by BRAC also allow women to earn entirely by themselves.

The household survey data shows that in general women have control over their earned income. In most cases, women themselves decide where to spend "their" income. However, female BRAC members are more assertive compared to non BRAC female respondents from BRAC member Households (HH)(there is no information on women respondents from the comparison group). Family need is the single most important head where women spend their income. It is then followed by self need and children's need.

Table 1: Different heads of expenditure met by women's income

Family need	83%
Children's need	31%
Self need	31%
Husband's need	11%
Self investment	13%
Husband's investment	2%
Others	5%

The data shows that even in this stern poverty situation, women manage to invest some of their income by themselves. The source of women's income however, is not known here.

The case studies found that in the pre-RDP phase VOs, women tend to have full control over their income from home based production. Consequently, it was assumed that women

in older BRAC areas would also have better control over their loan income. It was thought that with their long experience of credit handling they would be able to retain more control over their loan. However, the case studies did not confirm the hypothesis that when male and female members of the household jointly decide to take a loan, the use of loan tends to be decided by the male member only as the female members think:

"they know better than us."

An alternative explanation to this situation is as the members from the Pre RDP (73+ months) phase VO now have increased access to larger amount of loan money, but not many avenues where they could utilize these loans entirely by themselves, their husbands become increasingly involved in deciding about utilization of loan and loan income. Increased percentage for joint decision does not necessarily mean loan or income 'hijacking'. Rather it demonstrates the women's increased participation in the household decision making about important issues like investment and spending.

As a result women, are contributing to the cash flow of the household. For women who share-rear livestock can reinvest the cash they gain and make good amount of profits without taking any cash from their husbands. Other women ask their husbands or male relatives or neighbours to sell the animals for them. They believe that if they sell these through their husbands then they are less likely to be cheated.

Among the VOs under RDP Phase-I it was found that the members of only one VO had full control over their loans. This VO is located in a tribal (Garo) community which has a matriarchal social structure. In matriarchal systems, women are less dominated by male members of the household, and enjoy higher level of freedom in their lives. In most cases, women make independent decisions about receiving and utilizing loans. They are directly involved in income generating activities and earning themselves. As a result they have full control over income from their own BRAC loan investments as well as earnings from employment as poultry workers, paravets or Shasthya Sebikas.

The rest of the VO members in RDP Phase-I also participate in decisions about when to draw loans. As far as spending income from their loan is concerned, women respondents said that they can spend it, but they make their husbands aware.

"If our husbands spend ten taka, we can also spend ten taka, but we have to just inform our husbands".

Husbands on the other hand, spend without consulting their wives even if the money belongs to the wives.

Before joining BRAC the women had no say whatsoever about their husbands business. Now women claim that they are considered essential to family maintenance as they bring in loans. With their new found economic role, has come an increase in control over household affairs.

Self employed female members have different levels of control over their income depending upon their type of employment. For example, a Chick rearer may have less control than a Poultry worker, or a Paravet. In general, women have more control over their income if they do not have to depend on anyone else at any stage of the enterprise. In the case of chick rearing, BRAC's support is often insufficient, a woman must depend on her husband or other male members of the family to buy feed. In fact, when discussing the benefits they receive from BRAC, the husbands of two chick rearers claimed that the rearing units were theirs. When we told them that we knew that those units actually belonged to their wives, they said,

"these units are only in their names. We actually run this business. These are ours."

In RDP phase-II areas it was evident that the VO members are yet to experience any change in the degree to which they control income resulting from BRAC programmes. Because these VOs have been formed in recent past and only a few of the members have received substantial loans, women tend to make loan decisions according to their husbands advice. Men also take decisions about spending any income generated from loan investment. Nevertheless, these women feel that their control has been increased a little, because their husbands now depend on them as an important source of cash for the household.

In conclusion, it can be inferred that women have control over that part of the income which they earn entirely by themselves and in activities where they do not have to seek help from their male counterparts at any stage. BRAC loans have changed their position

within the household to some extent. Often, they cannot use the money themselves, but have to depend upon male members for market-related activities. As a result they cannot exercise full control over their income. If BRAC provided them more with some more avenues for investment, or provided the necessary support so that women might conduct the entire activity by themselves, a significant number of women would then gain more control over their income. This in turn will contribute to the enhancement of their status within the household. Once this is accepted within the household, society will gradually accept it too.

8.5 Change in the Status of Women

In general, the literature defines "women's status" as women's position relative to men's in any given society or to women in other societies. In her work on women's status in rural society Parveen Ahmed (1980) shows how villagers do not consider 'money' the sole determinant of status. Rather, there are many other behaviours which are involved, including the type of work performed. For example, working as domestic help is considered lowly work. In Ahmed's (1980) study, respondents noted an array of indicators of change in status. They noted how their children now ask them to buy their school books and stationery. They related how they receive visits from important people. Some of whom are perceived to have the power to help them by using outside village contacts. Finally, they remarked that their husbands do not abuse them any more as they now earn money.

Chen and Mahmud (1993) define status as a combination of prestige, power and control over productive resources. They hypothesize that development interventions will affect women's lives by increasing their access to and control over resources by altering levels of knowledge, skills, and awareness of wider environment, by modifying women's bargaining power in a variety of relationships and by changing the way in which people perceives women and their perception about women and their perception about themselves. According to the authors, these change are not limited to women alone, but will affect many other societal agents such as "family", "community", "elites" and "officials". BRAC's development interventions are expected to stimulate change of their nature.

BRAC's provision of credit is supposed to change women's access to and control over resources. Training is aimed to increase their level of knowledge and regular attendance at meetings, as well as visits to AOs and TARCs are expected to increase their awareness of

the wider world. Together these forces are expected to change women's bargaining power. Within the household and society at large. which is not possible for us to document the totality of change as experienced in the multiple spheres of women's lives, we will limit ourselves to changes in women's status at the household and community level.

8.5.1 Change within the household

Women's lives are governed by a number of powerful institutions; e.g. social, cultural and religious norms, marriage, labour markets and most importantly purdah. All these institutions are characterized by gender inequalities which exacerbate and perpetuate the low status of women.

In rural Bangladesh, unemployment and underemployment among men is pervasive. Women have even less opportunity to earn an income. Through the credit program, BRAC has tried to give the rural women skills and knowledge, and to involve them in income generating activities. In the case studies that follow, we try to explore what changes they experienced as a result of their involvement with BRAC.

BRAC programmes are generally targeted at the poor who own less than 50 decimals of land and sell manual labour for at least 100 days per year. The primary occupation of member households is agriculture day labour. A much smaller population are petty traders and rickshaw/van pullers. In most cases, the male member of the household is the primary income earner. Women are responsible for household chores, and often assist in the work of their husbands. Along with their domestic duties, most women are also engaged in some sort of traditional income earning activities . e.g. growing vegetables, rearing poultry, stitching kantha etc.

Eighty two percent of BRAC's target population are women, and 74 percent (Statistical Report, 1993) of BRAC credit is received by them. However, our study found that in majority of cases, male members of the households utilize the loans received by female members. Under normal circumstances, poor people want to be involved with their inherited profession if they are not forced to do otherwise. Social values coupled with lack of opportunity for occupational diversification are responsible for this. Sometimes getting involved in new economic activities requires substantial initial investments of capital which most poor households can ill afford. For this reason, VO members often find it more

convenient to invest their loans in their traditional occupations. For women, it is even more difficult as the traditional social sanctions do not allow women venture into public spheres, nor to undertake 'men's work'. In view of these pressures, the large proportion of female VO members let their husbands utilize BRAC loans.

However, in only a few extreme cases are women denied access to income accrued from the loan. In general, husbands who use BRAC loans also repay weekly installments. In situations where husbands reap the benefit but do not take responsibility for installments, female members manage by either selling home based products or by borrowing from fellow VO members or relatives. While actions like these make the household more vulnerable, none of the respondents reported the need to liquidate their assets for loan repayment.

Justifying the tendency to give BRAC loans to their husbands, women respondents explained that loans are usually considered household income. As husbands are the bread winners, and are usually engaged in money-intensive income generating activities, it is sensible for them to invest on behalf of their wives. Even if husbands are not engaged in such activities, they are better placed to take the risk of investing in new ventures. Since they invest it themselves, they automatically assume ownership of the loan. Indeed, ninety year old Ramjan called it "my loan" when describing the repayment status of the BRAC loan received by his 35 year old wife.

Despite the above, the situation of female VO members in their families has changed. Members from seven sample VOs claimed that their status has increased in their households as a result of receiving BRAC loans. Members of three other VOs noted some change in their position within the household. These three VOs were formed during pre-RDP and RDP Phase-I and most of its members have received loans more than once. In two other VOs, VO members asserted that BRAC involvement had not changed their status. Rather, they claimed that they had status at home even before joining BRAC.

> "Our husbands always know us as **bhalo** (in their good book).
> It has nothing to do with our loan receiving ability".

Not only do they have the right to participate in decisions on familial affairs, they have independent access to their savings and loans.

It should be noted, however, that the economic condition of these women members are better than those who stated that their loan receiving capacity has increased their status within their family. In case of extremely poor households being the recipient of a large amount of cash is much respected:

> "Now that we bring loan for our houscholds, **shameer shohug atey na** (our husbands love us more)."

The household survey data also demonstrates their gradual movement from low return low status job to high return improved status job.

Table 2 : Types of activity by length of membership

	1-11 month	12-29 month	30-47 month	48+ month	Not Stated	Total
Skilled Activity	8 (3)	2 (2)	10 (6)	15 (11)	--	35
Sectoral Activity	139 (53)	59 (49)	83 (46)	52 (39)	4 (68)	337
Handicraft	66 (25)	35 (29)	34 (19)	31 (24)	1 (17)	167
Trading	23 (9)	12 (10)	15 (8)	15 (11)	1 (17)	66
Wage Labour	6 (2)	10 (8)	25 (14)	15 (11)	--	56
House maid	21 (8)	2 (2)	13 (7)	4 (3)	--	40
Total	263 (100)	120 (100)	180 (100)	132 (100)	6 (100)	701 (100)

Note: This table excludes 283 female respondents from the comparison group.(For ratinale of the classification of types of activities please see Annex-G2)

The percentage of women working as housemaid is 8% for (1-11) month old members and 3% for 48+ month old members, whereas the same for women engaged in skilled activity was 3% for (1-11) month old members and 11% for 48+ months old members.

The trend is reversed for women engaged in sectoral activities because the sectoral programmes have started only recently (late '80s early '90s) and that is why it is more likely that new members have received more inputs than the older members. More women are leaving the traditional handicrafts and joining trading activities.

Another important change noted by respondents was the increased recognition of women's contribution to familial expenses.

It is also a great relief for these poor families as they do not need to go to the **mahajan** (traditional money lender) to borrow money for contingencies. When a woman from a household which is just making ends meet takes a BRAC loan, this enables the family to manage their budget better. Elem Kazi, himself a BRAC member said,

> "My wife has the right to buy toiletries and cosmetic jewelry on her own from the income of her loan though it is invested by me. Last month, she bought a cooking pot which cost taka 80. She said it was essential for her kitchen. I did not argue with her about its necessity. But she would not have done this before receiving loan. I used to go outside in the evenings for chanting religious texts. My wife did not raise any objection to it before. Now she often objects to it and compels me to look after the children at night. But I indulge her since it is difficult for me to maintain my family without accepting her monetary and also social support".

Discussion with members of two VOs from RDP phase I revealed that the FE classes has heightened awareness about their status within the household. In particular, they mentioned the oath no. 11 in their savings pass book in which women promise to protest their husband's oppression. In this context, they informed us that their husbands dare not abuse them and take second wives like before. In one VO, the husband of one member wanted to drive his wife away from the house to get a second wife. All the group members came together to protest.

> "If each of our fifty members pinch this man, then what will happen to him? This woman will stay in this house and if he likes he can build another house for himself."

Functional education also teaches VO members how to sign their names. Women respondents noted how their children have more love and respect for them:

> "Our children give us **somman** (honour) when they see their mothers are writing their names correctly".

8.5.2 Change in community status

VO case studies also revealed that BRAC involvement has to some extent changed women's status within the community. Before becoming BRAC members, women had no access to institutional loans, nor were they able to borrow money from the traditional money lenders, because they were not considered credit worthy. Occasionally they received short term loans but were charged more interest due to the perceived insecurity of their loan.

The VO members believe that BRAC involvement has increased their credit worthiness in the eyes of **mohajans**. Indeed, some VO members have managed to change their socio-economic situation through repaying their overdue **mahajani** loans after the receipt and utilization of BRAC loans.

In the field of social relations with rural elites, the impact of BRAC programmes is still unclear. While VO members mentioned that income generation has reduced their vulnerability, but, they acknowledged that their social status within the community has remained largely unchanged.

For some VO members, involvement in BRAC organised sector programmes has enabled them to provide the community with important skills including paramedical, and paraveteranarian services. However, as one Shasthya Sebika (health worker) comments:

> "rural women are grateful to us, because we regularly monitor pregnant women and supply medicines. But it hasn't changed our position in society. The elite class don't want to get their son or daughter married to our family. Moreover, it is often heard that they would never establish matrimonial relation with VO members because of our out-going activities".

In one village from the RDP-I category things seemed to have changed a little more. Here, VO members noted that the well-off families beginning to marry their sons with the daughters of VO member's families in exchange for dowry. Given their belief that VO members are now able to afford dowry because of their improved economic status.

BRAC involvement does not appear to have resulted in any change in the position of VO members in relation to the village **salish**. Usually the elite class of the village assumes leadership roles as an "inherited" right. The VO members passively observe deliberations by the salish, but have no say in the way decisions are made, nor have they the right to disagree. A few VO members claimed that they do participate in the **salish** but they do it through a right which they inherited. This latter group became poor recently due to their separation from their father's household. They note, however, a change in the way they are treated as their socioeconomic status improves:

> "in the past we used to sit on the ground, with other poor people. And now we are offered to sit on the bench. So, this is our improvement. May be in future we will be able to sit on chair. We don't have active participation in **salish**, but we can make plea against the decision if it is taken wrongly".

Females do not participate in the **salish**, although they may be penalized there. Fortunately, there were no reported incidents of a female VO member being punished in a salish despite strong feelings of antagonism from the rural elites and religious people.

In summary, two different trends in the patterns of change in women's status was found. In terms of the economic status of women, improvements have been occurring both within and outside of the household. However, women's social status remains unchanged. As women's status is culturally ascribed (Scott, 1986), there are limits to what BRAC can expect to achieve regarding changes in the social identity of women. To what extent can we attribute changes in women's status to their involvement with BRAC? Indeed, women's status may change due to cultural factors (if religion or custom were more in favour of women, then a small input from BRAC would have had larger impact), life cycle factors, and/or individual characteristics of household circumstances. It is difficult to measure the exact contribution made by any or all of the above mentioned factors. The fact that women's economic status has increased over time could be due to the receipt of BRAC loans or the result of life cycle changes. Women in Bangladesh enjoy different levels of

status at different stages of lifecycle. For example, members of older VOs have received more loans and are therefore more mature in handling them. They also receive more respect from household and community members, as they are older. Members of younger VOs on the other hand are in the early stages of their march towards better status both in terms of their age and experience in loan handling.

8.6 An Overview of the Impact

In order to identify the degree of change in women's lives we developed a continuum whereby the VO with the highest score is at one end and the VO with the lowest score is at the other end, and the rest of the VOs are located somewhere in between. To do this we identified 10 different indicators, for which it was relatively easy to obtain information. Each indicator received a rating of 1 to 5 where 1 was lowest and 5 was highest.
Ratings and their descriptions:

Rating	Description
5	If the VO succeeded in doing unconventional3 work despite strong opposition by villagers or against conventional ideas or thinking.
4	If the female members did any unconventional work without any opposition at all.
3	Where members did not have an opportunity to engage in unconventional action, but are knowledgeable about BRAC's Social Awareness teachings.
2	Where the female members have minimum participation in unconventional activities.
1	Where female members cannot exercise their rights over their property/income/mobility etc.

An indicator received 5 if we thought it was 'very good' in the sense that the VO succeeded in doing unconventional4 work despite strong opposition by villagers or

3By unconventional work we mean women (who are not in a desperate situation) working in the public sphere. e.g. running a restaurant or shop at the market place or women of a VO doing procession against administration.

4By unconventional work we mean women (who are not in a desperate situation) working in the public sphere. e.g. running a restaurant or shop at the market place or women of a VO doing procession against administration etc.

against conventional ideas or thinking. An indicator was considered "good" if the female members did any unconventional work without any opposition at all. A "satisfactory" indicator was where the members did not have an opportunity to engage unconventional action, but are knowledgeable about BRAC's Social Awareness teachings. "Bad" is where the female members have minimal participation in unconventional activities, and "very bad" is where female members cannot exercise their rights over their property/ income/ mobility etc. (See Annex-G4 for detail).

Table 3: Distribution of VOs by different phases and continuum

Rating Groups	Phase of VO Formation			
	Pre-RDP	RDP-I	RDP-II	Total
40+	-	1	2	3
30-39	1	2	2	5
20-29	-	4	3	7
Less than 20	-	-	1	1
Total	**1**	**7**	**8**	**16**

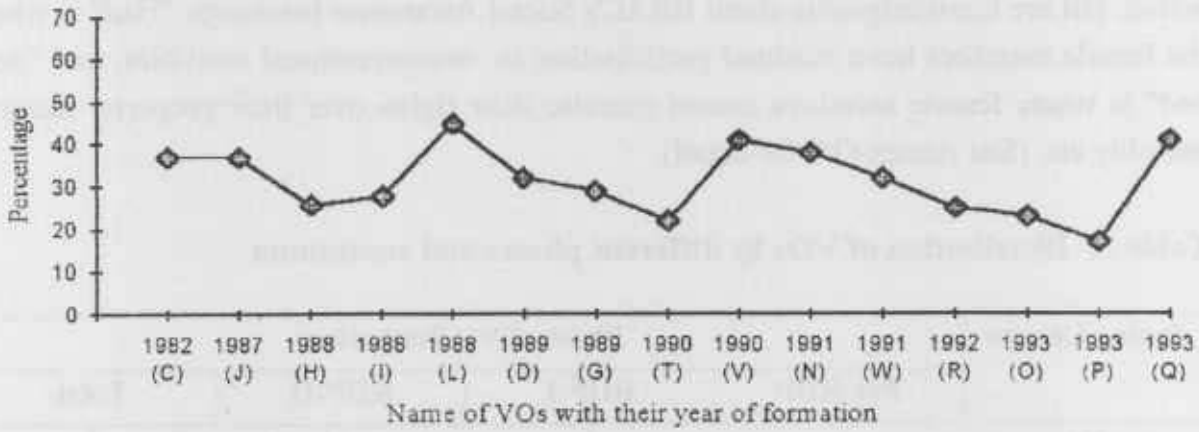
Table 4: Continuum of Change in Women's Lives

Name of the VO	Score	Ranking
■ L	45	1
◆ V	41	2
◆ Q	41	2
◆ N	38	4
● C	37	5
■ J	37	5
◆ W	32	7
■ D	32	7
■ G	29	9
■ I	28	10
■ K	28	10
■ H	26	12
◆ R	25	13
◆ O	23	14
◆ T	22	15
◆ P	17	16

● = Pre-RDP
■ = RDP Phase-I
◆ = RDP Phase-II

Note: Please see Table-1 of Annex G5 for each Vos scores on 10 different indicators.

Figure 1: Score of different VOs on changes in women's lives



As seen in Figure 1, there is a fairly systematic relation between age of a VO and its respective score. VOs from Pre-RDP and RDP phase I scored systematically higher than the VOs of RDP phase II with four exceptions (VOs 'N','Q', 'V', and 'W'). The highest score on the continuum is 45 and the lowest is 17, however, most of the VOs scores are concentrated in the twenties and thirties (Table : 2). As Table 3 shows VO 'L' from RDP phase I scored the highest. This VO (L) is the tribal (Garo) VO. In this matriarchal society, women enjoy far greater status, and can go any where they like. Since they are the bread winners of their family, they have full control over their income and because of all the above they play an important role in decision making. Four VOs from RDP phase II (V, N, Q and W) which scored very high compared to other VOs of this category deserve special mention. The first among these (V) is a VO located in a Hindu community which scored 41. Although Hindu society is patriarchal, women enjoy a relatively high level of freedom in their life. They are not expected to maintain 'purdah' as strictly as Muslim women do as indicated by the large number of Hindu women that can be seen working outside their houses in rural Bangladesh. This group also mentioned the application of their learning from the paralegal course which was provided by BRAC.

Members from another VO (Q) of this category (score 41) also attended a paralegal course, however, they did not mention the application of their learning. WIIDP has been working in the area for three years before the VO was formed in 1993. Since WHDP does not have any credit component, a great deal of motivation is needed to attract people and carry out its activities. It is reasonable to assume that the high score of this VO is not due

to RDPs intervention alone, but that it started working there in a favourable environment created by another BRAC programme.

The third VO (N) with a score of 38 is located in a fish trading community, in which men leave the village early in the morning (just after Fajr Azan) and come back late at night. As a consequence, every aspect of daily life is left to women. The fourth VO (W) from RDP Phase II is very close to the city and thus well connected to the outside world. All these four VOs appear to have demonstrated good performance because of pre existing conditions.

The VOs from RDP phase-I which have been formed earlier, scored systematically higher than the VOs from RDP phase II with only 4 exceptions.

The lowest score on the continuum can be explained by the absence of normal VO formation procedures5, coupled with relatively young age of the VO(P). When BRAC staff were questioned about whether they attracted new members by building up false hope, they told us that they were not given adequate time to form a VO and to give the villagers the required training before loan disbursement. Above all, since their performance is judged by the 'numbers' and not 'quality', they have no option but to create such false hope among the members to meet their targets (See Rao, 1994).

8.7 Conclusion

There is no doubt that BRAC has brought about change in women's lives. Women's status has increased within the household, they have greater mobility, some of the members involved in BRAC sector programmes have full control over their income, and the right to decide about the amount to save and spend on themselves on their children. They participate in the decision making process of the VO, as well as in decisions regarding when to draw loan and where to use it. It is important to note, however, that this information was gathered through group discussions and in most cases we took their answers at face value. We do recognize that following a woman a whole day for a

5By normal VO formation process we mean enough personal contacts, small group meetings and large group meetings. The members of this VO reported that they joined BRAC in the hope of getting tin, tubewell, wheat cards etc. which were promised by the BRAC staff when they first met these villagers.

considerable period of time would have helped us to identify areas in which less perceptible change has occurred.

The question remains, should BRAC be satisfied with the degree of impact it has had on women's lives thus far? In many VO case studies, these changes were facilitated and enhanced by favourable locational and cultural factors. Overall, the length of involvement with BRAC has no bearing on the degree of change that women experienced. For this reason, BRAC needs to carefully consider its long term strategies. Should BRAC go on expanding its women's credit programme without creating an enabling environment which allows them to use loans themselves? e.g. a rural housewife hardly has an opportunity to use a loan of 4000 taka by herself. Unless BRAC provides her with necessary support services, she has no alternative other than handing over her loan to the male member of the household. To effect significant change in women's lives, women targeted programmes are not likely to give the best results. In order to bring about a change in social norms and practices, everybody in the society must be involved. Why is it "we" - the outsiders, who decide what is good for poor rural women? Why cannot "they" decide "their" own life options?

9. Village Organisation and Institution Building

9.1 Introduction

The development strategy, BRAC pursues two major goals: *alleviation of poverty and empowerment of the poor. To achieve these goals, BRAC prioritizes people and their participation in the development process.*(BRAC, 1991). On participation, Oakley and Marsden (1984) in their report for ILO, stated that "*for participation to be meaningful, it must involve some direct access to decision making and some active involvement in the determining of problems and practices*".

Uphoff(1986) defined organizations as *structures of recognised and accepted roles.* These may operate on a formal or informal basis. This means all organizations are not necessarily institutions. According to Uphoff if an organisation were to disappear and people in the community including the indirect beneficiaries would want it back and even sacrifice something to preserve it, only then an organisation would qualify as an institution. Selznick (1957) argued that to "institutionalize" is to infuse with values beyond the technical requirements of the task at hand. This suggests that an institution is an organisation (or a role, a rule, procedure, a practice, a system of relations) that is valued by persons over and above the direct and immediate benefits they derive from it. (Quoted in Norman Uphoff:1986)

BRAC believes Institution Building (IB) to be a key element in participation and the first step towards Institution Building is to develop a viable organisation.

The institution building component of the Rural Development Programme (RDP) of BRAC aims to develop self managed village organizations (VOs), promote self reliance, and enhance the capacity of the poor to participate in the national development process (RDP Phase II report, 1990-92). Institution building is a lengthy process involving a series of activities which may be summarised as follows:

- formation of Vos with 20 to 55 members, each made up of a management committee and small joint liability groups (of 5-6 members each);

- introduction and maintenance of encouraging organizational discipline (regular attendance at weekly meetings and monthly issue-based discussions, regular depositing of savings and loan repayments, and participation of members in VO affairs and discussions);

- building up member's self esteem and awareness about rural power relationships - through social awareness (previously "functional education") and "issuebased" meetings;

- training of selected members in leadership, managerial and human relations development;

- encouragement of the mobilization of both internal and external resources (e.g. savings) and creating opportunities for income and employment generation; and

- motivation of members to participate in local affairs and community decision making (e.g. salish, local councils and other development activities.(ibid.)

The activities of the IB process implies the following ideals: that a successful VO will exhibit strong organisation, management and discipline; its members will value the messages which BRAC is imparting, and value their VO as a support group; the VO will eventually provide a basis for more effective participation (by members) in the social and political affairs of their localities - a practical expression of what is sometimes referred to as "empowerment".

Milton J. Esman (1972) developed a series of tests to see whether an organisation has been turned into an institution. First, the survival of the organisation is necessary but not a sufficient condition of institutionalization.

The second test suggested by Esman can be measured by the autonomy an organisation has achieved in the development of its programme in its internal management, in its access to resources and by the influence it is able to exercise on its external environment. Esman calls this the achievement of intrinsic value within its environment.

The third test is the spread effect of its activities. i.e. whether the relationships and action patterns embodied in the organisation have become normative for other entities with which it interacts.

The last test suggested by him is therefore to see whether the institution can continue to innovate. That is whether linked organizations accept the new norms and practices.
Following Esman's tests as criteria for assessing the actual impact of RDP's IB activities, the findings of this study are outlined in the following sections followed by discussions in some details.

1. Strength, Stability and Cohesion of the VOs

The institutionalization process at BRAC starts with VO formation and maintenance of VO organisational discipline. Social awareness education is given to build up self worth among members and make them aware of existing rural power relations. These are expected to make the VOs cohesive, thus increasing their strength. Member continuity is critical for the stability of the VO, since frequent turnover of members act as a barrier to VO cohesion.

2. The Ways in Which Members Value Their VO

It is very important to have a forum where members can frankly express their views; decide on the ways to mobilize both internal and external resources; plan for participation in social activities like education, health and social welfare; and request BRAC to create income and employment generation opportunities for them.

3. Nature and Effectiveness of VO Organisation, Leadership and Management

Esman(1972) identified leadership as the principal change agent of the Institution Building process. BRAC also thinks in the same line and imparts training on leadership development, managerial skills and human relations development. The background of the leaders and the process of leader selection play an important role in the VO group dynamics and institution building.

4. Group Autonomy

If a group becomes autonomous in terms of carrying out activities without BRAC's initiation we may then conclude that the VO has matured. They can then participate in the local politics and development activities and thus reap benefits from available resources which could be existing government facilities, unutilized natural resources and BRAC resources.

The following sections elaborate on each of the above.

9.2 Strength, Stability and Cohesion of VOs

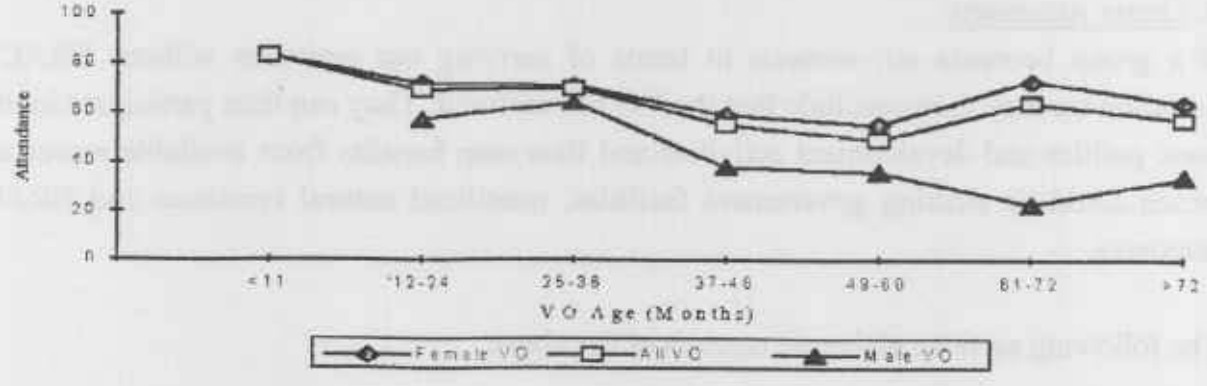
During fieldwork the case study teams gained impression that older VOs are less disciplined than younger VOs, and that female groups are better organised than male ones. Such discipline in the younger groups was evident in the way they called meetings, sat in an orderly fashion (e.g. each member sitting in lines behind their small group leader), and were generally more enthusiastic. Such impressions were followed up by an investigation of attendance levels, the drop-out and turnover of members in each VO and an assessment of the cohesion of each group.

i. Attendance in the Meetings

Weekly meetings play social as well as practical functions. However, the main focus is on financial transactions: the collection of savings, repayment of loan installments, submission of new loan schemes and selection of borrowers.

We did not plan to attend any formal issue-based or weekly meetings as we would have needed more time in each of the locations than we could afford. We took members' attendance and response during our fieldwork sessions as a proxy to their attendance and commitment towards these formal meetings. The attendance of the respondent groups and their commitments were remarkably diverse. A consistent trend in attendance could be followed with age of the Vos. A 1993 Monitoring Division (MD)study of attendance in 170 (135 female and 35 male VOs) randomly selected VOs found more concrete results which substantiate the findings of IAS case studies. The MD found that attendance declined in older VOs, and that while the trend was the same for both male and female groups, the latter had higher rates of attendance.

Figure 1: Meeting attendance by VO age



In age-wise analysis it was found that the attendance rate was highest (83%) in less than 1 year old VOs and lowest in the 5 year old VOs. In sex wise analysis it was observed that the attendance rate in female VOs is higher than in male VOs. It is 69% and 47% respectively ("Weekly meetings of VOs" by Monitoring Department, BRAC, Jamalpur 1994).

The IAS case studies found that younger VOs were more disciplined. By discipline we refer to their consciousness about time and sitting arrangement in meetings. All the pre-contacted members were present and they were very punctual. They were eager to sit in lines with their small group leaders heading each line though the sun was high in the sky, and most of them would have to sit in the sun if they were to sit in lines. In one VO of this group, it so happened that we went straight away to their regular meeting venue. All the VO members' husbands were present at that place for some other business. When we told them our purpose, they immediately wanted to ring the bell[1]. This indicates their regular use of bell. We asked them not to ring it as we did not want all the members. Then they went around and called some neighboring members who were very cooperative and enthusiastic. They also wanted to sit according to regulation.

The attendance of middle aged (12-47 months) VOs, were of mediocre category. There were 8 VOs from 5 AOs (including 3 linked VOs). Out of those, 5 VOs were female and the rest were male. Attendance in the female VOs was higher than in the male VOs.
The older (aged 48+ months) VOs were in the worst condition in the sense of attendance in our meetings. There were 13 VOs from 7 AOs, (including 5 linked VOs). Of these, 7 VOs were female and 6 were male. In the female VOs the attendance was higher than in the male VOs. The members of two VOs from this group reported that they do not have any weekly meetings. They either deposit their savings and installments to their VO president just before the savings collection date or send these to the PA through a male member of the household or their children. As they do not have these meetings there is no scope for these members to meet their fellow members or have any interaction with them in a joint forum. These two VOs may be extreme cases. During our discussion, one of the members regretted that,

[1]Ideally in a VO, when the PA arise at the meeting venue , the member in whose house the weekly meeting takes place, rings the bell to call other VO members.

"Before, when we used to have our monthly meetings regularly, the **bhais** (BRAC Staff) used to tell us **bhalo bhalo katha** (promises). The VO was much organized then. Now that we do not have meetings anymore the VO has become disorganized."

From the above discussion it is clear that attendance level goes down as a VO becomes older. Newer members are more regular in attending weekly meetings and depositing savings, because they consider these as tickets to loans.

ii. Turnover and Drop-out of Members

In this section the terms dropouts or ex-members refer to members who have ceased to participate in all VO activities (e.g. coming to the meeting regularly, repaying installments, giving weekly savings etc.), as reported by both the AO staff and present VO members. These also include those who have already withdrawn their entire savings. Any one reported (by AO and VO members) to have stopped VO activities was considered a drop-out/ex-member. We did not collect dates for these individuals when their activities were terminated.

The case studies tried to find out the number of drop-out members, causes for dropping out and the wealth classes[2] they belong to. The drop-out pattern in both focused and linked VOs were considered. The study revealed that majority (56.4%) of the drop-out members belonged to the poorer wealth category. Reasons for their dropping out did not suggest that they graduated, i.e. they do not need any more loans. Some members were unhappy over certain issues, and they left the VO on their own volition. Most Vos have experienced some drop-out of members and new members joining. RDP statistical reports for the last few years (1990-2, 1993) suggest an annual drop-out rate between 14% and 17%.

Case study data suggests significant differences between VOs - some experience quite high drop-out rates, while others have much lower rates. This variable pattern of drop-out is complicated by a large number of different reasons for dropping out (For details, please see Annex H1).

[2] For more explanation please see the Explanatory Note of Table 1.

However, the case studies do suggest three major findings on this issue:

- rates of dropouts are higher in older VOs;
- there are more dropouts from the poorer wealth ranks of VOs marginally;
- the single most significant cause for dropouts is their unhappiness with BRAC rules and procedures for the well-off; it is the least important for the poor.

In addition to these, there were some members who refused to pay their installments regularly and did not maintain VO discipline. Because of their overdue loans, loan disbursement in the VOs was becoming uncertain. This led other VO members to compel these errant members to leave the organization. However, this is only a minority of reasons and many other reasons are discussed below.

The members from one VO said,

> *"In the beginning, dealing with the BRAC staff was good, but now they do not want to listen to our problems. Initially, BRAC told that Group Trust Fund (GTF) is refundable but now they (BRAC) are refusing to return it. BRAC do not show us written rules for conducting VO activities. If BRAC gives a single paisa then they make a deed. But we never have any written document for us. If we had anything in writing about the previous refundable group fund then we could have sued BRAC".*

In another VO (4 + year old), the members had to face a lot of changes in BRAC rules during their long involvement with BRAC. At some point, few members wanted to see a VO manual,but the BRAC staff evaded the request. Later some of them left. The remaining members however, feared that,

> *"BRAC is changing its rules so rapidly, in future it may say that savings are not refundable."*

Eight VOs which were between one and three years old lost 9% of their members since formation and 13 VOs of more than four years old lost 28% of their members. In the latter category two VOs had lost more than 53% of their members. The lowest drop-out was 7%. These findings point to a high degree of membership instability amongst the older Vos which results in weak cohesive groups.

Analysis of dropouts by their wealth category shows that some of those leaving BRAC are amongst the better off. They do not appear to leave because they no longer need credit, but because they find regular meetings, disciplined savings and payment of credit installments too burdensome. In other words, they regard the BRAC system as incurring too high opportunity costs.

However, the majority of the dropouts come from the poorer segments of the VO memberships. The data suggesting this conclusion is presented in the Box below.

Box 6: Number of dropouts and reasons for dropping out by age of VO and wealth categories

Category and No. of VOs	Dropouts since formation	Wealth categories of dropouts	Main reasons given for dropping out
3 VOs less than 1 year old	5 out of 135 (3.7%)	Less poor none Poorest 5	* Unfulfilled expectations (not receiving loan quickly; failure to acquire VGD cards) * inability to make regular savings
8 VOs between 1 and 4 years old	36 out of 422 (8.5%)	Less poor 10 Poorest 26	* inconvenience of weekly meetings * in accessibility of savings & GTF * repayment rule changes * default & peer group pressure to leave
13 VOs more than 4 years old	163 out of 586 (27.8%)	Less poor 34 Poorest 129	* inaccessibility & confusions about the GTF * frequent rule changes * default and pressure to leave * inability to access loans or savings in emergencies * unfulfilled expectations

Explanatory Note: VO members were classified into different wealth/economic ranks/classes during PRA exercises. Some VOs divided its membership into four wealth ranks, others into six. Using key (land, housing, no. of food deficit months in a year) indicators, rankings made in different locations have been adjusted to generate two relative categories.

Newer Vos appear to be more stable than older ones. This is due partly to the fact that members have received their functional education (social awareness) courses in the recent past; moreover, expectations are still high in the initial years, as compared to the older Vos which expressed more dissatisfaction.

In contrast, most Vos established several years ago have "forgotten" FE messages. While in theory Vos hold monthly issue-based meetings, such meetings are rare in practice, and FE messages are therefore not effectively reiterated once a VO has become an established savings and credit group.
In addition , members of longer established Vos stated that they are more interested in financial matters rather than social awareness activities. This situation is more pronounced in male Vos; but the same contrast in interest was found in female Vos.

ii. VO Cohesion

The term 'cohesion' is used here in the sense of group unity. Scott (1988) describes cohesion as *The integration of group behaviors as a result of social bonds, attractions or "forces" that hold members of a group in integration over a period of time.*

In a highly cohesive group, according to Scott, the members will accept the group's goals, norms and roles unquestioningly and have strong positive feelings toward the group. The group remains stable since the members want to remain in the group.

In order to achieve this cohesion among the its members, BRAC is organizing them into groups (VOs) and trying to conscientise them. BRAC believes *Before they can improve their positions, poor village men and women must acquire a framework that permits them to reject fatalism and enables them instead to analyze their own communities and the structures of economic forces and exploitation that have caused their poverty. Above all, people need to learn how, through their own actions, they can control their situations.(Lovell, 1992).*

In an attempt to provide them with supporting atmosphere, BRAC conducts Functional Education /Social Awareness courses and other human resource development training for the VO members.

These are aimed to increase the cohesiveness among the VO members. As the VOs were formed with different motivations[3] by BRAC staff under Outreach programme and RCTP, different impacts of BRAC programmes can be observed there.

[3]The staff used to spend lots of time with the villagers explaining them what BRAC is, how it will operate, what benefits they would get from being involved with BRAC. They used to tell them how they could exploit the existing unutilized natural and government resources for their benefit through their joint movement.

The case studies tried to ascertain the level of cohesion of individual VOs by analyzing the activities of different study VOs. It considered the degree of social awareness and incidence of political participation of VO members and also their collective activities as mentioned during the timeline sessions.

All the VO members did not have a chance to demonstrate their cohesion. The newer VO members (aged < 1 year) mentioned that their level of social awareness has been increased by the Functional Education they received from BRAC. They said,

> *"We have learned from the 11th of the 17 promises that the* ***attyachar*** *(violence) of husband is a* ***shamajik shoshon*** *(social exploitation) . If a husband tries to torture his wife then we should protest against it jointly."*

In the middle aged category (12-47 months) there were one or two instances which demonstrated their unity/fellow feelings. In one instance, the VO members campaigned for a fellow member who was competing in the local election; in another instance, the VO members compelled the son-in-law of a VO member to refund the dowry as he divorced his wife without any valid reason.

The long term involvement of the remaining members gave them a sense of belonging towards their VOs. In this group, VO 'H' was formed under the outreach programme, where the members were encouraged to engage in joint activities, even later, loans were disbursed collectively.The members were encouraged to participate spontaneously in planned and unplanned meetings, cooperate with each other in social action, participate in the works programme activities and wage bargaining and in other collective activities like taking possession of khas land, collective plantations etc. (Ahmed, Z. and Imam, I. 1983). Despite high dropout rates, incidents indicating cohesiveness was present in older (48+ months) Vos. However, there is no example of such cohesiveness in these Vos in the recent past. It may also be possible that these Vos did not have an occasion to demonstrate or test their cohesiveness.

Having an outreach background VO "H" carried out a lot of group activities at BRAC's initiative. After two years of VO formation, in 1981, BRAC left that village for six months, but the VO continued its activities during that period, although a few members left the group. In 1989, in the same VO, a worker of ***Khet Majur Shamity*** (Agricultural

Labors Party), a front organization of the Communist Party of Bangladesh, threatened to destroy the BRAC office as part of their anti-NGO activities. All the VO members including a few female members along with the members of other VOs guarded the BRAC office with their make shift weapons. There are several other examples of campaigning for election, resisting BRAC's decision to install DTW, joint cultivation of land, pond and so on (please see Appendix H2 for details).

Towards the beginning of RDP, BRAC used to arrange regular issue based meetings for VO members, where some social issues and the problems of the members were discussed in detail. This system also worked as a refresher for their FE and social awareness training. But now-a- days, these meetings do not take place regularly. Consequently, the older members do not retain their knowledge and are not able to practice these messages in their daily lives. All the members of the study VOs mentioned that no issue based meeting was held in their VOs during the three months preceding our field visit. Through discussion it appeared that the members highly value these issue based meetings. But the AO staff reported the reverse. They said that in most of the cases they could not arrange issue based meetings due to the reluctance of VO members to attend such meetings. They also mentioned that VO members are more interested in financial matters rather than social awareness activities. This situation is more pronounced in the male VOs than in the female VOs. The rate of member turnover is also high among the older VOs specially male VOs. As high member turnover does not give enough time to develop the bond and unity among the members, this (high turn over) implies that the older male VOs are less strong and stable than the older female VOs. This could be due to BRAC's policy of shifting its emphasis towards women. BRAC staff also find it easier to deal with female members rather than older male members who with their long BRAC involvement experienced all sorts of policy changes and therefore became insolent. Moreover, in most cases, female members do not have any other formal forums of their own, where they can express their opinion which is valued (at least in some cases if not in all cases). Consequently they value these VOs more than the males.

As a result of high turnover, all the members are not in equal position. A natural dominance from the older members can be observed in both the male and female VOs. This inhibits equal participation in VO activities by all members which is one important element of the institution building process.

9.3 VOs as Units for the Representation of Member's Individual and Collective Interests

VOs are the forums for representing the members' individual and collective interests. This is an important measure for an effective institution building. In our case studies, we examined the forum to explore how far BRAC programmes meet members' interest, how members perceive the BRAC rules, to what extent their changes have affected members' commitment towards the VO and BRAC and how BRAC staff respond to members' hopes and aspirations. Taken together, such issues help us to assess the ways in which members value their VO and membership.

Most of the members joined BRAC VO with the expectation of bringing *"Unnati"* to their lives. When translated into words, *"Unnati"* refers to their access to credit, ability to accumulate assets, getting VGD card, educate their children, getting employment from BRAC, ability to raise savings and so on.

In order to attract members to the VO, BRAC staff raise lots of unrealistic hopes and expectations among them. This is specially true for young and middle aged VOs. Members from a female VO cited an example of how the BRAC staff enticed them for joining BRAC. They said,

> *"The Area Manager said that the VO would be like our mother. It would give us whatever and whenever we want. But except for access to credit, our hopes were not fulfilled. We wanted a Kantha centre in our village, but BRAC did not agree."*

Most of the members do not have a clear idea about BRAC rules regarding saving system, Group Trust Fund (GTF) and insurance operation. They also expressed their dissatisfaction over closed saving system (as they cannot withdraw their savings even in their emergencies).

In general, members found individual loans to be more attractive than collective loans. There are a few examples of collective loans in 2 VOs (formed in early eighties). They encountered problems in distribution of work and profit-sharing. So, they prefer individual loans.

Since the inception of BRAC's credit programme, the interest rate of individual loans has been changed several times. Apart from a few members of the VO management committees, often VO members do not have a clear idea of interest rates. This raises a question as to whether this situation could indicate that BRAC staff have not been very successful at explaining the mechanism that regulates these rates. If so, then is it because they (BRAC staff) wanted to avoid the problems they anticipated if there were a sudden rise of interest rates? In most cases they prefer not to explain these changes to the VO members. General members do not know the actual rate of interest on savings, but they do know that the interest rate on loans is higher than that on savings.

The group members knew that except the deduction for insurance premium they would get back the rest of the deducted money in future. They also knew that they would be able to collectively draw a certain percentage (they could not specify how much) of this group fund as loan for production purposes only. In 1991, the members learned that according to a new BRAC rule, they would not get back their group fund, and from then on this fund would be called "Group Trust Fund"(GTF). This fund would be used for meeting emergencies due to natural disasters and repaying the overdue loan of defaulters who have moved away from the village or died without leaving any heirs who could assume the debt . This change caused unhappiness and turnover of members in the older VOs.

The members of newer VOs have also expressed their discontent over GTF. Their reaction was somewhat different. They said,

> *" The amount going to GTF is not exempted from our loan money. We pay interest on it. But, at the time of receiving loan they made us promise that we will not ever ask for the GTF money. Then why should we pay interest on it?"*

But we found that in the course of our field work, group members of some Vos were compelled to repay the overdue loan of other defaulter group members. The members' request to BRAC staff to balance the overdue loans with the savings of that defaulting loanee, was disregarded. Later they were informed that if they do not repay the loan they would not get further loans. They did not have any alternatives other than to agree. It appears that the "joint liability" mechanism of credit rule is not fully accepted as legitimate in some Vos.

VO members mentioned that rules regarding credit repayment period have also changed over time. Some members complained that because of these changes they were forced to pay more interest. However, the repayment period was not changed in the middle of repaying loans for any individual.

VO members were also unhappy with the saving system of BRAC. When they joined BRAC, they knew that they would be able to get a first loan if they could save at least 5% of the requested loan amount. The required savings would be 10% and 15% for the second and third loans, respectively. The members complained that BRAC did not follow their savings-credit ratio.

Some VO members mentioned that at first BRAC said that a member could withdraw 25% of his savings after 5 years of membership, 50% after 10 years, 75% after 15 years and the total amount only after completion of 20 years membership. Most of the VO members did not know of the restrictions and the percentage distribution for the withdrawal of savings. But all of the members of case study VOs knew that they would be able to withdraw their individual savings after a certain period. Although they did not know exactly when they may withdraw their savings, they were not unhappy with this uncertainty of saving withdrawal time. However, no member of any case study VOs have succeeded in withdrawing any money from their savings.(they can do so only in exchange for discontinuation of their membership).

The members with five years VO membership, complained that they wanted to take money out from their account, but BRAC refused. They said that if they could withdraw their savings then they would have saved more for future contingencies. The president of a female VO which was formed in 1987, became seriously ill. So, she could not go to the area office to receive a loan, which had been sanctioned. The other members requested the area staff to give her the loan because she needed to pay for her medical treatment. AO staff refused them. Then the VO members requested the AO staff to return some of her savings to her. This request was also refused. This case seems to be an example of lack of flexibility within the rules or amongst the BRAC staff, when it comes to meeting the special needs of individuals in distress. The VO members are unhappy about it. Sometimes it strikes them that the rumors spread by people that "BRAC will run away with all your money" might be true.

The VO members mentioned that BRAC gives them interest on their savings once a year. In some cases, their interest is recorded in their savings pass book. While in others, where the amount of receivable interest is very low (1 to 2 taka), they received interest in cash. The VO members wish to get interest in cash. They think that it would help them to trust BRAC with their savings - they cannot be sure that their savings are really being recorded on the savings collection sheet.

Out of the 16 study VOs, one VO is under one of the experimental "current account savings" AOs. But the members of that VO did not know any thing about this new system. The VO members mentioned that none of them have ever withdrawn money from their savings. They said,

> *"The Bhais have told us that the VO has been formed for 5 years. After 5 years when the VO will be disbanded, we will be able to withdraw our savings only then."*

That BRAC staff told them the VO has been formed for 5 years. After 5 years when the VO is disbanded they would be able to withdraw their savings.

The VGD card issue also gave rise to mixed feelings among the female VO members. Before joining BRAC the members were told that if they joined BRAC they would get wheat cards (VGD cards), with which they would be able to get free wheat. This was true of young and middle aged VOs. The members thought that all of them would get these handouts. But in reality, only a few members (in most cases only two member per VO) get these card at a time for a year. Naturally, members who did not receive cards in the first chance became annoyed. They are not ready to wait for their turn. Members from some of the VOs reported that the distribution of these cards was not done in a fair way. In some cases, the basis for decision was simply assertiveness. In other cases, members who have good relations with area staff or are related to management committee members received VGD cards. In these cases the actual needs of people were not taken into account. VO members claimed that BRAC is non-responsive to their needs. Under VGD programme, the selected member will get 30 Kg. of wheat each month. In return she has to pay taka 70 to BRAC and BRAC would give her 2 HYV chicks (in most cases 2 months old). But these chicks hardly survive upto their house. They said,

"BRAC charges taka 35 per poultry bird which is available in local market at taka 10. BRAC sell us birds which are poor in quality and are not adaptable to our conditions".

Regarding insurance system, they have a mixed feeling too. Some of them buy it unquestioningly, while others think that they are still too young to die and therefore this policy is not that useful for them. Although, BRAC encourages members to buy a policy, it does not take the responsibility to renew it on time. As a result, lot of the insurance policies become invalid.

As to the members' feelings about the extent to which BRAC meets members' interests there is not any difference between male and female Vos. However, the female members often complained that BRAC does not give them the promised employment opportunities, but the male members did not have any such complaints.

Staff-member interactions are not necessarily directly affected by such dissatisfaction, and VO members interviewed during the case studies did not blame individuals. Instead, they stated that because staff are frequently transferred regularly, there is a lack of continuity and strong relationships with staff rarely develop. There is also strong evidence provided by the 13 Vos established more than four years ago that the nature of staff-member interactions has changed, such relations have become more hierarchical and less flexible in the last few years. This shift towards more hierarchical relations was evident from the fact that in old RDP areas members often referred to BRAC staff as "*bhais*" (brothers), whereas in the newer areas they are addressed as "sir", and even in the old areas newer members address staff as "sir". In the older Vos members complained:

"The previous bhais were better. They never felt uneasy to sit with us, chat with us or even smoke with us. But the present "bhais" are different. They do not want to talk to us. If we go to the office for any problem, they always tend to refer us to the PAs".

However, field staff interviewed in the Area Offices also admitted that they have little opportunity to respond to specific needs. Their time is limited, and they also feel the rules are rigid. This underlies that statement made by one member in a VO formed several years ago that weekly meetings:

".... are for collection of savings and loan installments only. There is no scope for discussion between VO members and BRAC staff".

In another VO, a member said:

"BRAC staff used to advise us, guide us, encourage us, in every aspect of life but now they are only giving loan and recovering it from the group members."

The perceived rigidity of rules, and the limited value given to non-credit aspects of RDP's operation, combined with the nature of staff-member relations, mean that many members feel that BRAC is only partially responsive to their needs. These findings from the 24 case study VOs underlie the impression that, even in the older VOs, there is little feeling of "ownership", and more a perception that the VO is simply a credit group, run primarily by BRAC field staff, who have little flexibility to respond to local and individual needs.

Leadership and Management of VOs

In an attempt to develop leadership and participatory management capacity within the VO, BRAC provides different types of Human Development Training to selected members who comprise the Leadership Committee of the VO. Apart from these formal training courses, BRAC uses several informal fora to develop members' leadership and management capacity. These include weekly meetings, issue based meetings, and the inclusion of members in VO decision making processes.

In order to investigate the reality of leadership and management of Vos, and the importance of these issues for the institution building process, we explored the following:

A. Different types of leadership situation
B. Process of election and turnover of leaders
C. Actual functions of leaders and
D. Leadership and group dynamics.

A. Different Types of Leadership Situation

Although all the Vos have a nominal management committee[4], the real situation is far from satisfactory. In most cases these committees are dominated by one member - either the VO chairperson or the VO secretary. As most of the responsibilities of the VO management committee are being carried out by the VO leader, very few ordinary members can name other committee members. In our case studies, we came across only one VO in which the members knew all the management committee members. In most cases they mentioned the name of the VO chairperson or the secretary as the VO leader. In a large number of cases the members were also able to mention the name of the cashiers. Members from majority of VOs were not able to tell us if they were divided into small groups. Only in six VOs did members know the name of their small group leaders. Thus, our case studies suggest that intra_VO organization and leadership is much more simple than the original idea of an institution structured by a management committee and small group leaders. In our analysis, we tried to identify the VO members' perception about the determining factors of leadership for both the female and male members.

The differences between the VO leaders and ordinary members are caused by their personal and social attributes. This is true for both the male and female leaders. However, social attributes play important role in selection of male leaders. Five out of nine male VO leaders have strong kinship networks. Personal attributes play important role in female leader selection. Some times, the situation makes them to acquire these qualities and some times these qualities are inherent.

> *".. We have elected those women as leaders who have 'mukh chalu' (outspokenness) and 'thang chalu' (those who are dynamic)."*

This pattern appears to be quite common. Amongst the 15 VO leaders met, six were widows and five others were the heads of their household. It is therefore, apparent that more independent women - often widows or deserted women who have to struggle for their

[4]Each VO has a minimum of 20 members and a maximum of 55. Membership is limited to one individual per family. Within each VO, small groups of 5 members are formed. Each of these groups selects a leader who is responsible to the elected management committee. This committee consisits of 5-7 members, including a chairperson, a secretary and a cashier, who maintain the Vos financial records and resolution books. These positions are rotated every year. A secretary is elected for each small group for a period of 2 years (RDP Annual Report, 1994).

existence - are often selected as leaders. They are mobile and extrovert, which makes them different from the general members.(Please see Appendix - H2 for details).

The differences are caused by economic status also. For men, wealth always brings in power and status. However, there are cases, where men do have the status without any wealth. The case studies also found similar findings. Having a comparatively wealthy background, most of the male leaders have more influence in various spheres of village life compared to many of the other members. For women, the situation is different. In their case, in rural society, wealth usually makes them more constrained. It is their economic vulnerability which gives them a wider room for maneuver and thus more knowledgeable and superior than the general members. Thus in most cases we have female leaders from the poorer classes. The PRA wealth ranking exercises showed that in male Vos it is more common for the leaders to come from amongst the better off households in the group. Out of the nine male Vos studied, five leaders came from the upper three wealth categories, and four came from the lower three.

In marked contrast, in the 15 female Vos 12 of the leaders came from the lowest wealth ranks; and the other two leaders were in the middle of the VO's wealth hierarchy.

The leaders need to spend more time for VO or VO related activities compared to general members. As male leaders mostly come from wealthier classes than general members, they can afford to spend a few days at the BRAC training centres as their families will not go hungry. But for general members, a few days without work means hunger for the family. As a result, they do not want to go for training. In the case of female leaders, since they do not have husbands in most cases to care for, they can spend a few days away from home without causing much inconvenience in the households, which the general members cannot afford to do. Moreover, for the same reasons (mentioned above), they can afford to spend more time with the AO staff. It is easy for the AO staff to communicate with the leaders than with the general members. Usually, the AO staff send messages to the general members through the leaders. All these give them a higher status than the general members.

We observed that differences in leadership style in male and female Vos have influence on diversity of leadership situation. In most cases male leaders are more dominating than female leaders, who tend to be more "democratic". Male leaders consider themselves as an umbrella for the ordinary members and essential for the VO. In some situations where

male and female Vos in the same community are linked by kin relationships, the male leaders consider it their duty to lead those local female Vos. One male VO leader told us:

> "Female members are all fools. They always depend upon us. Now that we have allowed them to join the VO, they have become smart. They always tell us 'ask this to the sirs, ask that to the sirs'."

B. Process of Election of Leaders

i. Leaders Selection Process

In almost all our cases, we found that the VO leaders were elected unanimously. In most cases they did not have more than one "suitable" candidates for the posts. Their criteria for selecting a leader are: intelligence, education, communication skills, reliability, decision making ability, socio-economic status, family work burden etc. In most cases, people with these characteristics were the initial contacts of the BRAC staff. Either BRAC staff found them from the village or they went to the BRAC staff asking for a VO in their village and in this way they came into contact with the BRAC staff. Later, when the VO was formed and the management committee were to be decided upon, both the VO members and the BRAC staff mentioned their names. In some cases, the initial contact was appointed as a cashier as that post requires a minimum level of numeracy. There are cases among the female VOs where the VO chairperson was selected for her husband's influence in the community. But the actual work is done by some other member of the committee, who is the leader in true sense. We do not have real data on small group selection processes because we did not encounter many such small groups and in reality they are less active than suggested by the principles of the VO structure stated in BRAC RDP guidelines.

Leadership development appears to be limited, as small groups do not function in most VOs. Except for three new VOs (formed in 1993), the study VO members have very little knowledge about the small groups within their VOs. The male members hardly know their respective small group leaders. In the case of female VOs, except for the three new VOs, members from the remaining 9 VOs could identify few of their small group leaders. These small group leaders do not render any special duties. In both male and female VOs, they are dominated by the strong management committee leaders, and therefore ordinary members have very little idea about the roles and responsibilities of small group leaders.

ii. Process of re-election of leaders

Only a third of Vos have had re-elections of leaders, even though they should ideally occur bi-annually. Many members (and some field staff) are unaware of the election requirements.

- Out of 9 male Vos, only three had changed their leaders only once since they were formed in 1982, 1989 and 1991 respectively.

- Out of 15 female VOs, three had been formed within the last year so it cannot be expected to have changed their leadership. In only five of the remaining 12 VOs had leaders and committee members been changed completely since formation.

Most members were not disapproving of the lack of change in their VO's managers, for instance one person saying:

"..if the leaders work well, why should we change them?"

C. Function of Leaders

In brief, the function of the leader is to pursue the objectives of the VO, through organizing the VO members and mobilizing them for different activities. Major responsibilities of the leaders include to ensure the regular attendance of members in meetings, and participation in the selection of trainees, borrowers, VGD beneficiaries and to ensure the repayment of the loan. In addition to these, a leader might be expected to render some other responsibilities, such as: to resolve any conflict among group members, help the members in case of emergencies and organise the group against social ills and injustice.

One of the main functions of VO leaders is to facilitate decisions on approval of loan applications. Most leaders appeared to make such decisions with the broad consensus of VO members and field staff. However, there seems to be less participation in deciding who should (a) receive sectoral programme benefits, and (b) who should go on training courses. Selection of sectoral programme beneficiaries (eg. chick rearing, vegetable cultivation activities which involve support additional to the loan) can be a matter of contention in some Vos. Our impression is that AO field staff (with VO leaders) usually take it upon themselves to make these decisions rather than involve the whole membership in a participatory manner.

Regarding training, in most cases general members remain indifferent, and allow VO leaders to select trainees. Many leaders have received more than one kind of training, and they often fill the places offered to the VO without consent from ordinary members. This may be a sign of some indifference towards, or simply difficulties for many ordinary members when faced with opportunities to attend courses at the AO, away from their everyday work.

One problem encountered in several Vos was the issue of VGD card distribution. Some Vos complained that there was a lack of fairness in their allocation. In some cases this accusation was leveled against VO leaders, in others it was BRAC staff who were perceived as being at fault.

D. Leadership and Group Dynamics

The dynamics of a group is influenced by the relationship among its members, members' external relationship and by the leadership. In the case of BRAC VOs, the relationship between the management committee members, the relationship between the committee members and the ordinary members, and relationship between the leaders and the BRAC field staff determine the way in which the VO functions as a unit.

i. Relationship among VO management committee leaders

In most cases we found a de facto single member management committee. Even if there is more than one member in some cases, the major responsibilities usually rest on a single leader. This could be the VO Chairperson or the VO Secretary or even the VO Cashier. The situation is more or less same in both the old and new Vos (except for three very new Vos formed in 1993).

The oldest age group (48+ months) category consists of 7 female and 6 male VOs. The relationship among the formal VO management committee members and between VO management committee members and small group leaders of the 7 female VOs is not conflictual--because the VO management committee is recognized as the only decision making body, and the small group leaders,where they exist, do not challenge this. (The male VOs of this age group do not have any small groups at all). As a result of high member turnover (over the last few years), the small groups were disrupted and these are yet to be formed again. This is also true for very old female VOs.

ii. Relationship between management committee and ordinary members

It is very difficult to capture the real relationship between the VO leaders and the ordinary members in such a short field visit. From personal communication with a RED Researcher we learned that in her fieldwork she initially got the impression of very good relationship between the VO leaders and the ordinary members. But after two or three months of fieldwork, she found out that she got a misleading picture. There were underlying tension between the members and the leader. It should be noted that all our findings are based on two and half days fieldwork in each area.

Although there is a difference in status between the VO leaders and the ordinary members, there still exists an agreeable relationship between them in female VOs.

The leaders of all the male VOs consider themselves as self appointed patrons "a cut above" the general member. They respond more quickly to issues that concern both the leaders and ordinary members. On the other hand, most of the female leaders have good relations with fellow women members. In three cases, the leaders mentioned that there should be some remuneration or concessions for the leaders as they have to take on a lot of extra duties.

iii. Relationship between VO management committee and BRAC staff

The relationship between the VO management committee and BRAC staff is another determinant of group dynamics. This is so because BRAC initially facilitates the formation and activities of the village organisation with the hope that one day these will become self sustaining. The relationship between the VO management committee and BRAC staff has changed over time. This was evident from the fact that in old areas, the members address the BRAC staff as 'Bhai' (brother), whereas in new areas they address them as 'Sir'. Even the new members of the old areas address the BRAC staff as 'Sir'. In the oldest VOs the VO members complained

> *"The previous 'Bhais' were better. They never felt uneasy to sit with us, chat with us or even to smoke with us. But the present 'Bhais' are different. They do not want to talk to us. If we go to the office for any problem, they always tend to refer us to the PAs".*

It should be noted here that, since these members are associated with BRAC for a long time, they are pretty much aware of the hierarchy within the Area Office.

The VOs from 48 plus month category, also mentioned about the frequency of BRAC staff's visit to their VO. They all feel ignored as the BRAC staff do not communicate with them frequent enough and there are insufficient opportunities to clarify rules and procedures and other issues,

> *"The BRAC staff used to advise us, guide us, encourage us, in every aspect of life but now they are only giving loan and recovering it from the group members".*

Nevertheless, the BRAC staff communicate with the VOs through the VO management committee. The management committees of three male VOs have been used as instrument of management by the programme. The VO chairperson of one male VO was managing the DTW at BRAC's request. But he never mentioned to the ordinary members that the DTW was run by the member's money. The VO members are under the impression that it was BRAC who was operating the DTW. On the other hand, the leader of the management committee of a female VO informed that she herself made false promises to her fellow villagers to overcome their reluctance to form a VO, with the concurrence of BRAC staff. The newer VOs did not experience any change in the relationship between the VO leaders and the BRAC staff. Because they did not experience the `Bhai culture'. There is no pronounced difference between the male VO and the female VO in terms of the relationship between the management committee members and BRAC staff.

In conclusion, we may say that BRAC's ideal leadership and management system is rare in reality. This could be an important barrier in the process of institution building at the grassroots level. This no doubt needs the immediate attention of policy makers at BRAC.

9.4 Autonomy of the Group

A fully autonomous organisation must have the capability to survive and continue its work without external assistance and resources, so that it does not need to compromise its planned actions (Muhammad Anisur Rahman 1994).

BRAC's ideal IB process includes the aim that VOs should gain a degree of autonomy even if total independence is unrealistic for many groups of poor people. Several procedures are being adopted by BRAC to achieve this objective. But autonomy of the group can not be achieved within a short period. At this stage, efforts can be made only to detect the sign of the process of enhancing autonomy. We tried to develop several indicators in order to identify the level of autonomy of the VOs. These are: member's knowledge of BRAC credit, savings and insurance systems, their social attitudes, expectations (past and future) from the VO, their self representation, activities carried out independent of BRAC, examples of mutual support among members, VO members' relations with other interest groups and the influence of the VO (if any) on existing local social/economic relationships. We tried to consider these issues in all the 24 study VOs. In the following sections we will try to compare the VOs according to age and between male and female VOs.

i. Members' knowkledge of BRAC credit savings and insurance system

We found that most memebrs (9 out of 13 VOs) from the oldest (48 + month) category of VOs clearly know about BRAC's credit operation system; i.e. required savings for getting a loan and the percentage deducted (10% of loan amount) upon drawing a loan; distribution of this 10% deducted amount, the rate of interest on credit and number of instalments to be paid for different loans. However, they do not know the use of GTF or who handles it or whether they will ever get it back. Members from five out of eight middle aged (12-47 months) VOs also have similar understanding about credit operation system. Only one VO (out of 3) from the youngest (0-11 months) category know the system correctly. Members from another VO (from the same category) mentioned that they were told during the VO formation, and now cannot recollect. Only the management committee leaders who have received Vo management training could tell us in detail about the credit operation system.

Majority of the members know very little about the savings system. e.g. the rate of interest on savings, when they would be able to withdraw what percentage of their savings and so on. Members from only 4 VOs (48+ months old) knew deatil of the savings operating system.

We have a slightly different scenerio for the insurance system. As the youngest VO members were yet to become elligible for insurance policies, they did not know much about it, except for the deduction made at source for insurance during their first loan.

However, all the members in general have a very good understanding of the insurance system. The only problem they encounter is forgetting the time to renew their policies.

ii. Social attitutdes of group members and villagers

Social attitudes are deeply rooted in age old traditions. One can not expect these to change overnight just by mere programme interventions. Nonetheless, process of change in social attitudes towards education, specially girl child's education, women's mobility (in a limited way), dowry at marriage, caring for pregnant and lactating mother etc could be traced. Members from all VOs realize the importance of education in people's lives. They now send their children to schools without any gender discrimination. This was partly possible for having BRAC schools at their door steps.

Male members from older (48 + months) VOs are more tolerant towards women's nontraditional activities like joining VOs, going to meetings, going to AOs and so on. However, they are yet to accept their women's going away for trainings to BRAC training centres. The villagers also have similar attitudes.

Memebrs from one very young (0-11 months) VO reported that the villagers will denounce the VO if any women engaged in any business activities in the public sphere. This will create problem for the members in getting their children married. Women do not have different views either. They are yet to form, or voice views that are very different from their husbands'. However, in this VO, BRAC's health programme has been able to replace the traditional way of caring for the pregnant and lactating mothers by scientific ways.

Even in older VOs men are not yet ready to see any changes in gender relations because then they would have to forego some of the natural advantages they enjoy. Most women are still passive in accepting any changes in existing relations, as is the norm in the rural society. Yet necessicity has forced them to change their views to some extent in recent years.

Although all the members realize that dowry is a social evil, but they are helpless. If they do not pay the dowry, then their daughters would not get married. For sons' parents, they consider it as a source of income. Every one else in the socity asks for dowry, why should not they?

iii. Members' expectation from the VO

Members have variuos types of expectations from BRAC. These are mostly related to their economic conditions. e.g. getting loans, employment and ability to save for future contingencies. They also hoped to get tin for their houses, provisions for safe drinking water, relief, wheat, cows, goats, education for children and themselves and so on.

Memebrs of two VOs (0-11 month) regard BRAC as donating organization and expect *"shahajhya"* (relief) from BRAC. They hope to get loans fro various purposes, tin for houses and wheat to help meet their Household(HH) consumption shortfalls. Members from another VO (0-11 months) hope that BRAC will immediately provide them employment.

Memebrs of two VOs formed before 1986 (when RDP was formed) mentioned saving as their prime objectives for joining BRAC. Members from two other VOs also considered BRAC's savings system as an important opportunity. Members of these two VOs have other sources of income (accruing from their membership in other NGOs and foreign remittances). None of their hopes however, reflect hope of uniting to work for their common development goals. All of these hopes are based on the illusions created by the BRAC staff.

iv. Self representation

Very few VOs did show any ownership[5] towards their VO. They cannot envisage a situation where they would carry out activities for their own improvement by themselves. Most of them joined BRAC in the hope of getting loan and not for uniting under one umbrella and work jointly for their common interest. A handful of members from only one VO (48 + month) mentioned things like this. While members from other VOs made comments like

> *"We have joined BRAC, why should we seek help from others?"*

or

> *"The day BRAC will Bhengey Jabay (become disbanded) we will leave BRAC on that day."*

[5]By ownership we mean VO members belonging to their VO, their loyality to their VO. A sense of proprietorship by which they plan to carry out all the VO activities by themselves

These two statements represent the kind of ownership they feel towards BRAC. One group considered BRAC as a donor agency; they see BRAC as responsible for meeting all their material needs. While the other group cannot envisage their VO existing without BRAC.

The picture is also not very different for VOs from young and middle age category. Only one male VO (12-47 months old) members expressed the view that they want continued support (loan) from BRAC, but they want to retain full control over their savings.

v. Activities carried out independent of BRAC

We found a mixed picture about members' carrying out different activities for their interests without any support from BRAC. The youngest VOs do not have any such example. One female VO in the middle category VO have an example of nominating and electing a UP member. While six VOs from the older category has such examples. These activities range from the Management Committee taking on the responsibility at their own initiative to look after the regularity of weekly installment payment, to leasing pond for fishing, helping fellow mebers to win UP election, maintaining emergency funds and continuing VO acitvities for 6 months in the absence of BRAC, resisting BRAC's initiatives to put a DTW in their village etc. (See Annex-3 for more details.) In majority of the cases, these collective activities are connected to high levels of staff interaction. In the recent years, as the level of these interactions have gone down, these have ceased.

vi. Examples of mutual support

Examples of mutual support among the VO members are not that common. Repaying loans for fellow members is the only example of mutual support that could be traced in VOs from all age categories. However, it could also be the case that the members repaid these loans in their own interest. They know that if that loan remains unpaid, none of the members will get another loan.

In one middle aged (12-47 month) VO, the members nominated and elected a poor woman, who taught them FE. This ultimately turned out to be one way support though. Once elected, this woman did not look after the VO members' interests. In another VO, the members demonstrated extreme tolerance towards fellow members. It is the VO members who decided among them who should get the VGD card. They felt that there were more members who badly needed this card and recommended these members to the BRAC office. The office later supplied the additional cards. Apart from repaying the fellow members' loan and deciding upon VGD card recipients, in one of the older (48 + months)

Vos, the members helped a VO member's husband to win the election.

vii. VO members' relation with other interest groups

Most of the VOs do not have any examlpe of working as an interest group or organisation. This can be explained in terms of inadequate joint forum and joint activities. None of the VOs have issue-based meetings anymore. Most of the VOs have irregular savings meetings. The PA goes to the meeting venues regularly but members or their representatives come one by one and repay their instalments and deposit savings. Thus the memebrs never sit together and discuss any issue. In some cases, the PA goes from door to door to collect instalments.

Two VOs from the older group (48 + month old) have examples of joint projects(DTW). But in neither cases, general memebrs know the real situation. In one case, the members think that BRAC is running the DTW, but in reality, it is the members who own and run the DTW. In the other case, only a few members own the DTW, but all the members claim that the DTW belongs to them. With this level of collective action, it cannot be expected that they would soon act jointly as one interest group.

In another old VO (48 + month) in 1989, the local workers of the Communist Party threatened to destroy the BRAC office. All these VO members along with other members guarded the BRAC office with makeshift weapons. The other example from the same VO dates back to the early eighties when the local elites, as an expression of their opposition to BRAC's activities, created a false case of illegal affair between a PO and a local woman. This created feelings of antagonism among the local people. They wanted to kill the PO. VO members helped the PO to leave the place in disguise and unhurt.

There is another example in a young(0-11 month) VO. BRAC's WHDP was working in this area for two years before RDP moved in. The members of *Gram Committe*, *Health cadres* and *Mohila shabha* were also the members of RDP. Befor BRAC went to this village, the UP Chairman did not properly distribute UP wheat among the destitute women. These VO members then unanimously decided not to vote this Chairman for next term and acted accordingly. Thus they managed to change the situation by changing the UP Chairman.

There is no example of VOs working as interest group in the middle age category.

viii. Influence on existing social and economic relation

As the VOs are loosely organised, it is quite difficult to have any influence on existing social relations. Particularly, since the members of the VO do not have any joint forum. They are considered as individuals and this is reflected in our findings. Members from 2 VOs (48 + months) mentioned small changes in their social relations. In these two cases, they considered changes in attitudes towards women as social change. This is true for all other VOs. These activities have definitely brought some distinguishable changes within the HH. Members of another VO (48 + month) reported that they do not work for the rich villagers anymore.

In economic field, almost all the VO members reported some influence on economic relations. They reported that they do not need to go to the traditional moneylenders any more. In one case, they said that the traditional moneylenders now lend them more money as they are not considered risky loanees any more and in 2 other cases, the traditional moneylenders now refuse to lend them anymore as they now go to BRAC for loans. Members from middle aged Vos also have similar experience.

Members from a young (0-11 month) reported that the traditional moneylenders of their village did not like the idea of members' independence or reduced dependence upon them. The moneylenders do not want to give them loans any more. They tell them

"You now have your BRAC and GB, why do you come to me for loans? Go to them."

The same VO had WHDP in the area before RDP went there. This VO experienced a slightly different change. Because of the health training of a few of the members, people from the wealthier village community now take health related advice from them. They even call the VO members to their houses. But the wealthier group are still not ready to establish any matrimonial relationship with these members.

"Because they move around the whole village."

Genderwise no systematic trend can be observed on these issues. In all the age groups the male VOs and the female VOs behave in the same way. It is only the length of their association with BRAC that matters.

Overall, some elements of autonomy can be traced in few of the VOs. Theae were relatively more prominent in the older Vos. In general, most members perceive BRAC's benefits in concerete terms (loans and the potential for economic advancement) rather than in terms of the wider development goals such as Vos becoming mutual support groups. Collective activities are rare, and a notable degree of independence from BRACis not evident in any of the older VOs.

9.5 Conclusion

We recognise the fact that institution building is a lengthy and complicated process. The case studies did not depict a very encouraging picture of the institution building process in BRAC. BRAC's vission of Vos as strongly organised and self managed groups, valued by its members and providing the basis for effective participation in the social, economic and political affairs of their localities may have been too ambitious. In recent years, BRAC has realised that the members' existing social contexts are far from congenial to have such a situation and, therefore, ammended its vissions of VOs. The VOs are now perceived as a little more than a mechanism for financial transactions (Proposal for RDP IV).

High rates of member turnover coupled with frequent change of BRAC rules, strong emphasis on credit activities, etc. create barriers towards the development of a viable organisation which may later turn into a self-sustaining institution. Overall, the VO discipline is more pronounced in the younger VOs compared to older ones. In recent years, BRAC has introduced much disciplined savings and credit policy ensuring high repayment rates. This may have some bearing on younger VOs' maintenance of discipline. However, discipline in younger VOs also could be due to the fact that the members consider this discipline as their 'gateway to loans'. However, after spending a couple of years with BRAC, they do not feel inclined to abide by the regulations of the VO. Over time they even become reluctant to regularly attend the VO meetings. Moreover, repeated changes in BRAC rules and frequent transfers of BRAC staff have resulted in many instances uncertainty amongst members.

The members generally feel little belonging towards their VOs. This could be explained by high expectations of material gains from BRAC. They consider groups as a means to receive inputs.

The VOs do not seem to have a very strong leadership. The leaders act more as BRAC's instrument in maintaining discipline and regularity in repayment of credit. They seldom act in members' interests. In our 24 cases, we found that the leaders and the members acted jointly in their own interest in only two VOs. These two VOs are linked and located in the same area. But this is an exception. With usual type of VO leadership, an organisation is less likely to become autonomous and carry out activities in their own interest. It is no doubt disheartening that the Vos, in their present form, do not work to become anything more than a credit and savings group. The situation is similar for both linked VOs and isolated female VOs.

The very few success stories of the BRAC Institution Building process should be analysed with great care in order to identify the possible responses for this success. What the possible reasons could be behind this success should be identified. Before going any further with institution building, the context of the rural community needs should be considered. However, in a situation of dire poverty, where livelihood options are extremely limited, there is a variety of human responses for survival. In such a situation, how far an individual is ready to accept the idea of common interests and operate beyond the domain of individual interests is open to question.

10. The Non-Formal Primary Education Programme

10.1 Introduction

Using case study material we have assessed the role of NFPE as part of RDP's integrated package. Specifically:

- coverage of VO members' children;
- targeting, and the wealth profile of NFPE clientele
- members' perceptions of, and involvement in the schools

These issues are significant for assessing the importance of NFPE schools as part of the RDP package, and may shed light on the issue of establishing schools outside of RDP villages.

The IAS was not designed to assess the educational outcomes and impact of NFPE schools. Alternative studies designed for such purposes have already been carried out by RED several times in recent years. However, some positive findings on the educational effectiveness of NFPE schools can be reported on the basis of parental statements (see Box 6.1 below).

10.2 NFPE coverage of VO members' children

Out of 16 case study locations, 12 had at least one NFPE school, and some had access to several (both within and neighbouring to the villages). The following main findings therefore relate to 12 VO locations.

On average, just over 20% of the total households in the 12 communities had sent (in the past) or were sending their children to a BRAC school by the time of the interviews.

On average, just under 50% of VO member households had children in a BRAC schools. (Note that some VO member households may not have had eligible children).

Coverage of VO member households was highest in the two more recently established VOs (61% of households had at least one child in an NFPE school established in the previous year).

The percentage of VO members sending children to NFPE school declines over time. In VOs established between one and four years ago, 46% of member families had a child in school at the time of interview, while for the VOs established more than four years ago, the percentage was lower (43%).

Some VO members did claim that there were problems in getting their children into school (see below), however the average decline of the proportion of member children in school appears to be "natural". In the second or third cycles of an NFPE school there are relatively fewer eligible BRAC member-children to admit. Therefore the enrolment pattern shifts to including more children from non-BRAC households in the village. This does not appear to be a cause for concern in educational terms - as box 6.1 below suggests.

In one VO established more than four years ago there were only 50 children eligible for the four NFPE schools in (and next to) the village. Naturally, these households could not take up a majority of the schools places - most of which were taken by non-member households.

Box 6.1 Suggestive findings concerning NFPE's education impact on VO member children.

While the IAS cannot provide any detailed assessment of NFPE's qualitative educational impact, survey interviews of VO member households in the case study locations enabled the collection of additional data on the literacy of 120 8-16 year old boys and girls within those locations. According to this source there are significant differences between the literacy rates of members' children in VOs established more than four years ago, and those VOs formed more recently.

Specifically, VOs with NFPE schools which have run for more than one three-year cycle claimed that 56% of their boys and 70% of their girls within the 8-16 year age group can read and write; in VOs recently established, in the middle of the schools' first cycle, literacy rates were 50% for boys and 33% for girls. These findings suggest two main conclusions: (i) over time NFPE schools are having a major impact on the number of VO members' children attaining higher educational abilities, and (ii) while this impact is small in the case of boys, it is extremely marked in the case of girls.

10.3 Targeting, and the wealth profile of NFPE clientele

Despite the generally effective coverage of BRAC member households by the NFPE programme, the case studies found that the overall wealth profile of school clientele reflected that of the community as a whole. In other words, NFPE schools are not "poor peoples' schools", but "community schools".

Wealth ranking of all households in the communities (irrespective of membership) showed that, on average 40% of the school children come from the poor sections, and 60% from the non-target group. These percentages reflect the proportion of BRAC-eligible (target group) and non-eligible households found in these 12 localities.

In five out of 12 VOs complaints were voiced about the number of children from richer households gaining access to the NFPE school. In one place, they said:

> *"This is our school, so our children should read in it. But the children of rich households are selected more. When selecting children the NFPE PO and teacher consults with the village leaders, who are better off and more powerful. They ignore our opinion."*

This quote suggests that there can be tensions between the idea of the school as "owned" by the VO, and the reality of the schools' more inclusive approach to enroling children from all sections of the community. (While NFPE policy emphasises targeting, it does not limit enrolment to VO members only).

However, in some of these five VOs in which complaints were voiced, there appeared to be practical reasons for including certain better off children. In one school, a Union Parishad leader threatened to oppose the school unless his relative's daughter was enroled.

Members in several localities also commented that richer people want to send their children to the NFPE school because they run more smoothly, with smaller class sizes and better teaching than the local government primary schools. These observable differences mean that there is demand from all sections of the community to gain enrolment in NFPE for their children. Excluding some children may also generate unwanted conflict in the community.

However, in the other seven VO schools, there was no conflict or tension over the issue of who is enroled. In these cases, selection criteria appeared to be applied more rigorously, and poorer children were given priority. It was only when all (poorer) eligible children were enroled that children from other (better off) households were accepted. This suggests

that when the phasing of enrolment, to ensure poorer households are given "first choice", is carried out carefully, confusions and conflicts over the enrolment of better off children can be avoided.

10.4 Members' perceptions of, and involvement in NFPE schools

Box 6.2 NFPE's promotion of parental involvement in schools

Ideally, the selection of sites, teachers and running hours are made with the consent of parents and a four member school committee (including two parents, the teacher and one leading member of the community). This committee organises monthly parent meetings, encourages regular class attendance, maintains school buildings and liaises with the wider community to solve any problems or conflicts. Ideally, NFPE schools are closely linked to the VO, these members playing key roles in the running of the school.

This section discusses findings relating to members' perceptions of NFPE schools, and their involvement in school operation. Such involvement includes the creation process (eg. site and teacher selection), and decisions such as the fixing of school hours. In addition, some incidents of conflict are mentioned.

There is no doubt that schools are perceived positively by parents: in most of the case study locations VO members listed common characteristics which distinguish them from government primary schools: the class size is smaller, the teachers more punctual and diligent, the hours are (in most cases) more flexible, and the schools are closer to the concerned households. Opinions about teaching quality were also favourable in 11 out of 12 locations, and parents generally appreciated the fact that they are invited to be involved in school affairs.

In addition, there were many comments from groups interviewed which suggest that VOs feel that the schools are "owned" by them, and that they acquire considerable symbolic significance for groups who are disadvantaged in relation to formal primary school access. As one member stated:

> *"The people of this village consider our BRAC school to be a symbol of good fortune and advancement."*

The one significant criticism of NFPE schools which was raised in the several places was that they should include religious studies as part of the curriculum. Rumours about BRAC's lack of religion, or even the threat of conversion to Christianity are not uncommon in areas in which religious "fundamentalists" have influence. The concern with curriculum content, where raised, appeared to express a hope that such fundamentalist fears could be undermined by including more evidence of BRAC's commitment to Islamic orthodoxy within the NFPE programme.

Many of the NFPE schools in the 12 case study locations had been established partly because the VO members themselves had pressured the AO staff to set one up in their village. The operation of the NFPE programme in neighbouring areas gave rise to such demands. In some VOs the request for a school involved impressive organisation by members - not only did they identify an appropriate site, but they also drew up a comprehensive list of eligible children, to indicate that they had a realistic proposal. This willingness to become involved in school creation was evident from VO histories in the majority of case study locations.

The majority of VO members and parent groups participated in decisions regarding site and teacher selection. Six out of 12 VOs said they agreed on the school's running hours. However, in the other cases members claimed that BRAC staff set the hours with the teachers, and that there was little consultation.

Parent meetings, while commonly held, are normally conducted either by a PO or by the teacher (in seven out of 12 VOs). Parents' roles in such meetings therefore appear to be limited. Three of the five VOs who claimed more pro-active participation in running meetings were in the four years established age-category. This finding suggests that older VOs can retain a close and successful involvement in the running of schools, even if BRAC member children are a declining proportion of the total clientele.

In the two VOs in which there were stories of conflict concerning the NFPE school, they may be summarised as:

- attempts by better off households to impose a decision about the school site (which provides the plot-hut owner with a rental income) and who the teacher should be (from the family of one of the better off and influential households). In some cases, such impositions are difficult to refuse (because of high degree of influence which such households can exert), and BRAC field staff are understandably reluctant to allow conflict to develop.

- conflict between two VO members who each wanted to rent out their own land for the school.

These two cases may be regarded as relatively minor indications of potential problems to avoid - they do not represent the majority of cases studied, in which no overt conflicts were reported during fieldwork.

10.5 Conclusions

After a second or third cycle of an NFPE school the degree of VO involvement (measured by the number and proportion of member-children attending) tends to decline.

However, VOs' retain a pride in, and link with school affairs, which implies that they remain a key benefit for VOs. The schools provide a highly valued service to poorer families; perceptions of school quality are overwhelmingly positive. Except for the issue of religious curriculum content, few criticisms were voiced during group interviews. Examples of conflict are rare, and some can be avoided. The key example of this is the need to ensure priority (or "first choice") to poorer households during school enrolment - which can be done by carefully organised and phased child selection.

However, the case studies also show that NFPE schools are not exclusively "poor peoples'" schools, but tend to include children from all wealth classes. This, in effect, is a result of the schools' perceived qualities - they are attractive to those outside of BRAC's target group.

In relation to the issue of isolated NFPE schools (ie. ones without linkage to a VO) the above main findings raise certain issues.

VO member involvement appears to provide a high level of guarantee that poorer children are enroled. It may be hypothesised that for schools without this VO support, such successful targeting may be harder to attain. The main findings also suggest a need for NFPE staff to pay close attention to applying rigorous and phased enrolment criteria in non-RDP areas. However, since the IAS was confined to RDP villages, these hypotheses are issues for further research.

11. Membership Discontinuation : A Bird's Eye View

The issue of membership discontinuation which may arise due to withdrawal of membership status by RDP on disciplinary grounds, or as a result of unwillingness on the members' part to sustain membership, has surfaced recently. The household survey for IAS was designed to exclude this category but for reasons of communication gap between the RED and the respective Area Offices, in the membership list sent by the AOs which is also the sampling frame, a sizeable number have been identified as members whose membership have been discontinued. It is more as an after thought rather than by design, that the section is written.

The case studies provide the reasons for the drop-out, and the household survey data is used to compare the material wellbeing of the dropout with those who are current members. A caveat : the results should not be viewed as being representative of the entire population of the discontinued membership.

11.1 What are the Reasons?

The information from case studies shed some light on the explanation for this phenomena. The case studies were designed to gain an impression of the reasons for the unwillingness of some members to sustain membership or for the membership withdrawal by RDP; the case studies did not contain any predetermined categories of explanation. The data generated with open ended interviewing is reclassified below to formulate factors that might explain this phenomenon. The stated reasons for membership discontinuation are grouped, and, for brevity's sacke, a typology is constructed in Box-three.

The explanation for the phenomena appears to be multi-dimensional: programmatic factors are those that are given by the programme design such as credit and VO discipline, Credit operation rules that prohibit the AO to sanction loans for consumption purpose, and policy changes taking place as a result of refinement to and fine turning of the design such as the introduction of GTF and modification to the loan repayment schedule. The characteristics of the member households are important in that the respective socio-economic status of the household influence its behaviour whether it can regularly attend meetings or sustain the saving account, whether it is frustrated by changes in policy,

whether it is injured by RDP's practice of forced sale of household item, or the practice of publicly putting pressure to effect loan repayment is adding insult to injury. The third, is a falsity in expectation and fear which is related to both RDP design, staff practice and the household's objective condition.

Box-Three : Typology of Reasons for Membership Discontinuation

1. *Changes in RDP Policy:*
   frequently stated point of discontent was the Group Trust Fund the purpose of which was not known to members. There was also resentment to the interest the borrower members pay for the portion of the loan that was deducted at source; then there was the restriction imposed on the widrawal of funds from the members saving account. Those who had taken a loan with a 50 week repayment schedule, were unhappy with 52 week for the same amount of borrowing.

2. *Emphasis on Credit discipline:*
   There was a feeling of resentment even among those who are sustaining their membership, regarding the pressure exerted by the RDP staff on borrowers who default on repayment schedule. Their self-respect was violated when household items (chicken, utensils, goat) were forcibly sold to raise money for loan repayment requirement.

3. *Absence of provision for direct protection against hardship:*
   Drop-out results with restriction on withdrawal from saving account particularly at time of need; failure on the part of the members to access RDP loan on time to prevent hardship.

4. *False expectation:*
   At group formation prospective members were often led to believe that income/food transfers would be made in the form of VGD cards for foodaid; some members expected that the relief that they received after the flood of 1988 to continue in subsequent years.

5. *Conflict Among VO Members:*
   Selection of recipients for the first loans frustrates those who were not selected, and led to arguments; selection of member to teach FE classes; the kins of the local government chair who were in the VO resist proposal by other members to take social action against the chair on corruption charges in case of payment for food-for-work activities.

6. *Inability to follow VO discipline:*
   Lack of time to attend weekly meeting; lack of resources to contribute to weekly saving account.

7. *Social Pressure:*
   Affected a particular VO where fear was created that the members were to be converted to Christianity.

8. *Other:*
   Some migrate to other parts in the country to earn livelihood; some fear police action against them for failing to repay RDP loan; religious belief against interest taking or giving; not known.

Table 11.1: Assessing The factors of membership discontinuation

(Frequency of response)

Factors	Relatively Wealthy	Relatively Poor	All
Emphasis on credit discipline	26 (24.2)	36 (27.5)	62 (28.2)
Changes in policy	36 (40.4)	9 (6.9)	45 (20.5)
False expectation of members	5 (5.6)	24 (18.3)	29 (13.2)
Absence of RDP provision for direct protection against hardship	-	25 (19.1)	25 (11.4)
Conflict among VO members	4 (4.5)	15 (11.5)	19 (8.6)
VO discipline	10 (11.2)	4 (3.0)	14 (6.4)
Social pressure	-	13 (9.9)	13 (5.9)
Other	8 (8.9)	5 (3.8)	13 (5.9)
Total Frequency	**89 (100)**	**131 (100)**	**220 (100)**
No. of Members	**89**	**115**	**204**

Multiple response incorporated. Figures in parentheses indicate percentage of total frequency (column). Source Case Study WRs.

The changes in RDP policy has created some problems at some of the older Area Offices where members of more than three years age are prone to question the changes. They were also suspicious as to where these changes will lead to: "is the staff being truthful", or "is it the organisation that might fold"? This is a question that trouble the minds of the relatively better-off among members who have left.

The members who did not sustain their membership are categorised into two groups according to the wealth ranks that were assigned to them in the village discussions. These ranks are village specific, meaning that there are differences in the definition of the ranks as used in different villages. A poverty level rank in one village may well be a non-poverty rank in another village. In chapter 9, the proportion of the poor in the dropout group appear larger than it is in table 11.1 because the rankings have been standardised with respect to food security status of the households.

The poor are more directly affected when they are forced to sell whatever meagre assets they have to repay their loans. The better-off feel insulted by the publicly visible approach that the RDP staff adopt to exert pressure on the borrowers repayment collection. This group of discontinued membership was least bothered with other factors such as those that affect the poorer (Table 11.1).

The fact that a number of members may take credit from RDP and use it for consumption purpose is often known to the field staff who in-their-turn refuse approval of a loan proposal on the basis of the almost perfect information of the members livelihood, that the

loan will be used for consumption. Once refused a loan because what the staff perceived to be the real purpose for seeking it, the poorer members feel less inclined to sustain their membership.

The same group also argued that if they were unable to access their saving as and when they needed it - particularly at times of hardship, they saw no benefit coming to them from RDP. This is consistent with the fourth of the main explanation factors, viz. false expectation, for drop-out by members. The very poor are often in a situation where some form of relief is appropriate at times when some may face difficulty in converting a loan into sustained stream of revenue. The RDP staff who in their pursuit of target achievement may aggravate the situation by promises of relief as a benefit of membership particularly at VO formation stage.

A second method to explain the phenomena may be to investigate the changes which have taken place in socio-economic condition of those who have left. The case studies asked VO members at group discussions to classify the households by the status of change since joining RDP. The household cards were than sorted into three piles corresponding to their condition to have 'improved', 'stayed the same' or 'declined' respectively.

Table 11.2: Socio-Economic Change Since Joining VO of Discontinued Membership

(No. of Members)

Type of Change	Discontinued Membership	Entire membership
Improved	70 (12.5) *(34.3)*	558 (100.0) *(48.8)*
No-Change	63 (16.9) *(30.9)*	373 (100.0) *(32.6)*
Declined	71 (33.5) *(34.8)*	212 (100.0) *(18.5)*
All	**204 (17.8)** **(100)**	**1143 (100.0)** **(100.0)**

Figures in the parentheses printed in italic face indicate column percentage. Row percentage is indicated by parentheses printed in normal face.

The result is displayed in table 11.2. Among the entire membership (including drop-out) just under one-fifth experience a decline in their condition. A third of this group is found to have left the RDP whereas only 12.5 percent of those who have improved their condition is no longer with the VOs.

The changes indicated by the table 112. may be sudden or a graduated one over a period of time. Nature of the change is yet unexplored. It may be that those who are classified as

to have experienced a decline, may have started the process before joining RDP. It might also have begun after association with RDP. In either case, the 'declined' category as a whole has not discontinued its membership, a large portion of it has remained with RDP. This raises the question: how long will they continue their membership should they not experience improvements in their present socio-economic condition?

TAB 11.3 : Drop out : Comparison with RDP Members According to Selected Indicators

Key indicator	Male VO		Female VO		't' Statistic
	Drop out (n1=69)	RDP (n2=388)	Drop out (n1=55)	RDP (n2=987)	
Working age members(No.)	3.81	4.02	-	-	-0.77
	-	-	3.29	3.53	-1.02
Dependency ration (No.)	90.43	96.98	-	-	-0.72
	-	-	112.61	104.61	0.73
Initial land (acre)	43.41	55.48	-	-	-0.73
	-	-	59.15	30.21	2.59
Present land (acre)	43.38	55. 32	-	-	-0.72
	-	-	56.03	31.01	2.25
Membership length (months)	49.3	43.2	-	-	1.44
	-	-	43.2	23.2	6.25
RDP Loan					
Nil: No. of Hhs (%)	13 (18.84)	24 (6.19)	11 (20.00)	324 (32.83)	-
Mean (Tk >0)	6750.00	9085.71	-	-	-2.30
	-	-	5306.82	5195.32	0.17
RDP savings (Tk.)	536.57	1071.64	-	-	-4.14
	-	-	489.60	512.79	-0.32
Non BRAC savings (Tk.)	186.75	228.73	-	-	-0.37
	-	-	333.36	185.54	1.30
Wealth (Tk./Hhs)	15046.86	23560.00	-	-	-2.26
	-	-	9872.61	13351.86	-1.38
House value (Tk.)	6443	11351	-	-	-2.12
	-	-	6564	7147	-0.31
Livestock (Tk.)	2905	3562	-	-	-0.95
	-	-	1800	2641	-1.40
Food expenditure Percapita (Tk.)	58.53	66.84	-	-	-1.69
	-	-	51.79	57.40	-1.46
Consumption expenditure pc. (Tk.)	86.60	100.37	-	-	-1.58
	-	-	77.26	83.91	-0.83
Food Security (No of months)	8.32	8.89	-	-	-1.72
	-	-	8.00	7.89	0.25
Rice consumption (gm pc/week)					
Sleak season	2891.81	2933.38	-	-	-0.19
	-	-	2651.27	2788.67	-0.65
Peak season	3184.28	3403.26	-	-	-0.81
Food stock	-	-	2962.82	3037.73	-0.31
Sleak season	7.88	12.90	-	-	-1.38
	-	-	3.65	8.18	-1.33
Peak season	24.65	28.61	-	-	-0.51
	-	-	9.98	19.92	-1.65

The issue of membership turnover has a bearing on measurement of impact as well as on cohesion among the members of respective VOs. The comparison of the reasons show that the two wealth groups differ on their reasons. The RDP rules on membership, their credit discipline enforcement practice, and their credit-operation rules are three of the four reasons for membership discontinuation by the relatively poor. It appears that the rules of RDP itself is a 'barrier to participation' for the poor whereas the relatively wealthy are concerned to maintain their pride. As chapters 6 and 7 show, the membership needs to be sustained for a certain period before changes become measurable. From this it is imperative to reduce membership discontinuation at longer lengths of membership.

11.2 Who are they?

The household survey contains a number of drop-out members whose inclusion is inadvertent. This section attempts to identify the material wellbeing of the members by comparing than with the respective category of member who sustain their membership. The table 11.3 shows that given the data-set, clear-cut conclusion require further, more focussed on the issue, investigation. The indicators do not show that they are the poorer segment nor is there evidence of "graduation".

Life-cycle factors

The differences in the life-cycle indicators viz. dependency ratio and the number of working age members in the household, are not significant. There is similarity between the respective sex categories i.e. the decency ratios are similar for female categories.

Initial Endowment

The average landholding on joining RDP indicate that for the female category the difference is significantly large. However, the landholding at the time of interview show small decline for the female drop-out whereas it increases by smaller amount for the sustained female category. This implies that the better-off condition of the drop-out may be declining. For the male there appears no difference.

RDP inputs

The membership length indicator show no difference for the male category whereas there is a very large difference for the females. This is not surprising. The current membership of RDP is made-up of large proportion of female due to the emphasis on women and to the

rapid expansion, in the early 1990s. The drop-out female members have been with VOs on average nearly double the average for the current members, at 43 months.

With respect to the proportion of members receiving no credit from RDP, the 20% for female drop-out is much lower than the 33% for female current members. This result is similar to that for male drop-out (19%) whose membership length is nearer the female dropout. The figure of no credit from RDP for the current member males is lowest at 6 percent. This may imply that the membership length data for the drop-out might be noisy.

This is supported by the mean values of RDP credit accessed by the drop-out of both categories. For the female category the difference is insignificant indicating that lack of access to RDP credit is a weak explanation for drop-out. The timing of the credit from RDP, for mitigating hardship, was one of the reasons reported in Box-three, but refusal on part of the field offices for other reasons was not reported. However, the significant difference for the male category complicates the situation. In the best tradition of social science, it is left for further research.

Material Wellbeing

With respect to the material wellbeing indicators of assets and wealth, food expenditure, and consumption, the differences for the female category is insignificant. The drop-out are neither well-off nor worse-off, although the land ownership is larger for them, in comparison with the current members. For the male, the indicators of wealth and house structure show significant differences in favour of the current members. Asset accumulation has been greater for the male current members than for the drop-out members.

On the other hand, the differences in expenditure for food and for consumption (including food) are insignificant for the male category, as it is for the female. The expenditure levels for current members are larger than these are for the drop-out both sexes. The male current members appear marginally better-off than the dropout. The significantly smaller landownership for the female current members is not matched by similar differences with respect to material wellbeing indicators.

Vulnerability

The lack of significant differences observed earlier are present with respect to vulnerability indicators. Such indicators as food security (no. of months the households

break-even or in surplus), consumption of the staple food rice (in gram/week pc), and food stock at interview time, are not different for the dropout and current members. The average values for the current members are consistently larger than those for the dropout, in all the indicators. Table 11.4 shows seasonal differences in five indicators for the drop-out members only.

TAB 11.4 : Drop out members According to Selected Indicators

Indicators	Male VO			Female		
	Sleak season	Peak season	't' value	Sleak season	Peak season	't' value
Food consumption (Tk/week/pc)	52.43	64.63	-2.64	50.05	53.53	-0.69
Rice consumption (gm pc/week)	2891.81	3184.28	-1.26	2651.72	2962.82	-1.07
Total expenditure (Tk pc/week)	75.71	122.43	-1.81	71.76	86.25	-0.86
Food stock (days)	7.88	24.65	-2.33	3.65	9.98	-1.53

The differences between the seasons for the female dropout are insignificant, implying a reduction of vulnerability to seasonality. The tables E8 to E12 sow that seasonal differences is present for the female category's less than 2.5 years members. This comparison implies that the with on average more-than-3.5 years membership and on more than Tk. 5,000 credit from RDP, the condition for the dropout might have improved.

For the male dropout, the table 11.4 shows significant lowering in food expenditure and in food stock in the lean season, implying vulnerability of sorts.

In sum, there is little evidence to support any one of the two commonsense notions on the membership discontinuation issue, are borne out by the above. The male-category dropout only marginally appear to be worse-off compared with the current members. The values of wealth and its component house-structure, and their vulnerability to seasonality might indicate a worsening situation. The female category's dropout members, though own more land, are neither worse-off nor better-off compared with the current members. The significantly smaller landownership for the female current members is not matched by similar differences with respect to other indicators. Earlier chapter show that improvements in material wellbeing for the female category takes place quicker and at lower amounts of RDP credit. Did the female dropout perceive a graduation as would be indicated by their length membership and average credit from RDP, which turned-out to be false?

12. Putting it Togather : summary and conclusion

This concluding chapter outlines the major findings according to the hypotheses used to assess the impact of RDP on the lives of the rural poor . To recap, the hypotheses were specified with reference five factors under three broad categories ; a) Village context accounts for economic dynamism of the micro-regions in which, b) the household context sustain its existence with a certain level of human and materiel resources , prior to joining c) RDP which creates access to credit and other resources and services, Non-of - these are random in the present study context, ie. these are non-random phenomena in that RDP is a programmed intervention that is targeted to a specific segment of the rural population . The choice of location is also non-random as it is determined by the requirement of the programme.

Poverty has been conceptulised as a multi dimensional phenoman which has persisted over time , and which cannot be reduced to a singular measure.A key indicator approach in assessment of poverty alienating impact of RDP has been a logical outcome of the conception of poverty that account for a 'hierarchy of needs' for the poor men and women . The choice of indicators thus determined include maternal well-being of households, vulnerability to seasonality and economic strength of the households, changes in women's lives, and the progression of the village organisations as institutions.

The 'hiercroly of needs' of the poor is contextualised in the 'plurality of poverty' in which the poor are not an 'unditferentiated mass' , with respect to the outcome of the impact assessment . The imperative of physiological needs shapes the consciousness of the poor in which such ideas as collectives existence, the VOs acting as units of representing the collective interests of the members or the evolution of VOs as autonomous entities , are unlikely to grow. This is the result of the case studies which also support the results of households survey on the material condition of the households.

12.1 RDP inputs : Membership length and credit

The hypothesis Vis-a-Vis membership of RDP is : the qualitative aspects of the lives of the members improves with increasing length of membership . Impact is significant specifically for the length category of '2.5 years-to -six-years' that correspond with the first phase and the first half of the second phase of RDP (between 1987 and 1990), than it is for other length categories . Length of membership as RDP input shows that the average participation length for the male category is larger than that for the female. The larger Proportional representation for the female category in the younger length category is the out come of the shift in emphasis toward women since the late 1980s and early 1990s .The

rapid expansion in this period and the imperative of staff performance, mean that the effectiveness of targeting fluctuates with respect to male members whereas there is a discernible improvement with respect to female members. Over time, the proportion of households satisfying the strict targeting criteria (Land owned <0.50 acre) for the male fluctuates and it increased for the female.

The results with respect to the material well-being indicators are positive according to the hypothesis regarding membership length. The results show gradual improvements in the indicators such as wealth, revenue earning assets, value of house structure, the level of cash earned , expenditure on food, total households expenditure .Changes in some indicators are slower than the others : For example , the budget structures of the RDP households show slight difference from that of the comparison group ; level of cash earned by the households show small improvements over time . On the other hand, the differences in accumulation of real capital and of wealth show tremendous increases with increasing length of participation.

Combined impact of RDP inputs

In addition to the length of programme placement , the other inputs include technical training ,supervision, credit. The interaction between two of the RDP inputs - length and credit, produces results to suggest that there is positive correlation between the two inputs, and that impact is measurable at a certain level of the inputs. This is supported by the analyses with respect to most indicators.

The input indicators show that the cumulative amount of RDP credit per households is larger for the male category than it is for the females, which can be explained with reference to the comparatively unequal participation length for the two categories of RDP households. The gap is very narrow or near non-existing with respect to the average size of the loans (i.e amount per loan disbursed). This suggests an absence of bias against female borrowers.

The pattern of investment by the borrowers show changes over time, more clearly for the male category than for the females . Investment in revenue earning capital is maintained at high rates for both the categories . The proportion that is not used for revenue generation purposes remain between less than one percent and 14 percent.

The combined impact of the RDP inputs, viz. Length and credit, show positive results with respect to all of the major indicators. The results show a gradual improvement in wealth, expenditure on food, and less significantly in cash earning . Most of the other indictors for material well-being . Value of house structure , value of livestock, living quarter density, all weather roofing material for living quarters, consumption expenditure, food stock , indicate that figures are significantly larger for the households in the 'longest -

length and largest -loan ' category than these are for the counterparts in the lowest end of the scale.

The differences one more pronounced for the female category compared with the males' . This suggests that the improvements for the female are larger which takes place with slightly lower levels RDP inputs than it is for the males. The econometric analyses of wealth and of consumption for the RDP households , suggest that the impact of RDP credit is small in absolute number but highly significant. In addition the importance of RDP credit in the determination of the levels is very important.

Of particular interest is the results of the separate econometric analyses of consumption expenditure for the two categories of RDP membership . The value of the impact of RDP credit is larger for the female category than it is for the males. The shift in emphasis to women in the 1990s , is justified by these results. This is further supported by the evidence that women's earning is used mainly for households well-being.

With respect to the indicators in the genere of vulnerability , the length- credit hypotheses are supported strongly. The distribution of food security levels by RDP credit values suggest a discernible pattern particularly for the female category. The distribution shows a changing pattern of reduction in the severe and moderate deficit in the food security levels, and increases in the categories of slight deficit and of surplus in tandem with increasing levels of RDP credit . The results with regards food security according to length is unclear.

However, the length hypothesis is clearly supported with respect to the analysis of reduced seasonal variation in rice consumption (gram pc/week), per capita week food expenditure, percapita weekly total expenditure , food stock in terms of meal days,and percapita weekly cash earning . The length category of 2.5 years-and- more show significant improvements in many of the indicators for material well-being but the seasonality aspect of poverty appears a little harder to impact. Significant impact as indicated by small insignificant seasonal differences, for all five indicators is observed for the 'more than four years' and older length groups.

Statistical tests to assess the seasonal differences show erratic results for male but these are consistent with the hypothesis for the female category , according to length, to loan, and to the combined levels of RDP input. The 'hiararly of needs' hypothesis is clearly supported by the tests of difference for the female category. For the bottom end of the length -loan groups of females, although significant thus vulnerability indicated, the smallest difference is shown with respect to the amount of rice consumption . For the top end of the length - credit scale the tests show striking reduction in seasonal fluctuation.

A further indicator that combines indication of varnarability and implications for continued participation, is the seasonal difference in servicing of debt to RDP. As it is a pre-condition for sustained membership, seasonal differences are less likely. But the results show that there is significant difference with respect to average debt repayment and to the ratio of debt servicing to total expenditure, for the female category's ' youngest - smallest-loan' group. This result is in contrast to the insignificant and declining differences for the middle of the scale and for the top of the scale groups.

That these results of declining seasonal vulnerability are suggestive of more structural changes in RDP members' material well-being are supported to a large extent by indicators of enhanced coping capacity and of strengthened grounding of these improvement . First of the indicators in this respect is the mechanisms which are used to cope with seasonal downturn in the economy. The hardship has declined for the members in older VOs whose coping mechanisms are of less damaging nature to their resources base. Diversification of employment, and use of the kin and friendship -networks, instead of the harmful ones such as informal credit network and asset depletion , are used as mechanism to cope with the mild seasonality. The credit from RDP is an enhancement factor for older VO member, in effecting diversification of earning sources.

The comparatively larger share of the petty trade and shopkeeping in the lean season as compared with peak season cash earning source for RDP houscholds is supported by the above case study data. The members in younger VOs, on the other hand , still face seasonality in their livelihood.For them , the coping mechanisms are of weaker, damaging to resource base nature that include informal credit network, and asset depletion.

Other indicators also suggest a positive change for the RDP members at increasing levels of RDP input. The long term security as indicated with reference to increasing values of real capital in the asset profits, and declining share of non-RDP saving in proportion to RDP saving, is stronger for large levels of RDP input. The average values of the revenue earning assets show steady increases over longer participation and larger credit. In the asset profile the proportional shares of real capital for the RDP categories are indication of the survival strategy of the poor. The proportional share of the house structure value is large for all RDP input levels, meaning that the materials such as tin roofing provide a mechanism of saving as well as protection from the elements. The house structure was the second to land in importance of the reported item in wealth ranking exercises in the villages.

The short term security for the RDP households is also enhanced over time and increasing amount of RDP credit . This is indicted by a process of withdrawal from the informal credit market for the RDP households. The average value if informal borrowing increases

for the middle of the scale input levels and declines for the top end of the scale for both male and female categories.

This process, thereby the security of current consumption , is supported by the declining share of consumption as a purpose for informal borrowing. The decline in the proportion is evident. For the female the decline is steady and gradual whereas for the male it fluctuates and nevertheless , lowest in the largest input category. Similar pattern is observed with respect to the use of RDP credit . Smaller proportion of RDP credit is used to meet consumption and other hardship purpose, having increased with level of input it sharply declines in the largest input level.

There are other indication of enhanced economic strength , or some call it 'borrower viability' or sustainability'. The indicators of indebtedness to RDP relative to networth and to current savings, show positive results. The proportion of saving to outstanding loan increases over increasing levels of RDP impute. Meaning , the capacity to repay the debt is enhanced for the RDP categories. The current loan to net worth ratio, for the female show an increasing pattern along with input levels. The rate of growth in the ratios nevertheless is a declining one . Further research is needed for a better understanding and interpretation of this pattern.

With respect to changes in women's lives, the impact of RDP inputs is smaller but discernible. Status in the household improves by husbands access to RDP credit. Better treatment by husbands for the women members is evident . After initial opposition to group formation for the women , from the male community, acceptance increases as the women's contribution to household material well-being becomes evident. Particularly enhanced status is given accorded to the women who are trained in certain skills, such as poultry vaccination , rearing of day old chicks, village health workers, and other occupational skills.

The indicator of controll over income for the women produce unclear results, there is little evidence to suggest that control over income increases with increasing RDP input. On the other hand, there is evidence to show that the RDP credit for women members are used, invested and managed by the male members of the household. However, that the earning of women is spent to improve household well-being is suggested by the data.

With respect to decision making with regards to drawing on RDP credit , and other household matters, joint decision making by the member and husband is evident. This improvement is suggested in data from both the case studies and the household survey. The indicator of mobility for women produce unclear results, depending on the local situation, religious faith and life cycle factors. There appears little barrier to women's mobility in the Hindu community where the seclusion of women is apparently not in force.

With regards the development of the VOs as 'institutions' the results are of concern. The term 'institution ' implies certain requirement , and whether these can be met by a group of 30-40 men and women in the contexts of the village , micro-region and upto the national environment , needs to be seriously assessed. The absence of a consciousness on the part of the members, regarding the VO related objectives of RDP is evident. That the VOs are regarded as units representation for the members' interest, and that some form and level of autonomy to be achieved, are completely alien to group members.

In the members conception the VO is a mechanism to use for access to RDP credit . That attendance at older VOs decline, that would imply a corresponding decling in savings and loan recovery, is evidence of the conception of the VOs as merely credit mechanisms.

The increasingly larger membership discontinuation in older VOs is of concern for the Programme as well as for poverty alleviation. There is no evidence to suggest that drop-out members adversely affect the cohesion of the current membership . The implication for poverty alleviation is clear from the analysis of material well-being, and of vulnerability to seasonalisty.To generate measurable and significant improvements in the members' lives a minimum level of input is required. With discontinuation of older members this process of gradual improvement is disturbed . the reasons for dropout appear that the members need to suit themselves to the given rules and procedure of the intervention.

The recent RDP decision to discontinue the Group Trust Fund will eliminate one irritant, but there remains others. However, the profile of the discontinued members and their difference with the respective categories of current members suggest very little . Neither of the hypotheses that discontinuation is a result of graduation, or that it is the indication of inability of the very poor to sustain credit supported activities, are niether supported nor rejected by the data forms both the case studies and the household survey.

12.2 Life cycle factors and initial endowment .

The hypothesis is : The life cycle factors including dependency ratio, and the number of working age population in the household, will affect the impact of RDP input's . The influence is clearly evident in the data from both the case studies and the household survey. With respect to use of RDP credit the case studies suggest that the use is made primarily by the men for women borrowers. Absence of active men in the household changes the prevailing situation , due to widowhood, abandonment or illness of men.

With respect to material well-being , the life cycle indicator of dependency ratio show negative impact of increasing number of consumers relative to earners in the household. The econometric analysis of consumption expenditure clearly indicate a decline with

increasing ratio for dependents. The implication is that unless fertility declines, the positive impact of RDP is likely to be eroded.

On the other hand, the results with respect to the number of working age population , from the econometric analysis of wealth, indicate positive influence. It improves the scope for effective investment of RDP credit . Presence of a working age son for a widowed member , enhances the opportunities for beneficial use of RDP credit . This and the dependency indicators imply the family size and composition may be incorporated in the RDP credit procedures to determine the amount of credit prior to approval and disbursement. In other words, percapita approach instead of a per household, may be applied in the determination of loan ceiling.

With respect to initial endowment, the results are clear. The econometric analyses of consumption and of wealth produce significant results for initial endowment. With respect to consumption it is less important than RDP credit. However , the analysis of wealth show that initial endowment is more important than credit.Disaggresated analyses show that the improvements in materiel well-being is greater for smaller initially endowed households compared with respective results for large endowed households. With respect to most indicators tests of differences in the mean shows greater improvement for the small endowed households than it is for the large endowed, both with highest level of RDP inputs. In other words, the hypotheses that a comparatively large endowed household is better positioned to generate larger return from the same level of RDP input is not -borne out by the tests.

Life cycle factors also influences the changes in the women's lives, Women's control out income, decision making power, status in the family, and women's mobility are enhanced for the women who are older and who head their own household dejuree or defacto .

With respect to the drop-out members the data show no significant difference on the life cycle indicators of dependency, and of working age population. The results of tests to assess the difference in landholding on joining RDP produce mixed results. For the male dropout members the landholding is smaller than that for the male current members. For the female dropout it is significantly larger than that for the female current members.The typology of reasons for drop out indicate that lack of availability of time to attend weekly meetings is one of the reasons for dropout by the relatively well-off. However, as indicated earlier,the significant difference in initial endowment for the females, is not matched by similar difference with respect to material well being.

12.3 Educational level of RDP households

The hypothesis is : higher educational level will allow the members to better utilise RDP inputs. The econometric analyses show a positive and significant impact of household aggregate education on the accumulation of wealth and on level of consumption . Furthermore, for the households in the highest class of education score, an additional unit of RDP credit produces small absolute but highly significant and of high importance, influence on wealth accumulation. The results of regression analysis of consumption indicate similar results with respects to the interaction between high level of education and the amount of RDP credit.

12.4 Local condition

The hypothesis is : the local condition or the dynamism of the micro-regional economy affects the impact of RDP imputes on the lives of the poor. The econometric analyses of wealth and of consumption support this hypothesis.The opportunities for investment, and the return from such investment, are enhanced in more dynamic location than in the lesser ones. The results for the highly vibrant locality is significant in the analysis of wealth and of consumption. Results of the econometric analyses are supported by the pattarn distribution of coping mechanisms by regions.

The locations where members report , in case studies , lesser hardship in lean season, are the ones that are better served by new or existing all weather roads, access to nearby town, presence of large market place, etc. At these locations RDP loans are put to good use by availing the opportunities offered by the local condition . These two factors allow them to accumulate saving to cope in lean season, or to find alternative earning sources.

In sum, that the impact of RDP on the lives of the poor is positive and significant is suggested by the results of IAS. The impact is a graduated process, which is measurable after a certain amount of RDP credit over a length of time. The improvements are not initial endowment induced. Life cycle factor indicators affect the impact consistently for both material well-being and the quantitative aspect of enhanced status of women. Credit improves the qualitative aspect of women's lives. The members conception of VO does not match that of the implementors or the analysts. Members benefit more from RDP credit in highly Vibrant locality.

Issues for further research

- *The concept of cash earning as an indicator of wellbeing*
- *The so called 'Critical mass' argument*
- *Changing pattern of food security*
- *Servicing of RDP debt , and indebtness relative to saving and to net worth*
- *Women's control our income : outriders perception vs the insiders*
- *The VOs in the conception of its members : the outsiders view vs the insiders' consiousness*
- *Why do some members discontinue participations*

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ANNEX A

A1: Sampling Procedure

The village profile, case studies of VOs, and the Household Survey are made with a common sample of locations, coverage and subjects. The sample size for each aspect, distribution, and their justification is elaborated in the Report on Methodology for IAS (Montgomery and Brustinow, 1993).

Location: Out of a total of 164 Branch and Area Offices (AOs) of RDP/RCP a total of 15 is selected. The AOs are stratified into three strata according to their 'maturity' as defined by the programme. Three sample frames are constructed, one for each strata. A random numbers table is used to select the AOs from the frames. The distribution of RDP AOs and the sample for IAS is displayed in table 2.1.1.

Coverage: A total of 225 villages are covered by the IAS, of which 150 are RDP villages and 75 without RDP comparison villages. Two procedures are followed to construct the sample frames for the two categories of villages. At each location the list of RDP villages is obtained from the Monitoring department. The sample frame for the VOs for male members is made of list of the VO names. The selection of three VOs from three different villages reduces the number of villages available for the sample for VOs for females. A purposive attempt was made to avoid multiple sampling from any village.

The sample frame for the comparison villages was made at each location on the basis of local information with respect to distance from the AO, presence of RDP and the likelihood that RDP is to expand to the villages in the next six months. These villages are usually located on the outskirts of the command area of respective AOs. At two of the 15 primary locations, the thick presence of RDP, i.e., more than one AO in the micro-region, meant that the comparison villages are sampled from beyond the AOs' respective command areas. These villages fall in the same administrative boundaries as do the respective AOs.

Subjects: The total number of households that constitute the survey subject, is 2250 of which the RDP households number 1500. Practical problems which are described later reduced the sample size for the RDP households as displayed in table 4.2.1. The sample

frame for the households is the membership list for the respective VOs which is supplied by the Area Offices selected for the study. Ten names from the members list are randomly selected with a random numbers table. A further sample of five names are selected for each VO which is to be used for replacement in cases of multiple sampling from a single household.

The aim of the household sampling is to ensure selection of 1500 RDP member households of which 1050 or 70 percent is female member households. Three of the new AOs has not formed any VOs for men at the time of data collection, resulting in fewer households remaining in the study from the sample frames of VOs for men. At locations where there are VOs for men, there are villages with multiple VOs. From the surveyed households, if the households which are selected from sample frames for VOs for women include male members of VOs, the household are transferred to the group which will be named the male member households. The households in this group contain at least one member in the VO for men. On the other hand, the group which will be called the female member households contain no member from the VO for men. The second group is the pure female member households whereas the first may or not have representation in the VOs for men.

The selection procedure of households from the comparison villages need elaboration. The households are selected with respect to the criteria used for defining RDP target groups: land holding (i.e., owning less than 0.50 acre of land) and the number of days in which manual labour is sold in a year (i.e., selling at least 100 labour days in a year). To these two is added the source of ownership of cattle kept by the households: purchased as opposed to share-reared. For inclusion in the sample each household is to own no more than 0.50 acre of land (excluding the homestead plot), its members on average sell 100 days of labour for survival and do not own any purchased cattle.

The north-west corner and anti-clockwise travelling method is used for entry into and coverage of a village. The first ten households (out of a maximum 100 household visits) identified as target group in each village constitute the sample of comparison group. From five villages at each primary location a total of 50 households form the comparison group.

A2 : Case Study Methods

Village Organisation (VO) case studies used informal and a limited number of PRA/RRA techniques, to obtain both quantitative and qualitative information. These case studies were carried out in 16 locations. For case studies, 15 Village Organisations were randomly selected by singling out one VO from a group of 10, each falling under BRAC's 15 Area Offices (selected randomly from BRAC's 167 Area Offices for conducting the IAS). Household survey was also carried out in these 15 VOs. We termed these VOs as the 'focused VOs'.In 7 of the 15 VOs selected, we found a member in each who had a relative in 7 other VOs not selected for the study. As households which have more than one VO members receive more BRAC inputs than other households with only one VO member, we decided to include those 7 VOs that had not been selected earlier. We termed these 7 VOs as linked VOs. Among these 22 VOs (the originally chosen 15 plus the 7 that were later selected) 14 of the VOs were for female members and 8 for male members. We also selected two other VOs (one for focused female members and the other for linked male), located in a tribal area (Garo community). This took the total to 24 VOs in 16 locations that were ultimately brought under the case studies.

Several PRA/RRA techniques were used to assess wealth differentials in the communities, perceptions regarding women's lives, VO development over time, and the importance of NFPE to RDP members. Each case study was carried out by a team of three researchers over a two to three day period. As in the case of the household survey, the VOs are divided by length of existence. The length of existence used for the section on women is slightly different from the section on VO Institution Building. The section on women is based on upon information collected from female VOs only. As the age stratifiaction for the entire analysis did not make much sense, we used the present age category for women's section.

The section on Change in Women's Lives, VO Institution BUilding and NFPE have been developed upon the information collected mainly through case studies. It also analysed the relevant part of household survey data. In a case study following tools were used:

- Secondary Sources
- Physical and Social Maps where necessary
- VO Time line
- Wealth Ranking of village Households
- Group Discussion

All these exercises were carried out in groups.

Apart from developing three different sections from case studies, lot of information was used in other parts of the report. A few indigenous indicators generated during this exercise was used for analysing the data.

The section on "Changes in women's lives" considered female VOs only. When it became apparent that male VO members felt uncomfortable answering the questions about women's issues. In other cases male VO respondents were clearly not telling the truth, and/or were talking about ideal situations or situations they thought we would like to hear. As a result we considered 15 female VOs only. In one area, the sampled VO was a male VO, which did not have a corresponding female VO. In this case, we considered the perceptions of male VO members. In total, we interviewed members from 16 VOs. These VOs were selected according to their length of formation. Table 1 classifies sample VOs into their categories according to their date of formation:

Table 1: Distribution of Sampled VOs for Changes in Women's Lives

Pre-RDP Phase (before 1986)	1
RDP Phase -I (1986-1989)	7
RDP Phase -II (1990 onward)	8
Total No of VOs	16

There was only one VO formed before 1986. We considered 1986 as a cut-off point because RDP began its operation in the same year. The second category consists of 7 VOs formed between 1986-1989.Although the first phase of RDP was from 1986 to 1988, we included 1989 in this phase during which time preparations were going on for the second phase of RDP (Proposal for RDP III) which took place from 1990 to 1992. One of these VOs is located in a matriarchal tribal area.

The third phase is spread over the period 1993-1995. As the study was carried out at the end of 1993 and the beginning of 1994, we did not form a separate category for the VOs formed during phase III. Consequently, our third category consists of VOs formed during the period from 1990 onwards. There are 8 VOs in this category.

In case of household data, we used a different age category (which can be easily merged with these four categories) to keep it comparable with other analysis of the data set.

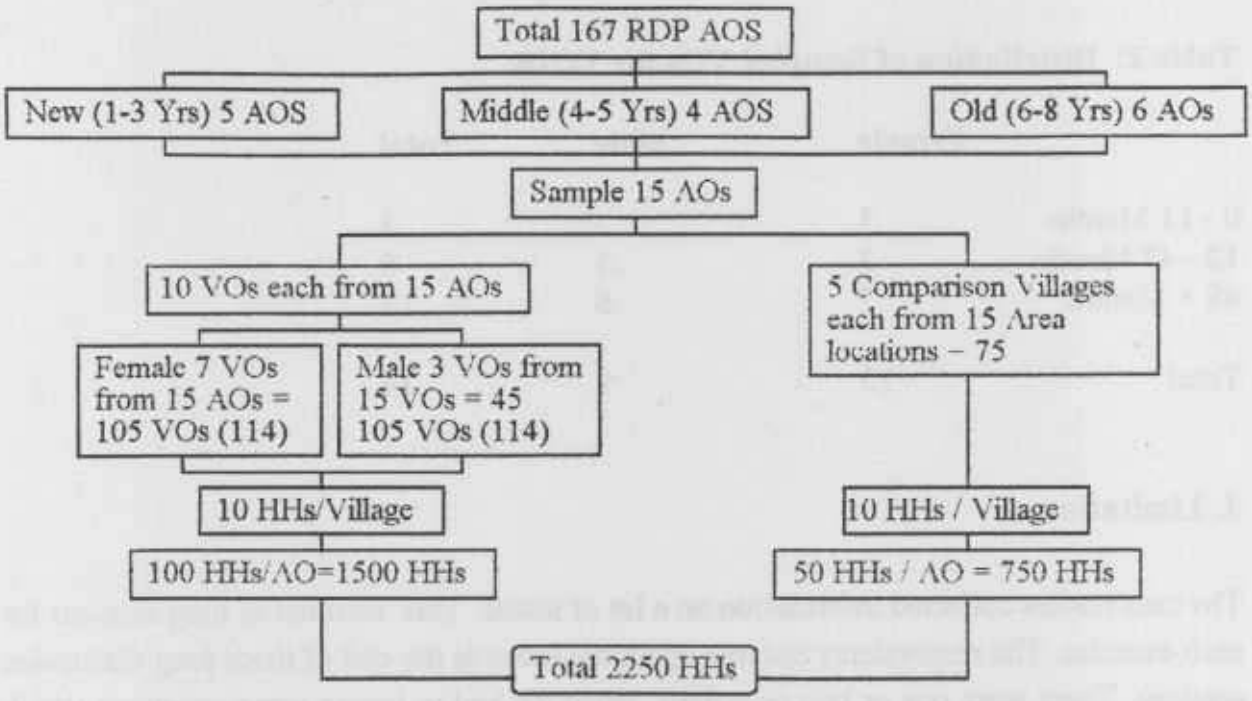
Table 2: Distribution of Sampled VOs for VOIB

	Female	Male	Total
0 - 11 Months	3	-	3
12 - 47 Months	5	3	8
48 + Months	7	6	13
Total	15	9	24

4. Limitation

The case studies collected information on a lot of issues. This resulted in long sessions for each exercise. The respondents became apathetic towards the end of these long discussion sessions. There were one or two occasions, when we had to ignore some questions which we felt should have been probed further. As a result we had to take some information at their face value. More over, we can not claim that all our discussion sessions were hundred percent participatory. There were a few discussion sessions which were dominated by a few of the respondents. In several cases, we had some men onlookers. They did not make any contributions except for occasionally giving some verbal or facial expressions.

Chart 1 : Sampling Framework



B.1 Local Condition

Data for local condition is generated by the village profile. Therefore, there is one value for each of the 225 villages where the household survey was carried out. A composite variable is created by giving individual scores for each village for each of the four factors. The factors are: distance of the village from the nearest sub-district town, distance of the nearest haat/bazaar, the number of permanent shops in the nearest haat or bazaar, and the number of shops inside the village. The villages are ranked on a scale between zero and five, where the worst condition is given the lowest (i.e. zero) rank. The scores are summed after weighting each factor the sum of which is equal to 100. The weighted scores are re-classified into three dummy variables.

Table B.1: Scoring for local condition index.

Factors	Scores					
	5	4	3	2	1	0
Nearest town (miles)	≤ 2	2-4	4-6	6-8	8-10	10+
Nearest market place (miles)	≤ 0.5	-	0.5-1.0	-	1.01-2	2.01+
No. of shops in the nearest market place	> 201	101-200	50-100	26-49	5-25	≤ 4
No. of shops inside the village	> 16	7-15	4-6	2-3	1	0

Table B.2: Weights to construct local condition index.

Factors	Weight
Town (distance)	45
Market place (distance)	30
Market size (No. of shops)	20
Shops in village (No.)	5

The weighted scores for the villages are re-classified in to the dummy variables:

Highest vibrancy villages = if score 356 or more
Medium vibrancy villages = if score 251 to 355
Lowest vibrancy villages = if score less than 250

B.2 Definition and the Wealth Account

Saving is the part of income that is not consumed. It can be held in a number of manner: cash at hand or bank, in consumable kind at home, and in the form of real capital. Goods that are used to produce income are real capital. This type of saving include productive assets such machinery, tools, equipment, livestock, transport, and so on.

Saving at macro-economic level is affected by individuals choice or desire to put aside something of value for future use, government taxation or economic condition such as mild inflation. At the household level it is primarily the individuals choice. In the context of the study subjects, the RDP requirement for weekly saving and the pre-determined proportional contribution for RDP loans to the saving fund may be considered as compulsory and forced saving respectionly.

Wealth is a function of real capital, saving and other materials of value. The latter include, in the household economy context, value of dwelling structures and other household implements and effects. (Although, jewellery, and some would argue clothing and footwear, is a legitimate component of wealth it is not included in the present study due to omission in the data generating instrument). Following is the outline of wealth account:

i. Non-land productive assets: fishing gear and equipment, agricultural implements and machinery, livestock (cattle, poultry, etc). artisanal tools and implements (ivronsmith, potter, barber, etc) transport (rickshaw, bicycle, etc);

ii. Net-value of business: On the day prior to the interview date the value of stock including working capital plus credit less hibility, average at two seasons.

iii. Share-holding in irrigation scheme, rice mill, power tiller, etc.

iv. Saving: RDP account, other institutional account, cash at hand, saving in kind (as identified by the respondents), loan to others for mortgaging-in land.

v. Household value: dwelling house, household effects (furniture, other consumer durable, etc).

B.3 The Variables for Analysis of Wealth

Life cercle and education

D. Number of working age (10 years and above) population in the household (actual numbers).

E Household aggregate education level (actual score)

Initial Endowment:

G. Land ownership on joining RDP in decimals (e.g. 0.50 acre=50, 1.50 acre = 150)

H. *Dummy for ownership of land on joining RDP*
1 = Households owning >0.50 acre of land on joining RDP
0 = else

Length and Strength of RDP Input:

C. Amount of aggregate loan received by the household (actual taka)

B. Occupational skill training received from RDP (actual days spent in training, household total)

A. *Dummy variable for membership age*
1 = households of 2.5 to six years age (i.e. those joining RDP in phase one and first half of phase two,
0 = else

Local Condition:

F. *Dummy for local economic vibrancy*
1 = high vibrancy locality
0 = else

Interaction variables to account for the multiplicative effect of some variables:

K. Initial endowment and loan size
   1 = initial endowment (actual land holding) and loan size > Tk. 7,000
   0 = else

J. Education and loan amount
   1 = high education level and amount of loan (actual taka)
   0 = else

I. Household category and membership age
   1 = female category households with greater them 2.5 years' membership
   0 = else

B5 : Quality of the data

Before going into the comparison of IAS expenditure data-set with that made by the Bangladesh Bureau of statistics (BBS) in its Household Expenditure Survey (HES) for 1988-89 (the latest available in print), a few words on the computation of the expenditure variables as used in IAS. For the purpose of comparison the accounts are converted to monthly level; the two seasonal data-sets are averaged for one-week average and multiplied by 4.335 to arrive at a monthly figure. The averaging of the two seasonal sets acts as a smoothing process to eliminate seasonal distortion. As will be elaborated in chapter 7, the different regions in the country experience local loan seasons as well as the one more widely experienced in October-November which has been variously termed as *Mora-Kartik, Aswin-Akal.*

Income as estimated from expenditure account is lower in these months compared with other months. Use of any one season's account would have either lowered or inflated the real situation.

How does it compare

A comparison of the BBS/HES 1988-'89 data of average monthly food expenditure of rural households with the IAS data show similar patterns. The IAS data which is converted to monthly level and adjusted for changes in price levels by a factor of 1.3125 (see note to Table B1.1), show that the households are comparable with the various the income groups in the HES.

A comparison of the three most frequent food item headings, viz. cereals, spices and condiments, and vegetables, show similar pattern of distribution for the IAS and HES/BBS households. The IAS households are categorised according to the 16 BBS categories that are constructed with respect to monthly household income levels. The share of spices and condiments in the respective food budgets in the two studies show a very close similarity. For vegetables' share the similarity is maintained along the income hierarchy. The share of cereals show some difference at either end of the income-levels. Except the two lowest and the highest groups the similarity is very strong.

The comparison of food budget structures (Table E.1) and the average distribution of monthly income and expenditure (Table E.2) establishes the comparability of IAS data-set. The method of seasonal data with a limited reference period to some extent eliminates the problem of recall error when the reference period is longer. The BBS data has often come under criticism from professionals at different institutions. A recent study of land-based targeting in poverty alleviation estimated a poverty line that is identical to the BBS estimation. The study by Ravallion and Sen ( ) used a method different from the BBS and estimated an identical poverty line. This my be taken to constitute an indicator of quality for BBS/HES data.

In the same line of argument, the quality of IAS data of the expenditure account may not be any less robust. Similarly, that RDP may be reaching some of the poorest as can be judged by the proportion of the sample in the bottom half (95.8%), in the bottom third (78.4%) and in the bottom layer (16%). The corresponding national distribution is: 85%, 48.6% and 4.2 respectively. The bottom 10% of the national distribution falls in the less than Tk. 1000 category to which belongs one-third of the RDP households.

B6: The variables for analysis of consumption expenditure

DR = *Demographic dependency ratio (per 100, actual ratio)*

Initial Endowment:

IL = Land ownership on joining RDP measured in decimals percapita (e.g. 0.50 acre=50, 1.50 acre = 150). This is also a proxy for wealth in non-monetised form.

Strength of RDP input:

RLP = Percapita loan received by the household (in taka)

Local Condition

HV = Dummy for local economic vibrancy
1 = high vibrancy locality
0 = else

Interaction variables to account for the multiplicative effect of some variables:

REH = Dummy for education and loan amount
1 = high education level and amount of loan (actual taka)
0 = else
MVIIR=Local condition and loan category
1 = medium vibrancy locality and loan size > Tk. 7,000
0 = else

Income and wealth:

Y = Percapita income is measured by the total household expenditure including saving and investment (in actual taka)

W = Percapita ownership of wealth measured in actual taka

YC = One week cash earning per capita

B7 : One-Week-Cash-Receipts

Income is defined as the cash received during a specified time period. The past seven days ending on the day before the interview date is the reference period for which data is collected. The cash that is received by the households during the week as payment for personal services, resource sercices or resource exchange, constitutes earning. This we may term the one-week-cash-receipts as opposed to income which is a much broader concept.

The one-week-cash-receipt (OWCR) does not include salaries and remittances from households members working and living outside the village, which is not received by the

household during the reference period. It also excludes any payment for services or exchange which was concluded during the reference period, but that is not recieved during the reference period. In other words, the payment for services that are deferred or the exchange that take place in credit, are not included in the OWCR. Payment for services and exchange that are made in kind or is combined in cash and kind, are considered only to the extent that cash is received in the reference period.

In addition, non-monetary payments made in single or mixed mode of payment, are not included. This includes commodities bartered or commodities wuch as cereals or cooked meals provided as single or part payment for services rendered.

B8 : Initial Endowment

Amount of household owned land (excluding homestead plot) at the fine of interview in October 1993, adjusting for any sale or purchase of land since joining BRAC data for which was gathered in January 1994 interviews. No allwance have been made with respect to producting of the land.

B9 : Food Stock

Amount of food (e.g., rice/paddy, wheat, potato, etc.) in stock at the household, and the number of days for which the stock is sufficient as reported at two seasonal interview.

B10 : Food Security

For the reference period of 12 months preceding the October 1994 interview, according to predatermined levels viz. surplus, break-even, or deficit.

Table B.5: Food Consumption Expenditure: Comparison Between IAS and HES Households

Income Group (1988-89 Prices)	Hh Category	Average Expenditure on Food/Months 1988-89 Prices	Proportion of Food Expenditure of Major Items									
			Cereal	Meat, Fish	Meet & Poultry	Milk, & Product	Vege-tables	Spices, etc.	Tobacco etc.	Miscl.	Percent of Hhs	Cumulative %
<750	RDP	481.5	64.1	6.4	2.5	0.8	9.8	12.4	3.6	0.3	16.0	-
	Comparison	466.3	63.9	7.3	1.8	0.6	9.7	12.3	4.2	0.3	26.3	-
	HES	410.5	57.5	6.5	1.7	0.6	10.1	12.6	6.2	4.8	4.2	-
750-999	RDP	696.3	62.0	8.7	2.8	1.0	9.1	12.2	3.7	0.5	17.0	33
	Comparison	708.6	63.6	8.4	1.6	0.9	8.6	11.6	4.7	0.7	19.7	46
	HES	663.8	58.0	6.5	1.6	0.7	9.3	11.8	6.3	5.8	6.9	11.1
1000-1249	RDP	844.6	60.1	9.5	3.5	1.8	8.7	11.9	4.1	0.5	15.9	48.9
	Comparison	845.3	61.8	8.7	2.3	1.2	9.1	11.7	4.5	0.8	15.3	61.3
	HES	815.6	58.3	6.8	1.9	0.9	9.7	10.6	6.3	5.5	9.4	20.5
1250-1499	RDP	1008.8	58.3	10.0	4.0	2.6	8.7	11.4	4.3	0.6	13.6	62.5
	Comparison	984.5	61.8	8.8	3.5	1.6	8.1	11.2	4.4	0.6	12.7	74.0
	HES	1014.8	57.7	7.3	2.4	1.7	8.9	10.0	6.2	6.0	9.8	30.3
1500-1900	RDP	1190.7	58.4	10.1	4.1	2.6	9.2	11.0	3.8	0.7	15.9	78.4
	Comparison	1119.2	56.7	10.3	4.1	1.9	9.6	11.9	4.7	0.9	12.3	86.3
	HES	1263.4	57.0	7.2	2.7	2.0	8.7	10.1	5.8	6.5	18.3	48.6
2000-2499	RDP	1424.8	53.7	12.7	5.6	2.7	9.1	11.1	4.2	0.8	8.6	87.0
	Comparison	1382.3	57.8	10.4	4.9	1.7	9.0	10.9	4.3	1.0	7.3	93.6
	HES	1520.8	54.5	8.1	2.9	2.2	8.8	9.7	6.3	7.6	14.5	63.1
2500-2999	RDP	1612.8	51.3	12.9	6.8	3.5	9.6	11.9	3.3	0.7	5.0	92.0
	Comparison	1415.4	56.3	12.1	4.3	3.1	8.8	9.8	4.8	0.9	3.3	96.9
	HES	1775.2	53.6	8.6	3.4	2.0	8.6	9.9	6.2	7.6	9.7	72.8
3000-3999	RDP	1947.5	51.2	11.9	8.1	3.1	9.6	11.8	3.4	0.9	3.8	95.8
	Comparison	1489.8	55.3	12.0	7.0	2.5	10.8	7.4	4.6	0.3	2.0	98.9
	HES	2162.5	52.0	9.0	3.3	2.9	8.3	9.1	6.5	8.9	12.2	85.0
4000+	RDP	2540.8	45.5	11.8	13.6	5.0	8.4	10.9	3.7	1.0	4.1	100.0
	Comparison	1615.8	45.6	15.4	9.4	3.2	7.9	12.7	4.5	1.4	1.1	100.0
	HES	5516.6	49.9	8.8	4.5	3.3	8.6	8.6	6.7	9.7	15.0	100.0

Major food item groups are as in BBS/HES, 1988-89 IAS and HES income data have been adjusted with a factor of, 1.3125 where 1988-89 = 100. (Ministry of Finance (GOB), Bangladesh Economic Survey 1993-94).

Table C1: Membership Age and Initial Endowment -- *Male Member*

(No. of Households)

Membership Age Category (Months)	Landholding (in Acres) on joining RDP			All
	0-0.49	0.50-1.00	1.01+	
1-11	14	7	6	27
	(51.9)	(25.9)	(22.2)	(100)
12-29	74	13	7	94
	(78.7)	(13.8)	(7.4)	(100)
30-47	111	17	23	151
	(73.5)	(11.3)	(15.2)	(100)
48-72	45	9	11	65
	(69.2)	(13.8)	(16.9)	(100)
73+	32	2	11	45
	(71.1)	(4.4)	(24.4)	(100)
All	**276**	**48**	**58**	**382[1]**
	(72.3)	**(12.6)**	**(15.2)**	**(100)**

1. The 'All' total excludes six households for which membership length data are missing.

Table C2: Membership Age and Initial Endowment -- *Female Member*

(No. of Households)

Membership Age Category (Month)	Landholding (in Acres) on joining RDP			All
	0-0.49	0.50-1.00	1.01+	
1-11	409	31	27	467
	(87.6)	(6.6)	(5.8)	(100)
12-29	146	9	13	168
	(86.9)	(5.4)	(7.7)	(100)
30-47	189	22	27	238
	(79.4)	(9.2)	(11.3)	(100)
48-72	60	5	12	77
	(77.9)	(6.5)	(15.6)	(100)
73+	31	2	1	34
	(91.2)	(5.9)	(2.9)	(100)
All	**835**	**69**	**80**	**984[1]**
	(84.9)	**(7.0)**	**(8.1)**	**(100)**

1. The 'All' total excludes three households for which membership length data are missing.

Table C3: Multiple Membership of RDP and Membership Age -- *Male Member*

(No. of Households)

Membership Age Category (Months)	No. of RDP Members in the Households		All
	One	Two+	
1-11	14	13	27
	(51.9)	(48.1)	(100)
12-29	49	45	94
	(52.1)	(47.9)	(100)
30-47	71	80	151
	(47.0)	(53.0)	(100)
48-72	22	43	65
	(33.8)	(66.2)	(100)
73+	13	32	45
	(28.9)	(71.1)	(100)
All	**171**	**217**	**388**
	(44.1)	**(55.9)**	**(100)**

Six households for which membership length data are missing are included in the total of 388.

Table C4: Multiple Membership of RDP and Membership Age -- *Female Member*

(No. of Households)

Membership Age Category (month)	No. of RDP Members in the Households		All
	One	Two+	
1-11	450	17	467
	(96.4)	(3.6)	(100)
12-29	161	7	168
	(95.8)	(4.2)	(100)
30-47	217	21	238
	(91.2)	(8.8)	(100)
48-72	73	4	77
	(94.8)	(5.2)	(100)
73+	30	4	34
	(88.2)	(11.8)	(100)
All	**934**	**53**	**987**
	(94.6)	**(5.4)**	**(100)**

Six households for which membership length data are missing are included in the total of 987.

Table C5: Intensity of Skill Training

(No. of Households)

Membership Age Category & Hh Category	No. of Training			All
	Nil	Single	Multiple	
1-11				
Male	25 (92.6)	2 (7.4)	-	27 (100)
Female	360 (77.1)	98 (21.0)	9 (1.9)	467 (100)
12-29				
Male	73 (77.7)	15 (16.0)	6 (6.4)	94 (100)
Female	108 (64.3)	45 (26.8)	15 (8.9)	168 (100)
30-47				
Male	108 (71.5)	26 (17.2)	17 (11.3)	151 (100)
Female	157 (66.0)	60 (25.2)	21 (8.8)	238 (100)
48-72				
Male	43 (66.2)	19 (29.2)	3 (4.6)	65 (100)
Female	41 (53.2)	28 (36.4)	8 (10.4)	77 (100)
73+				
Male	26 (57.8)	12 (26.7)	7 (15.6)	45 (100)
Female	18 (52.9)	10 (29.4)	6 (17.6)	34 (100)
NS				
Male	3 (50.0)	2 (33.3)	1 (16.7)	6 (100)
Female	1 (33.3)	2 (66.7)	-	3 (100)
All				
Male	**278**	**76**	**34**	**388**
Female	**685**	**243**	**59**	**987**

Table D1: Length of membership and RDP credit, results of T-tests for differences in group means of key indicators

INDICATORS	Loan >7500 & Length >2.5 years Vs. Loan <2500 & Length <2.5 years		Male Vs. Female Loan >7500 Length <2.5 yrs	Loan <2500 Length <2.5 yrs
	Male	Female		
(1)	(2)	(3)	(4)	(5)
Density of Living Quarters (Sq ft/Capita)	- 0.05	2.94	- 1.44	0.63
Livestock Ownership (TK/Hh)	0.59	2.13	1.52	1.61
House Structure Value (TK/Hh)	5.30	2.98	2.11	- 0.78
Total Asset Value (TK/Hh)	3.99	4.19	2.82	1.79
Asset Per Capita (TK)	2.22	5.04	0.95	1.76
Share of Revenue Earning Assets (% of total assets)	- 1.64	0.70	1.90	2.47
Cash Earning (Week/Capita)	0.03	2.89	0.01	1.87
Food Expenditure (Week/Capita)	0.12	4.34	0.81	2.96
Consumption Expenditure (Week/Capita)	1.18	3.92	0.63	2.69
Deficit Months (No. in Last Year)	- 0.42	- 4.83	- 1.44	- 4.38
Food Stock (Meal Days/Hh - Lean Season)	- 1.29	2.90	- 0.50	2.35
Food Stock (Peak Season)	- 1.16	0.57	1.78	2.61
Non-RDP Saving (TK)	- 0.38	1.89	- 0.71	1.82
All Weather Roofing Material	X^2=40.8 (P<0.01)	X^2=31.9 (P<0.001)	-	-

Note: The mean values are in Table 1 in the main text. The following pairs of columns from Table 1 - 2 Vs.3; 4 Vs. 5; 2 Vs.4 and 3 Vs.5 - are represented in Annex 1 Cols 2 to 5 respectively. The X^2 in cols 2 and 3 = chi-square.

Table D2: Group means for key indicators by length of membership, RDP credit received and initial endowment

Indicators	Male Loan >7500- Length >2.5		Female Loan >7500- Length >2.5		Male Loan >2500- Length >2.5		Female Loan >2500- Length >2.5	
	Land <0.25	Land >0.51	Land <0.25	Land >0.51	Land <0.25	Land >0.51	Land <0.25	Land >0.51
	n=99	n=42	n=97	n=29	n=20	n=11	n=383	n=53
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Density of Living Quarters (Soft/Person)	45.1	60.0	52.3	72.0	48.1	59.8	47.3	56.1
Livestock (Tk/Hh)	1,915	9,508	2,433	6,176	1,965	6,695	1,697	5,937
Wealth of Household (Tk/Hh)	11,273	31,410	10,263	15,348	2,357	12,422	5,331	11,157
Wealth Per Capita	21,525	57,892	18,358	28,946	7,765	30,925	8,576	18,801
Revenue Earning Assets (% of Wealth)	3,385	6,447	3,516	5,861	1,746	5,435	1,751	3,391
Cash Earning (Tk/Capita/Week)	33.5	43.9	28.4	41.9	35.1	52.0	30.7	43.8
Food Expenditure (Tk/Capita/Week)	61.3	64.5	63.5	39.4	56.3	73.7	48.9	31.2
Consumption (Tk/Capita/Week)	63.7	81.8	63.6	78.1	73.2	69.7	54.3	62.2
Food Deficit (months Last Year)	99.0	118.0	101.6	121.7	96.6	112.6	75.4	93.8
Food Stock-Lean Season (Mealth Days)	3.02	2.48	3.43	2.55	3.3	2.55	4.66	4.08
Food Stock-Lean Season	5.8	25.1	9.3	45.8	17.5	40.2	3.7	17.3
Non-RDP Saving (Tk/Hh)	20.9	47.4	10.5	45.1	18.5	73.1	11.4	51.9

See Annex Table 3 for results of t-tests for differences in group means.

Table D3 : Length of membership, loan and initial endowment results of t-tests for differences in groups means of key indicators

INDICATORS	Loan > 7500 & Length > 2.5 yrs vs Loan < 2500 & Length < 2.5 yrs				Large Endowment vs Small Endowment	
	Male		Female			
	Initial Endowment				Loan > 7500 & Length > 2.5 yrs	
	Small	Large	Small	Large	Male	Female
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Density of Living Quarters (Soft/Person)	- 0.22				2.79	1.85
		0.01	1.48	1.45		
Wealth of Households	3.84	2.59	3.45	1.60	4.19	1.59
Wealth Per Capita	2.96	0.61	4.91	1.58	4.11	1.58
Livestock	- 0.06	1.26	1.71	0.18	5.77	3.46
House Structure	5.47	3.03	2.53	0.97	3.60	1.15
Share of Revenue Earnings in Wealth	- 0.24	- 0.93	- 0.84	- 0.38	2.50	3.30
Food Expenditure	- 1.30	0.82	3.17	1.81	1.52	1.87
Consumption Expenditure	0.19	0.29	2.89	1.78	1.20	1.29
Food Stock - Lean Season (Meal Days)	- 1.09	- 0.77	2.10	1.72	3.14	2.30
Food Stock - Peak Season	0.23	- 0.95	- 0.34	- 0.42	1.83	2.66
Deficit Months	- 0.49	- 0.10	- 3.51	- 2.49	- 1.14	- 1.58
Cash Earning	0.51	- 0.31	2.18	0.87	0.16	- 2.44
Non-RDP Savings	- 0.16	0.63	1.42	1.41	- 0.06	- 0.76

Note: The following pairs of column no. from Annex 2 are represented in Annex 3 Cols 2 to 7 respectively: 1 vs. 5, 2 vs. 6, 3 vs. 7, 4 vs. 8, 1 vs. 2 and 3 vs. 4

Table D4: Mean Difference in Wealth by Combined Levels of RDP Loan and Membership Length -- ***Male Members***

Zero Loan All Age N=24	Loan <2500 All Age N=36	Loan 2500<5000 Age<30 Months N=29	Loan 2500<5000 Age>30 Months N=37	Loan 5000<7500 Age<30 Months N=32	Loan 5000<7500 Age>30 Months N=47	Loan >7500 Age<30 Months N=23	Loan >7500 Age>30 Months N=154	Compa-rison N=750	't' Statistics
15645	18629	-	-	-	-	-	-	-	-0.57
15645	-	18076	-	-	-	-	-	-	-0.49
15645	-	-	12921	-	-	-	-	-	0.55
15645	-	-	-	18495	-	-	-	-	-0.46
15645	-	-	-	-	21975	-	-	-	-0.92
15645	-	-	-	-	-	13625	-	-	0.42
15645	-	-	-	-	-	-	32236	-	-2.10**
15645	-	-	-	-	-	-	-	7250	4.19***
-	18629	18076	-	-	-	-	-	-	0.12
-	18629	-	12921	-	-	-	-	-	1.27
-	18629	-	-	18495	-	-	-	-	0.02
-	18629	-	-	-	21975	-	-	-	-0.57
-	18629	-	-	-	-	13625	-	-	1.07
-	18629	-	-	-	-	-	32236	-	-2.09**
-	18629	-	-	-	-	-	-	7250	6.73***
-	-	18076	12921	-	-	-	-	-	1.18
-	-	18076	-	18495	-	-	-	-	-0.08
-	-	18076	-	-	21975	-	-	-	-0.63
-	-	1806	-	-	-	13625	-	-	1.08
-	-	18076	-	-	-	-	32236	-	-1.98*
-	-	18076	-	-	-	-	-	7250	6.00***
-	-	-	12921	18495	-	-	-	-	-1.06
-	-	-	12921	-	21975	-	-	-	-1.60
-	-	-	12921	-	-	13625	-	-	-0.16
-	-	-	12921	-		-	32236	-	-3.02***
-	-	-	12921	-	-	-		7250	3.45***
-	-	-	-	18495	21975	-	-	-	-0.53
-	-	-	-	18495	-	13625	-	-	0.86
-	-	-	-	18495	-	-	32236	-	-1.96*
-	-	-	-	18495	-	-	-	7250	6.05***
-	-	-	-	-	21972	13625	-	-	1.27
-	-	-	-	-	21972	-	32236	-	-1.70*
-	-	-	-	-	21972	-	-	7250	8.51***
-	-	-	-	-	-	13625	32236	-	-2.34***
-	-	-	-	-	-	13625	-	7250	3.25***
-	-	-	-	-	-	-	32236	7250	15.97***

*Significance level : * P<0.10; ** P<0.05; *** P<0.001*

Table D5: Mean Difference in Wealth by Combined Levels of RDP Loan and Membership Length -- *Female Members*

Zero Loan All Age N=324	Loan <2500 Age<30 months N=193	Loan <2500 Age>30 Months N=39	Loan 2500<5000 Age<30 Months N=69	Loan 2500 <5000 Age>30 Months N=75	Loan 5000 <7500 Age<30 Months N=48	Loan 5000 <7500 Age>30 Months N=63	Loan >7500 Age<30 Months N=22	Loan >7500 Age>30 Months N=153	Compa -rison N=750	't' Statistics
10723	10332	-	-	-	-	-	-	-	-	0.34
10723	-	8372	-	-	-	-	-	-	-	-1.65
10723	-	-	13797	-	-	-	-	-	-	-1365
10723	-	-	-	15121	-	-	-	-	-	-2.41**
10723	-	-	-	-	16807	-	-	-	-	-2.75***
10723	-	-	-	-	-	15581	-	-	-	-2.5**
10723	-	-	-	-	-	-	13019	-	-	-0.81
10723	-	-	-	-	-	-	-	21051	-	-5.05***
10723	-	-	-	-	-	-	-	-	7250	4.96***
-	10332	8372	-	-	-	-	-	-	-	0.96
-	10332	-	13797	-	-	-	-	-	-	-1.78*
-	10332	-	-	15121	-	-	-	-	-	-2.54**
-	10332	-	-	-	16807	-	-	-	-	-2.83***
-	10332	-	-	-	-	15581	-	-	-	-2.62***
-	10332	-	-	-	-	-	13019	-	-	-1.01
-	10332	-	-	-	-	-	-	21051	-	-4.34***
-	10332	-	-	-	-	-	-	-	7250	3.88***
-	-	8372	13797	-	-	-	-	-	-	-1.81*
-	-	8372	-	15121	-	-	-	-	-	-2.29**
-	-	8372	-	-	16807	-	-	-	-	-2.42**
-	-	8372	-	-	-	15581	-	-	-	-2.37**
-	-	8372	-	-	-	-	13019	-	-	-2.15**
-	-	8372	-	-	-	-	-	21051	-	-2.49**
-	-	8372	-	-	-	-	-	-	7250	0.75
-	-	-	13797	15121	-	-	-	-	-	-0.45
-	-	-	13797	-	16807	-	-	-	-	-0.85
-	-	-	13797	-	-	15581	-	-	-	-0.57
-	-	-	13797	-	-	-	13019	-	-	0.20
-	-	-	13797	-	-	-	-	21051	-	-1.79*
-	-	-	13797	-	-	-	-	-	7250	5.12***
-	-	-	-	15121	16807	-	-	-	-	-0.49
-	-	-	-	15121	-	15581	-	-	-	-0.15
-	-	-	-	15121	-	-	13019	-	-	0.54
-	-	-	-	15121	-	-	-	21051	-	-1.52
-	-	-	-	15121	-	-	-	-	7250	6.38***
-	-	-	-	-	16807	15581	-	-	-	0.34
-	-	-	-	-	16807	-	13019	-	-	0.83
-	-	-	-	-	16807	-	-	21051	-	-0.88
-	-	-	-	-	16807	-	-	-	7250	6.30***
-	-	-	-	-	-	15581	13019	-	-	0.65
-	-	-	-	-	-	15581	-	21051	7250	-1.29
-	-	-	-	-	-	15581	-	-	-	6.29***
-	-	-	-	-	-	-	13019	21051	-	-1.19
-	-	-	-	-	-	-	13019	-	7250	2.92***
-	-	-	-	-	-	-	-	21051	7250	10.11

*Significance level : * P<0.10; ** P<0.05; *** P<0.001*

Table D6: Mean Difference in Food Consumption Expenditure (Percapita) by RDP Loan Size and Membership Length -- ***Male Member Households***

(Mean Tk/Household)

Zero Loan All Age N=24	Loan <2500 All Age N=36	Loan 2500<5000 Age<30 Months N=29	Loan 2500<5000 Age>30 Months N=37	Loan 5000<7500 Age<30 Months N=32	Loan 5000 <500 Age>30 Months N=47	Loan >7500 Age<30 Months N=23	Loan >7500 Age>30 Months N=154	Comp-arison N=750	't' Statis-tics
67	67	-	-	-	-	-	-	-	0.04
67	-	66	-	-	-	-	-	-	0.18
67	-	-	66	-	-	-	-	-	0.13
67	-	-	-	60	-	-	-	-	0.85
67	-	-	-	-	62	-	-	-	0.76
67	-	-	-	-	-	69	-	-	-0.13
67	-	-	-	-	-	-	70	-	-0.24
67	-	-	-	-	-	-	-	55	2.36**
-	67	66	-	-	-	-	-	-	0.18
-	67	-	66	-	-	-	-	-	0.13
-	67	-	-	60	-	-	-	-	0.98
-	67	-	-	-	62	-	-	-	0.87
-	67	-	-	-	-	69	-	-	-0.19
-	67	-	-	-	-	-	70	-	-0.32
-	67	-	-	-	-	-	-	55	2.81***
-	-	66	66	-	-	-	-	-	-0.05
-	-	66	-	60	-	-	-	-	0.58
-	-	66	-	-	62	-	-	-	0.46
-	-	66	-	-	-	69	-	-	-0.28
-	-	66	-	-	-	-	70	-	-0.44
-	-	66	-	-	-	-	-	55	2.14**
-	-	-	66	60	-	-	-	-	0.69
-	-	-	66	-	62	-	-	-	0.57
-	-	-	66	-	-	69	-	-	-0.25
-	-	-	66	-	-	-	70	-	-0.43
-	-	-	66	-	-	-	-	55	2.53**
-	-	-	-	60	62	-	-	-	-0.28
-	-	-	-	60	-	69	-	-	-0.98
-	-	-	-	60	-	-	70	-	-1.08
-	-	-	-	60	-	-	-	55	1.08
-	-	-	-	-	62	69	-	-	-0.92
-	-	-	-	-	62	-	70	-	-1.06
-	-	-	-	-	62	-	-	55	1.80*
-	-	-	-	-	-	69	70	-	-0.12
-	-	-	-	-	-	69	-	55	2.54**
-	-	-	-	-	-	-	70	55	5.48***

Significance level: * p < 0.10; ** p < 0.050; *** p < 0.010

Table D7: Mean Difference in Food Consumption Expenditure (Per Capita) RDP Loan Size and Membership Length -- *Female Member Household*

Zero Loan All Age N=524	Loan <2500 Age<30 months N=193	Loan <2500 Age>30 Months N=39	Loan 2500 <5000 Age<30 Months N=69	Loan 2500 <5000 Age>30 Months N=75	Loan 5000<7500 Age<30 Months N=48	Loan 5000<7500 Age>30 Months N=63	Loan >7500 Age<30 Months N=22	Loan >7500 Age>30 Months N=153	Comparison N=750	't' Statistics
55	55	-	-	-	-	-	-	-	-	-0.18
55	-	55	-	-	-	-	-	-	-	-0.05
55	-	-	60	-	-	-	-	-	-	-1.47
55	-	-	-	54	-	-	-	-	-	0.29
55	-	-	-	-	57	-	-	-	-	-0.60
55	-	-	-	-	-	60	-	-	-	-1.30
55	-	-	-	-	-	-	59	-	-	-0.72
55	-	-	-	-	-	-	-	66	-	-4.25***
55	-	-	-	-	-	-	-	-	55	-0.37
-	55	55	-	-	-	-	-	-	-	0.05
-	55	-	60	-	-	-	-	-	-	-1.26
-	55	-	-	54	-	-	-	-	-	0.38
-	55	-	-	-	57	-	-	-	-	-0.48
-	55	-	-	-	-	60	-	-	-	-1.11
-	55	-	-	-	-	-	59	-	-	-0.64
-	55	-	-	-	-	-	-	66	-	-3.68***
-	55	-	-	-	-	-	-	-	55	-0.08
-	-	55	60	-	-	-	-	-	-	-0.87
-	-	55	-	54	-	-	-	-	-	-0.20
-	-	55	-	-	57	-	-	-	-	-0.43
-	-	55	-	-	-	60	-	-	-	-0.79
-	-	55	-	-	-	-	59	-	-	-0.54
-	-	55	-	-	-	-	-	66	-	-2.21***
-	-	55	-	-	-	-	-	-	55	-0.10
-	-	-	60	54	-	-	-	-	-	1.22
-	-	-	60	-	57	-	-	-	-	0.59
-	-	-	60	-	-	60	-	-	-	0.10
-	-	-	60	-	-	-	59	-	-	0.15
-	-	-	60	-	-	-	-	66	-	-1.43
-	-	-	60	-	-	-	-	-	55	1.52
-	-	-	-	54	57	-	-	-	-	-0.67
-	-	-	-	54	-	60	-	-	-	-1.12
-	-	-	-	54	-	-	59	-	-	-0.70
-	-	-	-	54	-	-	-	66	-	-2.98***
-	-	-	-	54	-	-	-	-	55	-0.54
-	-	-	-	-	57	60	-	-	-	-0.50
-	-	-	-	-	57	-	59	-	-	-0.33
-	-	-	-	-	57	-	-	66	-	-2.06**
-	-	-	-	-	57	-	-	-	55	0.51
-	-	-	-	-	-	60	59	-	-	0.08
-	-	-	-	-	-	60	-	66	-	-1.53
-	-	-	-	-	-	60	-	-	55	1.31
-	-	-	-	-	-		59	66	-	-1.11
-	-	-	-	-	-		59	-	55	0.70
-	-	-	-	-	-			66	55	4.55**

Significance level: * p < 0.10; ** p < 0.050; *** p < 0.010

Table D8: Structure of Total Household Expenditure Budget

(Mean Tk. Per Household/Week)

Budget Items	Household Category		
	Male Household (N=388)	Female Household (N=987)	Comparison (N=750)
Cereals	201.90	168.37	155.13
	(34.13)	(38.19)	(40.64)
Non-Cereal Food	175.35	121.71	102.43
	(29.65)	(27.61)	(26.84)
Daily Necessities	32.80	23.25	23.36
	(5.55)	(5.27)	(6.12)
Clothing & Footwear	40.05	27.55	17.00
	(6.77)	(6.25)	(4.45)
Health	11.90	7.90	4.88
	(2.01)	(1.79)	(1.28)
Education	41.78	25.96	26.67
	(7.06)	(5.89)	(6.99)
Other Consumption	64.10	46.59	32.24
	(10.84)	(10.57)	(8.45)
Household Effect	3.43	2.06	1.63
	(0.58)	(0.47)	(0.43
Saving & Assets	20.17	17.46	18.34
	(3.41)	(3.96)	(4.80)
Total Expenditure	**591.48**	**440.84**	**381.68**
	(100)	**(100)**	**(100)**

Table D9: Composition of One-Week Household Expenditure of Male Household by Membership Age Category

(Mean Tk. Per Household)

Expenditure	Membership Age Category (months)				
	1-11	12-29	30-47	48-72	73+
Cereals	174.05	202.03	196.93	218.40	216.17
	(27.2)	(42.7)	(30.0)	(35.1)	(37.6)
Non-cereals Food	189.49	139.71	185.77	203.69	170.27
	(29.6)	(29.6)	(28.3)	(32.8)	(29.6)
Daily necessities	28.22	23.56	45.20	26.33	23.99
	(4.4)	(5.0)	(6.9)	(4.2)	(4.2)
Clothing & Footwear	79.88	21.98	46.06	46.51	27.03
	(12.5)	(4.7)	(7.0)	(7.5)	(4.7)
Education	12.73	5.99	13.09	12.26	20.82
	(2.0)	(1.3)	(2.0)	(2.0)	(3.6)
Health	35.91	25.33	58.96	27.39	45.37
	(5.6)	(5.4)	(9.0)	(4.4)	(7.9)
Other consumption	84.88	42.36	72.45	69.93	67.07
	(13.3)	(9.0)	(11.0)	(11.3)	(11.7)
Household effects	10.56	2.92	3.22	3.02	1.94
	(1.7)	(0.6)	(0.5)	(0.5)	(0.3)
Savings & Assets	23.98	8.81	34.60	14.37	2.73
	(3.8)	(1.9)	(5.3)	(2.3)	(0.5)
Total Expenditure	**639.69**	**472.69**	**656.27**	**621.88**	**575.39**
	(100)	**(100)**	**(100)**	**(100)**	**(100)**

Table D10: Composition of One-Week Household Expenditure of Female Household by Membership Age Category

(Mean Tk. Per Household)

Expenditure	Membership Age Category (month				
	1-11	12-29	30-47	48-72	73+
Cereals	161.41	173.38	184.85	163.21	134.27
	(39.8)	(39.0)	(37.0)	(32.4)	(39.4)
Non-cereals Food	117.10	124.94	126.30	134.64	108.57
	(28.8)	(28.1)	(25.3)	(26.7)	(31.9)
Daily necessities	20.56	24.52	28.15	26.27	13.78
	(5.1)	(5.5)	(5.6)	(5.2)	(4.0)
Clothing & footwear	23.00	25.12	35.93	34.20	21.79
	(5.7)	(5.7)	(7.2)	(6.8)	(6.4)
Education	6.18	7.27	8.39	21.35	1.28
	(1.5)	(1.6)	(1.7)	(4.2)	(0.4)
Health	22.26	21.47	29.44	45.63	29.63
	(5.5)	(4.8)	(5.9)	(9.1)	(8.7)
Other consumption	36.97	47.47	59.58	72.15	26.52
	(9.1)	(10.7)	(11.9)	(14.3)	(7.8)
Household effects	1.22	0.83	4.85	0.79	3.02
	(0.3)	(0.2)	(1.0)	(0.2)	(0.9)
Savings & Assets	17.37	19.85	21.92	5.19	1.93
	(4.3)	(4.5)	(4.4)	(1.0)	(0.6)
Total Expenditure	**406.07**	**444.85**	**499.40**	**503.42**	**340.78**
	(100)	**(100)**	**(100)**	**(100)**	**(100)**

Table D11: Food Expenditure Percapita, Loan Size and Length of Membership

(Tk. Percapita/Week)

Loan Category	Length of Membership (Months)					All
	1-11	12-29	30-47	48-72	73+	
0	55.1	62.6	56.5	60.6	37.3	55.6
1 < 2500	55.2	58.5	59.4	58.9	50.7	56.7
2500 < 5000	63.9	60.7	58.1	52.2	77.3	59.5
5000 < 7500	48.1	60.3	61.3	61.4	55.3	59.7
7500 < 10000	52.4	60.2	64.5	63.0	61.3	63.3
> 10000	57.7	74.4	69.2	74.4	67.6	70.2
All	**55.5**	**60.8**	**63.0**	**64.4**	**63.5**	**60.1**

Table D12: Food Expenditure by Loan Size & Initial Endowment – RDP Households

(Mean Tk. Percapita)

Loan Size Category (Tk.)	Land Holding on Joining RDP in Acres				All
	0	<0.50	0.51-1.00	1.01+	
0	51.39	58.01	65.65	58.48	55.57
1 < 2500	55.51	54.04	64.16	70.97	56.72
2500 < 5000	59.45	57.61	50.72	76.00	59.53
5000 < 7500	62.17	56.34	57.01	64.16	59.65
7500 < 10000	58.39	65.08	56.25	76.93	63.28
> 10000	65.33	64.28	98.97	79.61	70.15
All	**57.64**	**58.51**	**66.58**	**70.88**	**60.06**

Table D12.1: Occupation of RDP Members

Occupation	Male VO		Female VO	
	Male	Female	Male	Female
Cultivation	73 /16.9*	-	1 /0.1*	-
Agri & Skilled Labour	33 /7.7*	4 /1.8*	6 /0.6*	-
Trade	130 /30.2*	7 /3.1*	38 /3.6*	-
Agri & Unskilled Labour	108 /25.1*	8 /3.6*	54 /5.2*	-
Rural Transport	28 /6.5*	-	-	-
Household Work	13 /3.0*	188 /84.3*	905 /86.9*	-
Service	21 /4.9*	2 /0.9*	11 /1.1*	-
Other	25 /5.8*	14 /6.3*	27 /2.6*	-
Total	**431 /100***	**223 /100***	**1042 /100***	-

Table D12.2: Number of cash Earners -- *Male Member households*.

(No. of Earners)

Source	Slack Season		Peak Season	
	Men	Women	Men	Women
A. Labour Selling				
Agre and other unskilled	72	6	122	5
	(17.9)	(9.5)	(28.2)	(10.4)
Skilled, semi skilled and other labour	40	8	31	5
	(9.9)	(12.7)	(7.2)	(10.4)
B. Salaried Sources				
Salaried and petty employment	17	3	25	-
	(4.2)	(4.7)	(5.8)	
C. Remittance				
Remittances	-	-	1	-
			(0.2)	
D. BRAC Related				
BRAC related	-	5	-	-
		(7.9)		
E. Enterepreneurial Source				
Trade+Shopkeeping	137	9	119	8
	(34.0)	(14.3)	(27.5)	(16.6)
Selling crops and home produce	25	17	17	14
	(6.2)	(27.0)	(3.9)	(29.2)
Artisanal production	52	10	28	12
	(12.9)	(15.9)	(6.5)	(25.0)
Food processing	2	1	17	1
	(0.5)	(1.6)	(3.9)	(2.1)
Rural Transport	46	1	44	1
	(11.4)	(1.6)	(10.2)	(2.1)
F. Other				
Other Entrepreneutia	12	2	26	1
	(3.0)	(3.2)	(6.0)	(2.1)
Other (Transfer relief etc)	-	-	2	1
			(0.5)	(2.1)
All	**403**	**64**	**432**	**48**
	(100)	**(100)**	**(100)**	**(100)**
No. of Farmers Per Household	**1.039**	**0.165**	**1.113**	**0.124**

Table D12.3: Number of cash Earner's -- *Female Member Households*

(No. of Earners)

Source	Slack Season		Peak Season	
	Men	Women	Men	Women
A. Labour Selling				
Agre and other unskilled	226	55	371	51
	(27.4)	(26.8)	(39.4)	(26.0)
Skilled, semi skilled and other labour	109	11	89	15
	(13.2)	(5.2)	(9.4)	(7.7)
B. Salaried Sources				
Salaried and petty employment	50	6	37	5
	(6.1)	(2.9)	(3.9)	(2.6)
C. Remittance				
Remittances	1	-	9	1
	(0.1)			(0.5)
D. BRAC Related				
BRAC related	2	34	2	4
	(0.2)	(16.0)	(0.2)	(2.0)
E. Enterepreneurial Source				
Trade-Shopkeeping	207	22	221	21
	(25.1)	(10.4)	(23.4)	(10.7)
Selling crops and home produce	76	42	38	56
	(9.2)	(19.8)	(4.0)	(28.6)
Artisanal production	30	13	18	18
	(3.6)	(6.1)	(1.9)	(9.2)
Food processing	5	10	21	16
	(0.6)	(4.7)	(2.2)	(18.2)
Rural Transport	103	3	105	-
	(12.5)	(1.4)	(11.1)	
F. Other				
Other Entrepreneutia	15	6	30	9
	(1.8)	(2.8)	(3.2)	(4.6)
Other (Transfer relief etc)	1	3	1	-
	(0.1)	(1.4)	(0.1)	
All	**824**	**205**	**942**	**196**
	(100)	**(100)**	**(100)**	**(100)**
No. of Earners Per Household	**0.835**	**0.207**	**0.955**	**0.199**

Table D12.4: Assessment of Income Sources -- *Slack season*.

(Mean Tk./Earner)

Source Category	Household Category		
	Male VO	Female VO	Comparison
A. Labour Selling			
Agre and other unskilled	150	135	139
Skilled, semi skilled and other labour	203	263	235
B. Salaried Sources			
Salaried and petty employment	775	731	332
C. Remittance			
Remittances	-	2000	-
D. BRAC Related			
BRAC related	142	73	84
E. Enterepreneurial Source			
Trade+Shopkeeping	351	246	287
Selling crops and home produce	168	157	112
Artisanal production	247	142	158
Food processing	108	139	37
Rural Transport	243	247	206
F. Other			
Other Entrepreneutia	218	273	170
Other (Transfer relief etc)	-	86	56
All	**270**	**224**	**180**

Table D12.5: Assessment of Income Sources -- *Peak Season*

(Mean Tk./Earners)

Source Category	Household Category		
	Male VO	Female VO	Comparison
A. Labour Selling			
Agri and other unskilled	201	170	198
Skilled, semi skilled and other labour	338	197	183
B. Salaried Sources			
Salaried and petty employment	230	174	140
C. Remittance			
Remittances	300	617	-
D. BRAC Related			
BRAC related	-	96	-
E. Enterepreneurial Source			
Trade-Shopkeeping	406	409	297
Selling crops and home produce	179	101	190
Artisanal production	359	175	151
Food processing	342	143	179
Rural Transport	265	268	311
F. Other			
Other Entrepreneutia	293	298	222
Other (Transfer relief etc)	105	120	72
All	295	234	216

Table D12.6: Mean Difference in One-Week-Cash-Receipt : RDP Loan and Length of Membership -- ***Male Member Household***

Loan <2500 & length <29 N=37	Loan <2500 & lenght >30 N=23	Loan 2500< 5000 & lgth <29 N=29	Loan 2500< 5000 length >30 N=37	Loan 5000< 7500 & length <29 N=32	Loan 5000 <7500 & length >30 N=47	Loan >7500 & length <29 N=23	Loan >7500 & length >30 N=154	Compa-rison N=750	t-values
295.24	140.52	-	-	-	-	-	-	-	2.15
295.24	-	245.74	-	-	-	-	-	-	0.75
295.24	-	-	230.57	-	-	-	-	-	1.00
295.24	-	-	-	458.91	-	-	-	-	-1.26
295.24	-	-	-	-	206.45	-	-	-	1.67
295.24	-	-	-	-	-	251.72	-	-	0.57
295.24	-	-	-	-	-	-	404.07	-	-0.98
295.24								203.08	-1.78
-	140.52	245.74	-	-	-	-	-	-	-2.30
-	140.52	-	230.57	-	-	-	-	-	-1.67
-	140.52	-	-	458.91	-	-	-	-	-2.10
-	140.52	-	-	-	206.45	-	-	-	-1.69
-	140.52	-	-	-	-	251.72	-	-	-1.94
-	140.52	-	-	-	-	-	404.07	-	-1.91
-	140.52	-	-	-	-	-	-	203.08	-0.97
-	-	245.74	230.57	-	-	-	-	-	0.30
-	-	245.74	-	458.91	-	-	-	-	-1.57
-	-	245.74	-	-	206.45	-	-	-	1.04
-	-	245.74	-	-	-	251.72	-	-	-0.11
-	-	245.74	-	-	-	-	404.07	-	-1.28
-	-	245.74	-	-	-	-	-	203.08	0.74
-	-	-	230.57	458.91	-	-	-	-	1.85
-	-	-	230.57	-	206.45	-	-	-	0.58
-	-	-	230.57	-	-	251.72	-	-	-0.35
-	-	-	230.57	-	-	-	404.07	-	-1.58
-	-	-	230.57	-	-	-	-	203.08	0.54
-	-	-	-	458.91	206.45	-	-	-	2.36
-	-	-	-	458.91	-	251.72	-	-	1.34
-	-	-	-	458.91	-	-	404.07	-	0.42
-	-	-	-	458.91	-	-	-	203.08	4.26
-	-	-	-	-	206.45	251.72	-	-	-0.98
-	-	-	-	-	206.45	-	404.07	-	-2.04
-	-	-	-	-	206.45	-	-	203.08	0.07
-	-	-	-	-	-	251.72	404.07	-	-1.10
-	-	-	-	-	-	251.72	-	203.08	0.75
-	-	-	-	-	-	-	414.07	230.08	5.83

Table D12.7: Mean Difference in One-Week-Cash-Receipt : RDP Loan and Length of Membership -- ***Female Member Household***

Loan <2500 & length <29 N=196	Loan <2500 & lenght >30 N=58	Loan 2500< 5000 & lgth <29 N=69	Loan 2500< 5000 length >30 N=75	Loan 5000< 7500 & length <29 N=48	Loan 5000 <7500 & length >30 N=63	Loan >7500 & length <29 N=22	Loan >7500 & length >30 N=153	Compa-rison N=750	t-values
230.53	201.04	-	-	-	-	-	-	-	0.53
230.53	-	218.08	-	-	-	-	-	-	0.24
230.53	-	-	217.33	-	-	-	-	-	0.27
230.53	-	-	-	255.69	-	-	-	-	-0.41
230.53	-	-	-	-	242.40	-	-	-	-0.22
230.53	-	-	-	-	-	457.14	-	-	-2.49
230.53	-	-	-	-	-	-	306.31	-	-2.04
230.53	-	-	-	-	-	-	-	230.08	1.34
-	201.04	218.08	-	-	-	-	-	-	-0.41
-	201.04	-	217.33	-	-	-	-	-	-0.37
-	201.04	-	-	255.69	-	-	-	-	-1.02
-	201.04	-	-	-	242.40	-	-	-	-0.99
-	201.04	-	-	-	-	457.14	-	-	-3.03
-	201.04	-	-	-	-	-	306.31	-	-2.05
-	201.04	-	-	-	-	-	-	230.08	-0.05
-	-	218.08	217.33	-	-	-	-	-	0.02
-	-	218.08	-	255.69	-	-	-	-	-0.79
-	-	218.08	-	-	242.40	-	-	-	-0.66
-	-	218.08	-	-	-	457.14	-	-	-3.18
-	-	218.08	-	-	-	-	306.31	-	-1.90
-	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	230.08	0.40
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-0.76
-	[illegible]	[illegible]	[illegible]	-	242.40	-	-	-	-0.63
-	-	-	217.33	-	-	457.14	-	-	-3.05
-	-	-	217.33	-	-	-	306.31	-	-1.93
-	-	-	217.33	-	-	-	-	230.08	0.39
-	-	-	-	255.69	242.40	-	-	-	0.28
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-	-2.10
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	306.31	-	-0.89
-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	230.08	1.15
-	[illegible]	-	[illegible]	[illegible]	242.40	457.14	-	-	-2.83
-	[illegible]	-	-	-	242.40	-	306.31	-	-1.33
-	-	-	-	-	242.40	-	-	230.08	1.00
-	-	-	-	-	-	457.14	306.31	-	1.75
-	-	-	-	-	-	457.14	-	230.08	3.74
-	-	-	-	-	-	-	306.31	230.08	3.68

Table D12.8: Mean Difference One-Week-Cash-Receipt -- RDP Loan, Length of Membership & Initial Endowment -- *Male Household*

Loan <2.5 & Length >29 initial endowment <25 N=20	Loan <2.5 & Length >29 initial endowment <51 N=11	Loan <7.5 & Length >30 initial endowment <25 N=99	Loan <7.5 & Length >30 initial endowment <51 N=42	Else N=216	Compa-rison N=750	t-value
207.28	476.45	-	-	-	-	-2.19
207.28	-	350.54	-	-	-	-2.25
207.28	-	-	567.87	-	-	-1.37
207.28	-	-	-	266.76	-	-0.74
207.28	-	-	-	-	203.08	0.06
-	476.45	350.54	-	-	-	1.28
-	476.45	-	567.87	-	-	-0.25
-	476.45	-	-	266.76	-	1.85
-	476.45	-	-	-	203.08	2.90
-	-	350.54	567.87	-	-	-1.74
-	-	350.54	-	266.76	-	2.06
-	-	350.54	-	-	203.08	4.54
-	-	-	567.87	266.76	-	3.12
-	-	-	567.87	-	203.08	5.74
-	-	-	-	266.76	203.08	2.58

Table D12.9: Mean Difference One-Week-Cash-Receipt -- RDP Loan, Length of Membership & Initial Endowment -- *Female Household*

Loan <2.5 & Length >29 initial endowment <25 N=383	Loan <2.5 & Length >29 initial endowment <51 N=53	Loan <7.5 & Length >30 initial endowment <25 N=97	Loan <7.5 & Length >30 initial endowment <51 N=29	Else N=425	Compa-rison N=750	t-value
241.32	193.41	-	-	-	-	0.75
241.32	-	322.65	-	-	-	-1.62
241.32	-	-	201.22	-	-	0.47
241.32	-	-	-	243.02	-	-0.06
241.32	-	-	-	-	203.08	1.67
-	193.41	322.65	-	-	-	-2.22
-	193.41	-	201.22	-	-	-1.14
-	193.41	-	-	243.02	-	-1.24
-	193.41	-	-	-	203.08	-0.22
-	-	322.65	201.22	-	-	1.65
-	-	322.65	-	243.02	-	2.36
-	-	322.65	-	-	203.08	3.51
-	-	-	201.22	243.02	-	-0.79
-	-	-	201.22	-	203.08	-0.03
-	-	-	-	243.02	203.08	2.22

Table D13: **Annalysis Assessing the Contribution of the Variables to Wealth Acceumulation of RDP Household**

Variables	Method : Enter (all) β (t-value)
Household agregate education level	0.1942
Initial Ednowment	0.1741
No. of working member in the houscholds	0.1408
High education level and loan amount (interaction variable)	0.1685
Membership age between 30-72 months	0.1166
Households aggregate RDP loan	0.1108
Loan size > 7,500 Tk. and initial endowment (interaction variables)	0.0775
Female household category with more than 2.5 yr age (interaction)	-0.0650
Household aggregate training days in occupational skill	-0.0608
High vibrancy locality	0.0549
Houschold with > 0.50 acre land	0.0560

Table D14: Annalysis of Wealth of RDP Households : Results of Regression

Variables	Method : Enter (all) β (t-value)
Initial endowment (land owned on joing RDP)	41.53 (4.61)
NO.of working member in the Hhs	1785.29 (5.34)
Membership age between 30-72 months (Dummy)	5576.83 (3.63)
Hh aggregate RDP loan (Tk.)	0.44 (4.06)
Hh aggregate training days in occupational skill (No.)	-264.98 (-2.86)
Loan size >7500 Tk. and initial endowment (interaction var.)	23.08 (2.20)
High vibrancy locality (Dummy)	3264.17 (2.57)
Household with >0.50 acre land (Dummy)	2671.10 (2.24)
Hh aggregate education level	1473.00 (6.35)
High education level and loan amount (Interaction variable)	1.09 (5.75)
Female Hh. Category with more then 2.5 yrs age (Dummy)	-3585.14 (-2.18)
Constant	1410.37
R^2	0.422
F-statistic	80.37
DW	1.817
CI	8.346

Note: IS = Insignificant (P>5); NA = Not applicable; Figures in the parentheses indicate 't' - Value of the coefficient.

Table D15: Analysis of Consumption Expenditure: Values of Standardised Coefficients

Variables (of significance p<0.05)	Values of Standarised Coefficients, 'Beta'	
	Model 1	Model 2
Initial Endowment Percapita	0.042	0.093
Dependent Ratio	0.072	-0.136
One-week Total Expenditure Percapita	0.703	-
Wealth Percapita	0.144	0.305
RDP Loan Percapita	0.068	0.163
One-week Amount of Taka Percapita	-	0.120
Highly Vibrant Locality	-	0.070
High Education Level and Loan Amount	-	-0.052
(interaction Variable)	-	-0.060

Table D16: Analysis of Consumption Expenditure : Results of Regression Estimation

Variables	Method Stepwise insignificant variables excluded	
	Model-1 (β)	Model-2 (β)
Intial Endowments (Percapita land holding)	0.175	0.389
	(2.357)	(3.539)
Dependtent Ratio	-0.057	-0.108
	(-4.334)	(-5.568)
One Week Total Expenditure Per capita (Tk.)	0.539	NA
	(41.05)	-
Wealth Per Capita (Tk.)	0.002	0.005
	(7.793)	(11.126)
RDP Loan Per Capita (Tk.)	0.003	0.007
	(4.081)	(6.092)
One Week amount of Taka Per Capita	NA	0.112
	-	(4.925)
Highly Vibrant Locality (dummy)	18	10.90
	(0.862)	(2.891)
High Education Level and Loan Amount (Interaction vari.)	IS	-8.935
	(-1.367)	(-2.112)
Medium Vibrancy Locality and >7500 Tk. Loan (Interaction Vari.)	NA	-10.933
High Vibrancy Locality & >7500 Tk loan	IS	IS
	(1.722)	(-1.250)
Constant	33.24	69.32
R^2	0.646	0.234
F-Statistic	501.41	53.45
DW	2.058	1.925
CI	5.51	5.559

Figfure in the parentheses indicate 't' values of the coefficients. NA=Not applicable.
IS=Insignificants(p>5).

xxxx

Table D17: **Analysis of Consumption Expenditure : Results of Regression Estimation for *Male Household***

Variables	Method Enter (All)	
	Model-one (β)	Model-two (β)
Initial Endowment (Percapita land owned)	0.1197	0.3788
	(2.027)	(1.757)
Dependency Ratio	-0.0297	-0.0916
	(-2.175)	(-2.042)
One-week Total Expenditure Percapita (Tk.)	0.8545	NA
	(60.013)	
Wealth Percapita (Tk.)	0.0003	0.0063
	(1.095)	(7.318)
RDP Loan Percapita (Tk.)	0.0014	0.0055
	(1.630)	(2.450)
One-week Cash Earning Percapita (Tk.)	NA	0.0771
		(1.753)
Highly Vibrant Locality (Dummy)	0.3871	13.532
	(0.101)	(1.075)
High Level of Household Education (Dummy)	-0.0050	11.308
	(-0.001)	(0.922)
High Vibrancy Locality and >Tk. 7,000 Loan (Interaction Variable)	1.737	-10.855
	(0.391)	(-0.759)
Medium Level of Household Education (Dummy)	-0.3321	5.384
	(-0.142)	(0.708)
High Education Level and Loan Amount (Interaction variable)	-0.00004	-0.0015
	(-0.158)	(-2.011)
Medium Vibrancy Locality and >Tk. 7,000 Loan (Interaction Variable)	NA	-7.009
		(-0.639)
Medium Vibrancy Locality (Dummy)	-0.4110	NA
	(-0.142)	
Membership Age Between 30-72 Months	-1.055	9.1796
	(-0.545)	(1.420)
Low Vibrancy Locality and >Tk.7,000 Loan (Dummy)	0.0001	NA
	(-0.580)	
Low Vibrancy Locality (Dummy)	NA	14.265
		(1.624)
Household with >0.50 Acre Land (Dummy)	NA	-8.195
		(-1.053)
Constant	11.140	59.647
$\bar{R}^2$	0.928	0.227
CI	10.235	9.687
DW	1.999	1.895

Table D18: Analysis of Consumption Expenditure: Results of Regression Estimation for Female Household

Variables	Method Enter (All)	
	Model-one (β)	Model-two (β)
Initial Endowment (Percapita land owned)	0.2455	0.5260
	(2.341)	(3.389)
Dependency Ratio	-0.0701	-0.1162
	(-4.300)	(-5.410)
One-week Total Expenditure Percapita (Tk.)	0.4395	NA
	(27.434)	
Wealth Percapita (Tk.)	0.0027	0.0041
	(6.303)	(7.166)
RDP Loan Percapita (Tk.)	0.0033	0.0068
	(2.700)	(4.317)
One-week Cash Earning Percapita (Tk.)	NA	0.1296
		(4.841)
High Vibrant Locality (Dummy)	5.0986	11.5468
	(1.211)	(2.411)
High Education Level and Loan Amount (Interaction variables)	0.0015	-0.0012
	(-0.600)	(-1.021)
Medium Vibrancy Locality and >Tk. 7,500 Loan (Interaction Variable)	NA	-12.0039
		(-1.778)
High Vibrancy Locality & >Tk. 7000 Loan (Interaction variable)	19.1904	17.2571
	(2.309)	(1.573)
Medium Level of Household Education (Dummy)	0.3582	-0.1892
	(0.117)	(-0.046)
High Level of Household Education (Dummy)	1.1912	2.9762
	(0.219)	(0.411)
Medium Vibrancy Locality (Dummy)	4.8440	NA
	(1.449)	
Membership Age Between 30-72 Months (Dummy)	-2.6704	2.2733
	(-0.924)	(0.582)
Low Vibrancy Locality and >Tk. 7000 Loan (Interaction variables)	0.0003	NA
	(0.636)	
Low Vibrancy Locality (Dummy)	NA	-3.6619
		(-0.891)
Household with >0.50 Acre Land (Dummy)	NA	-0.7923
		(-0.195)
Constant	37.999	70.429
$\bar{R}^2$	0.551	0.222
CI	8.464	6.866
DW	2.127	1.980

Table D19: Mean Difference in One-Week Total Expenditure: RDP Loan & Initial Endowment - Male Member Household

Zero Loan All Hh N=24	Loan <2500 All Hh N=33	Loan 2500-< 5000 TG N=53	Loan 2500-< 5000 NTG N=15	Loan 5000-< 7500 TG N=59	Loan 5000-< 7500 NTG N=21	Loan >7500 TG N=130	Loan >7500 NTG N=49	Compa -rison N=750	't' Statis-tics	Signi-ficance
423	581	-	-	-	-	-	-	-	-1.50	0.140
423	-	468	-	-	-	-	-	-	-0.59	-0.556
423	-	-	606	-	-	-	-	-	-1.92	0.062
423	-	-	-	455	-	-	-	-	-0.47	0.641
423	-	-	-	-	480	-	-	-	-0.81	0.422
423	-	-	-	-	-	619	-	-	-2.01	0.047
423	-	-	-	-	-	-	953	-	-3.16	0.002
423	-	-	-	-	-	-	-	382	0.75	0.453
-	581	468	-	-	-	-	-	-	1.31	0.193
-	581	-	606	-	-	-	-	-	-0.18	0.856
-	581	-	-	455	-	-	-	-	1.58	0.117
-	581	-	-	-	480	-	-	-	0.90	0.372
-	581	-	-	-	-	619	-	-	-0.43	0.669
-	581	-	-	-	-	-	953	-	-2.47	0.015
-	581	-	-	-	-	-	-	382	4.17	0.000
-	-	468	606	-	-	-	-	-	-1.39	0.170
-	-	468	-	455	-	-	-	-	0.21	0.830
-	-	468	-	-	480	-	-	-	-0.15	0.879
-	-	468	-	-	-	619	-	-	-2.14	0.034
-	-	468	-	-	-	-	953	-	-4.04	0.000
-	-	468	-	-	-	-	-	382	2.23	0.026
-	-	-	606	455	-	-	-	-	1.68	0.097
-	-	-	606	-	480	-	-	-	1.27	0.214
-	-	-	606	-	-	619	-	-	-0.10	0.919
-	-	-	606	-	-	-	953	-	-1.62	0.111
-	-	-	606	-	-	-	-	382	3.20	0.001
-	-	-	-	455	480	-	-	-	-0.35	0.729
-	-	-	-	455	-	619	-	-	-2.48	0.014
-	-	-	-	455	-	-	953	-	-4.42	0.000
-	-	-	-	455	-	-	-	382	2.01	0.045
-	-	-	-	-	480	619	-	-	-1.33	0.185
-	-	-	-	-	480	-	953	-	-2.65	0.010
-	-	-	-	-	480	-	-	382	1.67	0.096
-	-	-	-	-	-	619	953	-	-3.45	0.001
-	-	-	-	-	-	619	-	382	8.19	0.000
-	-	-	-	-	-	-	953	382	11.90	0.000

Note: Initial endowment: TG = Landholding <0.50 acre; NTG = Landholding >0.50 acre

Table D20: Mean Difference in One-Week Total Expenditure: RDP Loan + Initial Endowment-Female Member Household

Zero Loan All Hh N=324	Loan <2500 TG N=210	Loan <2500 NTG N=22	Loan 2500<5000 TG N=11	Loan 2500<5000 NTG N=26	Loan 5000<7500 TG N=93	Loan 5000 <7500 NTG N=18	Loan >7500 TG N=142	Loan >7500 NTG N=33	Comparison N=750	't' Statistics
402	419	-	-	-	-	-	-	-	-	-0.68
402	-	626	-	-	-	-	-	-	-	-4.01***
402	-	-	404	-	-	-	-	-	-	-0.08
402	-	-	-	467	-	-	-	-	-	-4.30***
402	-	-	-	-	396	-	-	-	-	0.18
402	-	-	-	-	-	581	-	-	-	-3.06***
402	-	-	-	-	-	-	484	-	-	-2.39**
402	-	-	-	-	-	-	-	672	-	-5.31***
402	-	-	-	-	-	-	-	-	382	1.15
-	419	626	-	-	-	-	-	-	-	-2.60**
-	419	-	404	-	-	-	-	-	-	0.41
-	419	-	-	467	-	-	-	-	-	-2.87***
-	419	-	-	-	396	-	-	-	-	0.57
-	419	-	-	-	-	581	-	-	-	-1.92*
-	419	-	-	-	-	-	484	-	-	-1.44
-	419	-	-	-	-	-	-	672	-	-3.57***
-	419	-	-	-	-	-	-	-	382	1.65*
-	-	626	404	-	-	-	-	-	-	3.34***
-	-	626	-	467	-	-	-	-	-	-0.14
-	-	626	-	-	396	-	-	-	-	3.67***
-	-	626	-	-	-	581	-	-	-	0.37
-	-	626	-	-	-	-	484	-	-	1.25
-	-	626	-	-	-	-	-	672	-	-0.34
-	-	626	-	-	-	-	-	-	382	4.13***
-	-	-	404	467	-	-	-	-	-	-3.30***
-	-	-	404	-	396	-	-	-	-	0.22
-	-	-	404	-	-	581	-	-	-	-2.70***
-	-	-	404	-	-	-	484	-	-	-1.57
-	-	-	404	-	-	-	-	672	-	-4.07***
-	-	-	404	-	-	-	-	-	382	0.83
-	-	-	-	467	396	-	-	-	-	3.39***
-	-	-	-	467	-	581	-	-	-	0.43
-	-	-	-	467	-	-	484	-	-	1.47
-	-	-	-	467	-	-	-	672	-	-0.17
-	-	-	-	467	-	-	-	-	382	4.67***
-	-	-	-	-	396	581	-	-	-	-3.18***
-	-	-	-	-	396	-	484	-	-	-1.58
-	-	-	-	-	396	-	-	672	-	-4.15***
-	-	-	-	-	396	-	-	-	382	0.51
-	-	-	-	-	-	581	484	-	-	0.80
-	-	-	-	-	-	581	-	672	-	-0.66
-	-	-	-	-	-	581	-	-	382	3.11***
-	-	-	-	-	-	-	484	672	-	-1.91*
-	-	-	-	-	-	-	484	-	382	3.52***
-	-	-	-	-	-	-	-	672	382	5.75***

Significance level: * p<0.10; ** p<0.050; *** p<0.010

Table D21: Wealth, RDP Loan and Membership Age

(Mean Tk/Household)

Loan Size Category (Tk.)	Membership Age Category (Month)						All
	1-11	12-29	30-47	48-72	73+	NS	
0	10259	13463	15066	33580	2617	6180	11063
< 2500	9666	12769	15164	9385	11706	1667	11126
2500 < 5000	17633	13817	12912	18746	19288	7672	14640
5000 < 7500	24512	16118	18885	20352	11786	59547	18396
7500 < 10000	5272	12779	26361	25687	17237	27302	22672
10000+	15870	14546	25571	32430	25774	-	26354
All	**10959**	**14037**	**20282**	**24690**	**20606**	**22563**	**16231**

Table D22: Net Worth of Wealth, RDP Loan and Membership Age

(Mean Tk/Household)

Loan Size Category (Tk.)	Membership Age in Months						All
	1-11	12-29	30-47	48-72	73+	NS	
0	10259	13463	15066	33580	2617	6180	11062
< 2500	8900	12106	14607	8978	11081	1167	10438
2500 < 5000	16312	12734	11906	17876	18088	6547	13572
5000 < 7500	22628	14428	17304	18952	10786	57422	16809
7500 < 10000	2772	10422	24294	23955	15768	25052	20641
10000+	13203	10931	22446	29292	22470	-	23166
All	**10575**	**12733**	**18461**	**22894**	**18261**	**21285**	**15001**

ANNEX E

Table E1: Food Deficit Months and Occupation of Household Head -- *Male Households*

(No. of Households)

Name of Month	Occupation Category									Total
	Culti-vation	Arti and skilled labour	Trade	Agri and Un-skilled	Rural Trans port	HH Work	Ser-vice	Other	All	
Baishak	13	7	21	19	1	3	5	2	71	388
	(19.1)	(25.0)	(17.4)	(21.1)	(4.4)	(12.0)	(22.7)	(18.2)	(18.3)	(100)
Jaishthya	11	3	25	19	2	3	6	1	70	388
	(16.2)	(10.7)	(20.7)	(21.1)	(8.7)	(12.0)	(27.3)	(9.1)	(18.0)	(100)
Ashar	12	7	27	24	6	6	6	-	88	388
	(17.7)	(25.0)	(22.3)	(26.7)	(26.1)	(24.0)	(27.3)		(22.7)	(100)
Shrabon	15	9	20	24	7	6	8	2	91	388
	(22.1)	(32.1)	(16.5)	(26.7)	(30.4)	(24.0)	(36.4)	(18.2)	(23.5)	(100)
Bhadra	9	10	36	39	13	7	7	4	125	388
	(13.2)	(35.7)	(29.8)	(43.3)	(56.5)	(28.0)	(31.8)	(36.4)	(32.2)	(100)
Ashwin	30	9	58	50	17	13	6	6	189	388
	(44.1)	(32.1)	(47.9)	(55.6)	(73.9)	(52.0)	(27.3)	(54.6)	(48.7)	(100)
Kartik	29	9	71	53	13	10	7	5	197	388
	(42.7)	(32.1)	(58.7)	(58.9)	(56.5)	(40.0)	(31.8)	(45.5)	(50.8)	(100)
Agrahayan	6	3	15	12	2	-	3	1	42	388
	(8.8)	(10.7)	(12.4)	(13.3)	(8.7)		(13.6)	(9.1)	(10.8)	(100)
Poush	4	6	11	11	1	4	3	2	42	388
	(5.9)	(21.4)	(9.1)	(12.2)	(4.4)	(16.0)	(13.6)	(18.2)	(10.8)	(100)
Magh	10	5	17	14	-	4	3	3	56	388
	(14.7)	(17.9)	(14.1)	(15.6)		(16.0)	(13.6)	(27.3)	(14.4)	(100)
Falgoon	18	6	33	23	1	8	7	4	100	388
	(26.5)	(21.4)	(27.3)	(25.6)	(4.4)	(32.0)	(31.8)	(36.4)	(25.8)	(100)
Chaitra	22	8	49	35	2	9	6	5	136	388
	(32.4)	(28.6)	(40.5)	(38.8)	(8.7)	(36.0)	(27.3)	(45.5)	(35.1)	(100)
All	**68**	**28**	**121**	**90**	**23**	**25**	**22**	**11**	**388**	-
	(100)	**(100)**	**(100)**	**(100)**	**(100)**	**(100)**	**(100)**	**(100)**	**(100)**	

Figures in the parentheses indicate column percent

Table E2: Food Deficit Months and Occupation of Household Head -- ***Female Households***

(No. of Households)

Name of Month	Occupation Category									Total
	Culti-vation	Arti and skilled labour	Trade	Agri and Un-skilled	Rural Trans port	HH Work	Ser-vice	Other	All	
Baishak	31	10	39	133	11	31	17	6	*278*	*987*
	(28.2)	(26.3)	(21.4)	(31.9)	(22.5)	(32.6)	(24.3)	(21.4)	*(28.2)*	*(100)*
Jaishthya	23	7	31	119	10	30	20	7	*247*	*987*
	(20.9)	(18.4)	(17.0)	(28.5)	(20.4)	(31.6)	(28.6)	(25.0)	*(25.0)*	*(100)*
Ashar	28	11	51	174	22	43	21	7	*357*	*987*
	(25.5)	(29.0)	(28.0)	(41.7)	(44.9)	(45.3)	(30.0)	(25.0)	*(36.2)*	*(100)*
Shrabon	22	12	48	154	21	41	21	9	*328*	*987*
	(20.0)	(31.6)	(26.4)	(36.9)	(42.9)	(43.2)	(30.0)	(32.1)	*(33.2)*	*(100)*
Bhadra	24	12	64	186	22	41	16	11	*376*	*987*
	(21.8)	(31.6)	(35.2)	(44.6)	(44.9)	(43.2)	(22.9)	(39.3)	*(38.1)*	*(100)*
Ashwin	47	21	95	271	26	46	28	19	*553*	*987*
	(42.7)	(55.3)	(52.2)	(65.0)	(53.1)	(48.4)	(40.0)	(67.9)	*(56.0)*	*(100)*
Kartik	51	20	100	309	28	47	37	22	*614*	*987*
	(46.4)	(52.6)	(55.0)	(74.1)	(57.1)	(49.5)	(52.9)	(78.6)	*(62.2)*	*(100)*
Agrahayan	2	4	25	76	6	18	16	4	*151*	*987*
	(1.8)	(10.5)	(13.7)	(18.2)	(12.2)	(19.0)	(22.9)	(14.3)	*(15.3)*	*(100)*
Poush	10	6	27	80	6	20	18	4	*171*	*987*
	(9.1)	(15.8)	(14.8)	(19.2)	(12.2)	(21.1)	(25.7)	(14.3)	*(17.3)*	*(100)*
Magh	18	8	26	118	10	28	19	6	*233*	*987*
	(16.4)	(21.1)	(14.3)	(28.3)	(20.4)	(29.5)	(27.1)	(21.4)	*(23.6)*	*(100)*
Falgoon	26	7	42	152	16	38	26	9	*316*	*987*
	(23.6)	(18.4)	(23.1)	(36.5)	(32.7)	(40.0)	(37.1)	(32.1)	*(32.0)*	*(100)*
Chaitra	39	11	65	200	24	49	31	15	*434*	*987*
	(35.5)	(29.0)	(35.7)	(48.0)	(49.0)	(51.6)	(44.3)	(53.6)	*(44.0)*	*(100)*
All	**110**	**38**	**182**	**417**	**49**	**95**	**70**	**28**	**987**	-
	(100)	**(100)**	**(100)**	**(100)**	**(100)**	**(100)**	**(100)**	**(100)**	**(100)**	

Figures in the parentheses indicate column percent

Table E4: Food Security of Occupation Groups – ***Male Household***

(No. of Households)

Occupation of Hh Head	Level of Food Security				All
	Severe Deficit	Moderate to Severe Deficit	Slight Deficit	Surplus	
Cultivation	6 (8.8)	14 (20.6)	36 (52.9)	12 (17.7)	68 (100)
Arti & Skilled Labour	5 (17.9)	8 (28.6)	7 (25.0)	8 (28.6)	28 (100)
Trade	19 (15.7)	32 (26.4)	45 (37.2)	25 (20.7)	121 (100)
Agri & Unskilled	15 (16.7)	27 (30.0)	33 (36.7)	15 (16.7)	90 (100)
Rural Transport	1 (4.3)	6 (26.1)	13 (56.5)	3 (13.0)	23 (100)
Household Work	5 (20.0)	4 (16.0)	10 (40.0)	6 (24.0)	25 (100)
Service	2 (9.1)	8 (36.4)	6 (27.3)	6 (27.3)	22 (100)
Other	2 (18.2)	2 (18.2)	6 (54.5)	1 (9.1)	11 (100)
Total	**55 (14.2)**	**101 (26.0)**	**156 (40.2)**	**76 (19.6)**	**388 (100)**

Figures in the parentheses indicate row percent

Table E5: Food Security of Occupation Groups – *Female Household*

(No. of Household)

Occupation of Household Head	Level of Food Security				All
	Severe Deficit	Moderate to Severe Deficit	Slight Deficit	Surplus	
Cultivation	15 (13.6)	19 (17.3)	55 (50.0)	21 (19.1)	110 (100)
Arti & Skilled Labour	6 (16.7)	10 (27.8)	13 (36.1)	7 (19.4)	36 (100)
Trade	31 (17.0)	42 (23.1)	72 (39.6)	37 (20.3)	182 (100)
Agri & Unskilled	138 (33.1)	107 (25.7)	146 (35.0)	26 (6.2)	417 (100)
Rural Transport	9 (18.4)	17 (34.7)	16 (32.7)	7 (14.3)	49 (100)
Household Work	34 (35.8)	18 (18.9)	22 (23.2)	21 (22.1)	95 (100)
Service	22 (31.4)	11 (15.7)	18 (25.7)	19 (27.1)	70 (100)
Other	8 (28.6)	6 (21.4)	12 (42.9)	2 (7.1)	28 (100)
Total	**263 (26.7)**	**230 (23.3)**	**354 (35.9)**	**140 (14.2)**	**987 (100)**

Figures in the parentheses indicate row percent

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Table E6: Food Security of Occupation Groups -- *Comparison Households*

(No. of Households)

Occupation of Houslehold Head	Level of Food Security				All
	Severe Deficit	Moderate to Severe Deficit	Slight Deficit	Surplus	
Cultivation	17	15	18	14	64
	(26.6)	(23.4)	(28.1)	(21.9)	(100)
Arti & Skilled Labour	10	8	18	5	41
	(24.4)	(19.5)	(43.9)	(12.2)	(100)
Trade	16	25	39	8	88
	(18.2)	(28.4)	(44.3)	(9.1)	(100)
Agri & Unskilled	100	118	168	42	428
	(23.4)	(27.6)	(39.3)	(9.8)	(100)
Rural Transport	5	15	12	19	51
	(9.8)	(29.4)	(23.5)	(37.3)	(100)
Household Work	10	3	8	2	23
	(43.5)	(13.0)	(34.8)	(8.7)	(100)
Service	6	5	7	14	32
	(18.6)	(15.6)	(21.9)	(43.8)	(100)
Other	11	2	8	2	23
	(47.8)	(8.7)	(34.8)	(8.7)	(100)
Total	**175**	**193**	**278**	**108**	**750**
	(23.3)	**(25.5)**	**(30.1)**	**(14.1)**	**(100)**

Figures in the parentheses indicate row percent

Table E7: **Food Security of Households (in the Last Year)**

(No. of Households)

Membership Age and Household Category (Months)	Food Security Status				
	Severe Deficit	Modrate to Severe Deficit	Slight Deficit	Surplus	All
1-11					
Male Member	5	5	12	5	27
	(18.5)	(18.5)	(44.4)	(18.5)	(100)
Female Member	160	93	165	49	467
	(34.3)	(19.9)	(35.3)	(10.5)	(100)
12-29					
Male Member	18	20	43	13	94
	(19.1)	(21.3)	(45.7)	(13.8)	(100)
Female Member	28	55	54	31	168
	(16.7)	(32.7)	(32.1)	(18.5)	(100)
30-47					
Male Member	14	42	64	31	151
	(9.3)	(27.8)	(42.4)	(20.5)	(100)
Female Member	46	53	95	44	238
	(19.3)	(22.3)	(39.9)	(18.5)	(100)
48-72					
Male Member	11	13	23	18	65
	(16.9)	(20.0)	(35.4)	(27.7)	(100)
Female Member	18	18	27	14	77
	(23.4)	(23.4)	(35.1)	(18.2)	(100)
73+					
Male Member	6	19	12	8	45
	(13.3)	(42.2)	(26.7)	(17.8)	(100)
Female Member	10	10	12	2	34
	(29.4)	(29.4)	(35.3)	(5.9)	(100)
Comparison	**175**	**191**	**278**	**106**	**750**
	(23.3)	**(25.5)**	**(37.1)**	**(14.1)**	**(100)**

Figures in the parentheses indicate row percent

Table E8. Cash Earnings received per capita

Male Members categorised by length of membership (in months)

season	1-11	12-29	30-47	48-72	73+
slack	106.8	43.9	55.3	34.9	42.5
	(1.84)	(-2.29)	(-1.01)	(-1.88)	(-1.16)
peak	48.9	68.8	66.8	53.6	74.5

Female Members categorised by length of membership

season	1-11	12-29	30-47	48-72	73+
slack	34.0	38.3	56.3	44.4	45.2
	(-3.59)	(-2.74)	(1.19)	(0.03)	(-0.88)
peak	56.4	64.9	48.5	44.0	60.0

season	comparison group
slack	36.9
	(-2.79)
peak	53.4

(t statistics in parenthesis)

The tables show that for the groups with a length of membership greater than 30 months (30-47, 48-72, 73+) vulnerability to seasonality decreases. In the female categories, the two younger groups (1-11, 12-29) earning's are significantly higher in the peak season. For the males the pattern varies slightly: in the second youngest group (12-29) income is significantly lower in the lean season compared to the peak season, indicating that this group is more vulnerable, as we would expect; however, in the case of the youngest length of membership group (1-11) there is not a significant difference between the two seasons, but this is explained by the inclusion of more well-off males in this category.

If we compare the results to those obtained for the comparison group, except for the youngest age female group (1-11), we can say that the Brac members were less vulnerable to differences in seasonal earnings, and that this difference is pronounced after membership age becomes greater than 30 months.

Table E9: Food Expenditure (Per Capita)

Male Members categorised by length of membership (in months)

season	1-11	12-29	30-47	48-72	73+
slack	65.7	57.5	64.8	72.8	55.9
	(-0.89)	(-2.41)	(-1.76)	(0.85)	(-2.04)
peak	73.9	71.8	74.1	60.8	67.6

Female Members categorised by length of membership

season	1-11	12-29	30-47	48-72	73+
slack	49.9	56.3	54.7	59.1	66.9
	(-4.33)	(-1.36)	(-2.51)	(-1.08)	(0.41)
peak	59.6	61.1	63.2	65.5	63.0

season	comparison group
slack	51.7
	(-4.64)
peak	58.9

Considering expenditure on food for male members, a similar pattern emerged to that of the cash earnings indicator. The findings, except for the oldest group (73+ months), show a significant impact. The unexpected results for this category could be due to the fact that this is the pre-RDP group which entered the programme in its more experimental phase and this effected the size of the impact.

For the female group, there was a difference in expenditure for the middle category (30-47) but no significant difference for the second group (12-29). As expected there was a large difference for the youngest group. The comparison group fared worse than both the male and female members in all categories, although the difference between the two seasons that was marginally less than the youngest female group.

Table E11. **Consumption of rice (gram per capita per week)**
(home grown & purchased)

Male Members categorised by length of membership (in months)

season	1-11	12-29	30-47	48-72	73+
slack	3043	2898	2894	2866	2996
	(-0.26)	(-3.26)	(-2.63)	(-0.61)	(0.90)
peak	2943	3877	3598	2978	2739

Female Members categorised by length of membership

season	1-11	12-29	30-47	48-72	73+
slack	2717	2721	2899	3067	2631
	(-3.03)	(-2.70)	(-0.42)	(0.78)	(-1.05)
peak	3058	3163	2961	2890	3009

season	comparison group
slack	2802 (-3.0)
peak	3009

The difference in the consumption of rice , between the two seasons, follows a similar pattern to the other indicators. For the female categories there is a decrease in vulnerability after the 30 month mark, however, the decrease does not occur until later, until after 48 months. Once again the comparison group fares worse than the male and female groups overall.

Table E12. **Seasonal Food Stock**

Male Members categorised by length of membership (in months)

season	1-11	12-29	30-47	48-72	73+
slack	23.9	9.5	18.1	12.4	18.1
	(-1.46)	(-3.23)	(-0.27)	(-2.55)	(-0.65)
peak	46.4	31.3	20.2	41.1	23.2

Female Members categorised by length of membership

season	1-11	12-29	30-47	48-72	73+
slack	5.5	6.5	10.1	19.4	14.3
	(-6.1)	(-4.14)	(-2.44)	(-0.92)	(-0.70)
peak	18.5	24.0	17.6	27.3	19.7

season	comparison group
slack	5.2 (-4.81)
peak	11.9

For the seasonal food stock indicator, the results are as expected for the female group, while for the men an increase in vulnerability occurs in the 48-72 month category. (WHY?). The large difference in food stock between the two seasons for the youngest female group, the pre-intervention group, indicates effective programme targeting. Except for this latter category, the groups, male and female groups perform better than the comparison group.

Table E10: Total Expenditure (per capita)

Male Members categorised by length of membership (in months)

season	1-11	12-29	30-47	48-72	73+
slack	108.8 (0.53)	75.3 (-2.51)	107.3 (-0.85)	97.1 (0.21)	83.7 (-1.10)
peak	119.6	97.9	116.3	93.2	99.0

Female Members categorised by length of membership

season	1-11	12-29	30-47	48-72	73+
slack	68.4 (-4.70)	81.7 (-0.27)	80.3 -(2.39)	89.4 (-1.83)	89.1 (-0.22)
peak	86.2	83.8	101.5	114.1	92.2

season	comparison group
slack	72.4 (-3.84)
peak	83.9

Looking at total expenditure, the indicators support the pattern of reduced seasonal effects as length of membership increases for both male and females. For the male categories the difference was most pronounced for the second youngest category (12-29 months), as was found for the cash earnings indicator. For the female members, the difference between the two seasons total expenditure was larger in the first and third groups (1-11, and 30-47 months). Once again, the comparison group fared worse than all groups, except the youngest female category.

The findings from the selected indicators of vulnerability show that overall, both the male and female members are less vulnerable to seasonality than the comparison group, and that this vulnerability decreases for those members whose length of membership exceeds 30 months. This supports the 'critical mass' hypothesis put forward in the earlier chapter.

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Table E13: Seasonal Difference in Key Indicators by RDP Loans -- ***Male Member Households***

(Per Week)

Key Indicators	Loan Category (Tk.)											
	<2,500			2,500<5,00			5,000<7,500			>7,500		
	Slack Season	Peak Season	't'	Slack Season	Peak Season	't'	Slack Season	Peak Season	't'	Slack Season	Peak Season	't'
Food Consumption (Tk.)	64.07	70.45	-1.05	60.80	69.98	-1.10	52.36	69.97	-3.29	68.84	70.81	-0.31
Cash Earning (Tk.)	56.15	39.51	1.1	45.29	57.13	-1.34	51.42	73.26	-1.44	51.30	72.44	-1.72
Rice Consumption (gm pc)	2845.88	3785.39	-3.15	2813.97	3458.42	-1.40	2663.10	3571.42	-3.12	3088.69	3178.12	-0.49
Total Expenditure (Tk.)	101.82	100.71	0.08	95.49	108.12	-0.89	87.84	99.60	-0.91	101.61	119.33	-1.61
Food Stock (debt)	20.48	36.13	-1.73	7.13	19.34	-2.15	12.49	23.14	-1.62	18.31	32.10	-1.76
Illness of women (days)	2.5	1.1	1.72	1.9	1.1	1.25	1.9	1.3	1.06	1.4	1.1	0.92

Table E14: Seasonal Difference in Key Indicators by RDP Loans -- ***Female Member Households***

(Per week)

Key Indicators	Loan Category (Tk.)											
	<2,500			2,500<5,00			5,000<7,500			>7,500		
	Slack Season	Peak Season	't'	Slack Season	Peak Season	't'	Slack Season	Peak Season	't'	Slack Season	Peak Season	't'
Food Consumption	51.01	58.73	-3.81	50.35	63.17	-2.80	54.14	62.95	-1.93	63.66	66.87	-0.31
Cash Earning	33.61	54.97	-3.93	32.12	51.49	-2.88	53.40	44.80	0.80	65.75	65.08	-1.72
Rice Consumption	2708.58	2979.66	-2.98	2619.67	3148.55	-2.16	2740.67	3137.73	-1.88	3196.77	3067.98	-0.49
Total Expenditure	72.02	97.08	-3.42	76.51	99.95	-2.40	78.39	91.43	-1.55	96.17	109.23	-1.81
Food Stock (days)	6.25	16.94	-5.93	7.66	29.78	-3.97	6.92	23.96	-3.49	15.53	18.74	-1.76
Illness (days)	2.28	1.48	3.27	2.74	1.72	1.93	1.84	1.72	0.21	2.54	1.03	0.92

Table E15: Debt Servicing Level : Seasonal Difference by RDP Loan Category.

(Mean Tk(Week)

RDP Loan Size Category	Male			Female		
	Slack Season	Peak Season	t-Value	Slack Season	Peak Season	t-Value
< 2,500	15.25	24.40	-1.80	14.51	22.50	-3.57
2,500 < 5,00	41.44	59.19	-2.34	37.51	39.74	-0.55
5,000 < 7,500	57.64	56.94	0.09	60.07	66.91	-1.07
> 7,500	108.40	115.63	-0.79	83.55	90.20	-1.22

Table E16: Ratio of Debt Servicing to Total Expenditure : Seasonal Difference by Loan Size Categories.

(Mean Tk(Week)

RDP Loan Size Category	Male			Female		
	Slack Season	Peak Season	t-Value	Slack Season	Peak Season	t-Value
< 2,500	4.71	5.46	-0.49	5.34	7.07	-2.08
2,500 < 5,00	11.75	13.82	-0.98	15.82	12.40	1.54
5,000 < 7,500	18.28	16.10	0.73	20.79	20.09	0.27
> 7,500	25.42	22.35	1.22	25.98	26.60	-0.21

Table E17: **Average value of revenue earning assets of RDP households by membership length**

(Mean Tk(Household)

Membership Length	Household Category	
	Male Member	Female Member
1-11	11975	3269
12-29	5889	4672
30-47	8347	5355
48-72	10239	7529
73+	11635	2905
Total	**8708**	**4433**

Table E18: **Average value of revenue earning assets of RDP households by amount of RDP Loan**

(Mean Tk(Household)

Membership Length	Household Category	
	Male Member	Female Member
0	8682	3419
1-2499	6873	3549
2500-4999	5369	4592
5000-7499	7197	4729
7500-9999	7406	6768
10000+	13121	6452
Total	**8802**	**7788**

Table E19: **Wealth profile of RDP households by combined levels of RDP input - Male Members**

	Loan <Tk. 2,500 Length <2.5 yrs (n=37)	Loan >Tk. 7,500 Length >2.5 yrs (n=154)	Rest of the sample (n=195)
Fixed productive asset	37.63 (5819)	23.24 (7500)	23.52 (4301)
Agriculture tools	4.24 (657)	4.63 (4119)	*2.87 (525)*
Livestock	23.16 (3580)	12.77 (4119)	*16.82 (3076)*
Transport	2.26 (350)	3.28 (1059)	*2.66 (485)*
Artisanal tools	7.67 (1186)	2.20 (712)	*0.50 (92)*
Fishing tools	0.30 (47)	0.36 (116)	*0.67 (122)*
Business stock	19.95 (3084)	14.16 (4565)	10.54 (1930)
Revenue earning assets	57.61 (8903)	37.43 (12067)	34.06 (6231)
Value of house	27.81 (4299)	49.88 (16081)	52.61 (9623)
Household effect	6.73 (1041)	4.81 (1553)	6.04 (1106)
Savings	7.83 (1210)	7.85 (2533)	7.28 (1333)
Total	**100**	**100**	**100**
Wealth (mean)	**15453**	**32236**	**18293**

Figures in the parentheses indicate mean per household values in Taka.

Table E20: **Wealth profile of RDP households by combined levels of RDP input -- *Female Members***

	Loan <Tk. 2,500 Length <2.5 yrs (n=496)	Loan >Tk. 7,500 Length >2.5 yrs (n=153)	Rest of the sample (n=338)
Fixed productive asset	27.59 (2809)	21.32 (4492)	26.17 (3806)
Agriculture tools	1.92 (196)	3.19 (672)	*2.07 (302)*
Livestock	22.57 (2297)	15.11 (3183)	*19.93 (2898)*
Transport	2.15 (219)	1.84 (388)	*3.02 (438)*
Artisanal tools	0.49 (50)	0.77 (162)	*0.64 (94)*
Fishing tools	0.46 (46)	0.41 (88)	*0.51 (74)*
Business stock	4.69 (478)	10.40 (2190)	6.81 (990)
Revenue earning assets	32.29 (3285)	31.74 (6682)	33.0 (4797)
Value of house	55.48 (5643)	51.69 (10882)	52.37 (7610)
Household effect	7.07 (720)	5.17 (1090)	5.47 (794)
Savings	5.15 (524)	11.38 (2398)	9.16 (1333)
Total	**100**	**100**	**100**
Wealth (Tk.HH (%)	**10172**	**21051**	**14885**

Figures in the parentheses indicate mean per household values in Taka.

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Table E21: Use of Informal Loan and Membership Length -- *Male Households*

(Percentaged)

Loan Used for	Membership Length (Months)				
	1-11	12-29	30-47	48-72	73+
Asset & Income	34.00	25.32	48.61	45.16	59.26
Consumption	55.00	70.83	43.02	48.85	40.74
Debt Servicing	11.00	3.85	1.70	2.77	-
Others[1]	-	-	6.67	3.23	-
Total	100	100	100	100	100

1: Others include charges paid for overseas employment services, litigation expenses, bribery, electricity bills etc.

Table E22: Use of Informal Loan and Membership Length -- *Female Households*

(Percentaged)

Loan Used for	Membership Length (Months)				
	1-11	12-29	30-47	48-72	73+
Asset & Income	32.21	37.75	39.39	38.76	56.58
Consumption	66.85	56.62	57.16	59.73	43.42
Debt Servicing	-	4.16	0.43	1.52	-
Others[1]	0.94	1.47	3.01	-	-
Total	100	100	100	100	100

1: Others include charges paid for overseas employment services, litigation expenses, bribery, electricity bills etc.

Table E23: Use of Informal Loan and RDP Loan Category -- *Male Households*

(Percentage)

Loan Used for	RDP Loan Category					
	0	1-2499	2500-4999	5000-7499	7500-9999	10000+
Asset & Income	45.00	31.76	31.02	30.22	68.91	57.67
Consumption	45.83	57.13	62.53	63.04	26.74	38.44
Debt Servicing	0.83	5.56	3.23	2.64	-	2.17
Others[1]	8.33	5.56	3.23	4.10	4.35	1.70
Total	**100**	**100**	**100**	**100**	**100**	**100**

1: Others include charges paid for overseas employment services, litigation expenses, bribery, electricity bills etc.

Table E24: Use of Informal Loan and RDP Loan Category -- *Female Households*

(Percentage)

Loan Used for	RDP Loan Category					
	0	1-2499	2500-4999	5000-7499	7500-9999	10000+
Asset & Income	31.89	30.64	31.52	43.75	40.00	60.20
Consumption	66.87	66.99	66.30	49.78	60.00	35.80
Debt Servicing	-	1.24	0.74	4.03	-	1.30
Others[1]	1.24	1.12	1.44	2.44	-	2.60
Total	**100**	**100**	**100**	**100**	**100**	**100**

1: Others include charges paid for overseas employment services, litigation expenses, bribery, electricity bills etc.

Table E25: Networth of RDP Households by RDP Credit

(Mean Tk(Household)

Loan Category	Household Category	
	Male Member	Female Member
0	13655	9658
1-2499	117997	8226
2500-4999	12382	12121
5000-7499	17508	13491
7500-9999	21062	16950
10000+	26232	15500
Total	**19099**	**11255**

Table:1 Group means for key indicators by BRAC membership status

Indicators	Male member Households	Female member Households	Comparison group
One week's cash receipt(Tk.) (av. of 2 rounds)	324	246	203
One week's cash receipt per capita (Tk.)	58	48	45
Value of livestock (Tk)	3539	2639	1175
Value of Housestructure (Tk.)	11679	7129	4205
Number of deficit months	3	4	4

Annex-G2

TYPES OF ACTIVITIES

Household survey listed following different types of activities:

1. Fish net making
2. Earth digging
3. Kantha stitching
4. Mat making
5. Cane and bamboo work
6. Paddy husking
7. Mulberry care taker
8. Health worker
9. Poultry rearing
10. Poultry vaccinating
11. NFPE school teaching
12. Silk-worm rearing
13. Goat rearing
14. Teaching else where
15. Industrial worker
16. Saree trader
17. Tailoring
18. Cottage Industry (Self)
19. Puffed rice trading
20. Vegetable cultivation
21. Agri. labour
22. House maid
23. Rice trading
24. Family planning worker
25. CARE/RMP
26. Kabiraji
27. Fish farming
28. Shop
29. Selling milk
30. Midwifery
31. Selling egg
32. Hawker
33. Fuel wood sell
34. Tobacco maker
35. BRAC restaurant
36. Chira maker

37. Bobbin winding
38. Cow rearing
39. Selling kerosene oil
40. Begging
41. Business of medicine

These 41 different types of activities were classified under six different headings. These are

Skilled activity: Health worker, Poultry vaccinator, NFPE teacher, Teacher, Tailor, Family planning worker, midwife, Kabiraj.

Sectoral programme activity: Poultry rearing, Vegetable cultivation, Goat rearing, Cow rearing, Silkworm rearing, Fish farming.

Handicraft and Food processing: Fishnet making, Kantha Stitching, Mat making, Cane and bamboo work, Paddy husking, Puffed rice trading, Chira making.

Trading, Shop, Selling home produce: Saree trader, Rice trading, Shop, Milk selling, Selling eggs, Hawker, Selling fuel wood, Selling kerosene oil, Business of medicine, BRAC restaurant.

Wage labour: Earth digging, Mulbery care taker, Industrial worker, Agri. labour, CARE/RMP, Tobacco maker, Bobbin winder.

Housemaid: Housemaid, Beggar.

Rationale for classification: Over time, with BRAC assistance, number of people engaged in skilled and sectoral activities will increase. Number of beggars, people working as housemaids and wage labour are expected to decrease over time as they will get loan and training. Handicraft, food processing, trading, shop keeping, selling home produce are more traditional types of activities and are not expected to generate return as high as skilled or sectoral activities. BRAC's expectation is people engaged in these activities will gradually shift to more skilled activities generating higher returns.

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Table 1: Person deciding about spending women's income by length of BRAC involvement (Female BRAC member respondents only)

Length of BRAC involvement	Self	Husband	Both	Other	Total
1-11 month	156 (61)	40(16)	54(21)	7(3)	257(100)
12-29 month	50(50)	20(20)	28(28)	2(2)	100(100)
30-47 month	78(50)	31(20)	41(26)	6(4)	156(100)
48 + month	50(43)	22(19)	40(34)	4(3)	116(100)
Not Stated	3(75)	-	1(25)	-	4 (100)
Total	337(53)	113(18)	164(26)	19(3)	633(100)

Table 2: Person deciding about spending women's income by length of BRAC involvement (Non BRAC member Female respondents from BRAC HHs)

Length of BRAC involvement	Self	Husband	Both	Other	Total
1-11 month	4 (44)	3(33)	2(22)	-	9(100)
12-29 month	4(24)	8(47)	3(18)	2(13)	17(100)
30-47 month	7(29)	4(17)	12(50)	1(4)	24(100)
48 + month	8()	4()	4()	-	16(100)
Not Stated	2(100)	-	-	-	2 (100)
Total	25(37)	19(28)	21(31)	3(4)	68(100)

TABLE 3: PERSON DECIDING ABOUT SPENDING WOMEN'S INCOME BY AMOOUNT OF CURRENT BRAC LOAN (FEMALE BRAC MEMBER RESPONDENTS)

AMOUNT OF CURRENT BRAC LOAN (TAKA)	SELF	HUSBAND	BOTH	OTHER	TOTAL
0	126 (62)	28(14)	43(21)	5(3)	202(100)
1-2499	86(52)	33(20)	41(25)	6(4)	166(100)
2500-4999	70(50)	25(18)	14(30)	3(2)	139(100)
5000-7499	43(45)	18(19)	30(31)	5(5)	96(100)
7500-9999	7(50)	4(29)	3(21)	-	14 (100)
10000+	5(31)	5(31)	6(36)	-	16(100)
TOTAL.	337(53)	113(18)	164(26)	19(3)	633(100)

TABLE 4: PERSON DECIDING ABOUT TAKING BRAC LOAN BY LENGTH OF BRAC INVOLVEMENT (FEMALE BRAC MEMBER RESPONDENTS)

Length of BRAC involvement	Self	Husband	Both	Other	Total
1-11 month	62 (34)	81(45)	20(11)	19(10)	182(100)
12-29 month	53(30)	74(42)	26(15)	24(14)	177(100)
30-47 month	70(27)	125(49)	24(9)	38(15)	257(100)
48 + month	34(24)	59(42)	32(23)	15(11)	140(100)
Not Stated	1(33)	1(33)	-	1(33)	3 (100)
Total	220(29)	340(45)	102(13)	97(13)	759(100)

CHANGE IN WOMEN'S LIVES

Indicators for making a continuum on changes in women's lives of the selected VOs

Each VO is ranked using each of the following indicators. Again each of these indicators carries weights from 1 to 5. An indicator has received 5 if it is thought to be very good, 4 if it is good, 3 if it is satisfactory, 2 if it is thought to be bad & 1 if it is very bad. A VO have received a definite weight against one indicator and the summation of all the weights of all the indicators have been determined the rank of the VO.

I. Change in status within HH because of receiving BRAC loan

5 = Status within family has increased as a result of BRAC loan

4 = Status has changed a little within IIII

3 = Wives always had status at home

2 = Small acceptance among villagers

1 = No change in status within the family even after bringing loan (in negative sense)

II. Control over income from her own BRAC loan investment

5 = Female invest own loan and has full control over income from it (despite the presence of male members)

4 = Female can spend the income from loan, but they just let their husbands to know about it

3 = Female invest own loan and has full control over income from it without male member

2 = Both participate spending bigger amount but can spend little without male members permission

1 = She can not spend anything without husbands permission

III. **Control over income from shebika/poultry worker etc.**

5 = Full control over income from her own BRAC employment

4 = Full control over income from indigenous sources

3 = -

2 = Partial control over income from indigenous sources

1 = No control over income from indigenous sources

IV. **Attitude towards women's mobility for BRAC related activities**

5 = Positive attitude towards women working in public sphere

4 = Going to another place for BRAC related work e.g. going to a TARC for any kind of training

3 = Going to BRAC office (AO) for loan or any other BRAC related works

2 = Rendering BRAC cadre services within the village e.g. working as vaccinator/poultry worker/SS etc.

1 = Negative attitude towards regular BRAC related activities e.g. going to weekly meeting/BRAC office etc.

V. The role of women in decision making about children education

5 = Women decides themselves about children's education

4 = -

3 = Women look after children's education because they stay at home

2 = -

1 – Women do not have any say on her children's education

VI. The role of women in decision making about savings, use of savings

5 = -

4 = Clearly know about S operating system + can read S book

3 = VO members clearly know about saving operation but actually they did not have our opportunity to use that savings

2 – Know very little about savings system

1 = Does not know the savings system at all

VII. The role of women in decision making about receiving loans and use of loans

5 = Female member decides herself when to draw loan

4 = Both husband and wife decide on drawing loan

3 – Invest in a running business & the decision is taken by the owner

2 = When the scheme was passed she got the loan/the scheme was imposed by BRAC

1 = IIusband decides when to draw loan and where to use it

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VIII. The role of women in decision making selling and/or purchasing assets (poultry and livestock)

5 = Female member decides herself

4 = Both husband and wife decide

3 = -

2 – BRAC's push sale

1 = Husband/male members decide by themselves

IX. Women's decision making power about their voting rights

5 = All VO members decide whom to vote

4 = No influence from male members on whom to vote

3 = Husband decides it for them whom to vote

2 = -

1 = Totally unaware of their voting rights

X. Group action aimed at a common goal

5 = Well motivated/has full team spirit

4 – - .

3 = VO members have participation in few instances, but none of them are not that significant instance in terms of VO's common goal.

2 = No integrity within VO members/Dependent upon others (male VO)

1 = Not applicable (new VO)/selfish VO members/disorganised

Table:1 Scores received by each VO against each indicators

Name of the VO	Indicators										Total
	1	2	3	4	5	6	7	8	9	10	
L	5	5	5	5	5	4	5	5	5	1	45
V	5	4	5	4	5	2	4	4	3	5	41
Q	5	5	5	5	3	2	4	4	3	5	41
N	5	3	5	4	3	3	4	5	3	3	38
C	5	4	4	4	3	3	4	4	3	3	37
J	5	4	4	3	3	2	4	4	5	3	37
W	5	2	4	4	3	2	4	2	3	3	32
D	4	4	4	4	3	2	4	2	3	2	32
G	2	4	4	3	3	2	4	2	3	2	29
I	3	1	4	3	3	2	4	4	3	1	28
K	2	4	2	3	3	2	4	4	3	1	28
H	2	2	4	3	3	2	4	2	3	1	26
R	4	1	1	3	1	3	4	2	3	3	25
O	4	1	4	3	3	2	1	1	3	1	23
T	3	1	2	3	1	2	1	4	3	2	22
P	1	1	1	2	3	2	1	2	3	1	17

Table 1: Distribution of Drop-out Members Wealth Category (in respective community) and Reasons for Drop-out VOs <1 year (3 VOs from 3 AOs):

VO	Date of formation	No. of Drop-out	Wealth Category	Year of Drop-out	Reasons for Drop-out
Q	January, 1993	-	-	-	-
O	January, 1993	5	1-- 2 = - 3 = - 4 = 1 5 = 4	within 1st year	One of the member quarreled with other VO members for not having name among the first few members who received first loan. Later the VO members requested the BRAC staff to get her out of the VO. Apart from this, few other members stopped coming to the VO by themselves as they could not continue weekly saving. Discontentment over VGD card is another issue for members dropout in this VO. They told us that for VGD card distribution, BRAC staff did not follow the list that was prepared during the VO members meeting through discussion. They are quite impatient about this issue. They are not ready to accept that each of the members will receive VGD card by turn.
P	March 1993	-	-	-	-

Table 2: Distribution of Drop-out Members By Wealth Category (in respective community) and Reasons For Drop-out
VOs aged 12-47 months (8 VOs from 5 AOs)

VO	Date of formation	No. of Drop-out	Wealth Category	Year of Drop-out	Reasons for Drop-out
W	April, 1991	9	1 = 3 2 = 3 3 = 1 4 = 2	Within 3 years	Over loaded by household work, couldn't attend meeting regularly.
V	August, 1990	1	1 = - 2 = - 3 = - 4 = 1	1992	Migrated to India without repaying the loan installment of BRAC.
R+S	November, 1992	3	1 = 3 2 = - 3 = - 4 = -	1993	Inability to attend meeting regularly. Because they came from well-off families. So, they thought that it was inconvenient for them to attend meeting for asking loans. One ex-member was points. He refused to give and to take interest on loan and savings respectively. So, he left the VO.
T+u	June, 1990	9	1 = - 2 = - 3 = 7 4 = 2	1991	To face out the opposition of fundamentalist neighbors. To not get opportunity to withdraw own savings from their individual saving account in BRAC. Due to policy changes of BRAC. At the time of joining they knew the loan would be paid by giving 50 installments, later they knew they must be paid 52 installments. It unsatisfied them, so some members dropped out To know the money of GTF is not refundable.
M+n	July 1991	14	1 = - 2 = - 3 = 1 4 = 4 5 = 1 6 = 8	within 1st year	Few members refused to pay instalments regularly. VO leader, small group leader and other members created pressure on them. For few members they made them selling their goat or chicken or "Shil-nora" for repaying their instalments. Some of these members were expelled by BRAC+VO after their loan was repaid. Some of them left VO intentionally. They joined BRAC in the hope of getting livestock, wheat etc. but as they did not get these, they decided to leave BRAC. One person left the VO just after one month of joining VO, because he heard that if he delays his loan repayment, then police will arrest him and sell his house for loan repayment. But he returned afterwards when he found that other members were doing well with BRAC loan. One of the member had to sell a piece of land for repaying his instalment. Now, this VO has a problem over.

Table 3: Distribution of Drop-out Members By Wealth Category (in respective community) and Reasons for Drop-out. VOs aged 48+ months *(13 VOs from 7 AOs)*

VO	Date of formation	No. of Drop-out	Wealth Category	Year of Drop-out	Reasons for Drop-out
F+g	July, 1989	60	1 = - 2 = 8 3 = 28 4 = 24	1990, 1991	Force repayment for defaulter ex-members. Because it is a pre condition for a small group to repay overdue loans for receiving new loans Loan repayment system is not good. Some members were not satisfied with 10% deduction of loans. One member was nominated for PA (GS) by all of the members. But BRAC did not agree with it. So, some VO members (including that guy) dropped out. Due to frequently policy changes of BRAC. VO member mentioned, "At first the BRAC staff dealt good with us, but now they do not want to hear our problems. Now BRAC refuse to return our savings. Because we have no deed on savings that it is refundable". Some members wanted to see VO manual (BRAC's rule for conducting VO) but BRAC avoided it. So, some member left.
K	July, 1989	7	1 = 2 2 = 2 3 = 1 4 = 2	1989, 1991	Due to policy changes of BRAC. BRAC do not show the written rules for conducting VO. In 1991, BRAC refused to return GTF. But VO members have no written document about the previous rule of refundable group fund. If it was they tried to penalize BRAC in legal way because of these changing rule. Migration due to high price of homestead land in municipal area. Migrated to thana where land is comparatively cheap. There was an initial member aged 4 years. Later the VO members knew that members with bellow 18 years age do not acceptable. So, they canceled his name. Due to break down of joint family. Usually the adult male member of the HH repay the loan installment of his father. When they become separate from his father's HH they do not agree to repay for father. Being compelled the old father use to drop out from the VO. They are enable to utilize loan and to repay installment because of their not involvement with economic activities.

VO	Date of formation	No. of Drop-out	Wealth Category	Year of Drop-out	Reasons for Drop-out
J	December, 1987	20	1 = - 2 = 4 3 = 16	After 2 years (1991)	To meet emergency some needed to receive loan immediately. But they were refused. So, they dropped out. Some members accused that they saved a big amount in their savings fund but the PA did not record the exact figure. So, they dropped out. No correct savings account record keeping. The money of GTF is not refundable. Inability to repay loan installment. So, two members migrated to another area. They were afraid that BRAC might put them in jail
L+x	1988	5	1 = - 2 = 1 3 = - 4 = 2 5 = 2	3-4 yrs	Few of these dropped out members thought BRAC did not bring any change/improvement to their life. - consequently they left BRAC. One of the member migrated to India. Some of them refused to repay weekly instalments. They wanted to repay the entire amount after harvesting. When they refused to pay the weekly instalments, BRAC staff pressured them by chasing them every where bazar, road, even at their home. They were very upset about this chasing and left BRAC. In fact, people who are still in the VO resent this chasing business. The male group reported that when they failed to repay their instalments during the month of Ashwin (their slack season) "Then POs misbehaved with us. They took duck/chicken/rice etc. forcefully from their houses and sold in shops in the absence of the male members. "They took this incident as very insulting for them. Some of the male members are ready to leave VO after they finish repaying their instalments.
I	October, 1988	30	1 = 2 2 = 8 3 = - 4 = 12 5 = 8	Within 1st Year	During the floods of 1988, BRAC distributed VGD card among 7 members. This member was reduced in subsequent years. There were other relief for members too. The members had a dispute over this relief and VGD card distribution. All the members wanted these. Being unsatisfied these issues, they left BRAC. One member left VO because one of her children was not enrolled in the NFPE school.
H+a	May, 1986	15	1 = - 2 = - 3 = 2 4 = 1 5 = 12	within 6 months	None of the male members reported to have left the VO (according to time line). The female members left within 6 months of VO formation. There was a rumor in the village that BRAC would take these women (members) away, convert them into Hindu or Christianity. This created so much fear among the members that one of the VGD card holder member left at that time too.

VO	Date of formation	No. of Drop-out	Wealth Category	Year of Drop-out	Reasons for Drop-out
B+e	July, 1982	18	1 = - 2 = - 3 = 1 4 = 2 5 = 15	2-3 yrs after	There was a discontentment over FE training in the village. 2 VO members (male) were trained to give FE training. When they came back and started their training one of the teacher was teaching very well. As a result, students (VO members!) from other school started joining this school of Anisur. But Sayeb Ali - who was running the other school became very angry at this and refused to give any of the relevant papers to Anisur. This ended up in serious dispute between 2 groups and a lot of members left BRAC under the leadership of Sayeb Ali. Another incident took place 2 years after this incident. Federation activity started around that time. "Food for Work" programmes were going on in the villages. The BRAC staff told them that they should do the works of their village by themselves and they should bargain for the right wage rate. The members had the idea that the amount of wheat allotted for them from UP was not right. In other words the ward member and UP Chairman tried to do some corruptions. Some of the members wanted to accuse the Ward member and UP chairman of corruption. But the VO had members who were related to the UP chairman and refused to go against them. So another dispute developed and 20-25 members left BRAC VO. **Note:** This VO was formed in 1982. And the # of initial members were about 60-65.
D+e	November 1989	8	1 = 3 2 = - 3 = 1 4 = - 5 = 4	A little more than 1 year	When all the 75 members finished getting loans, few people stopped paying the instalments regularly. For few of these, other members helped them to pay their instalments. While for others, they compelled them to sell their utensils for repaying their loans. 3-4 members sold their livestock in order to repay their loans. They even physically assaulted some of the members. All these caused dropouts in the VO. 5 members left VO because they wanted VGD card, which the office refused to pay. BRAC is not keeping its promises.

Among the male VOs only one VO (A) has more than one active leader. Although VO 'A' has two leaders, one is not a formal member of the management committee and not even a small group leader, he is simply an influential person. He leads the VO along with his nephew, the official chairperson of the village organisation. He joined the VO only two years back (in 1991). The VO was formed in 1979. Both of his wives are members of the linked female VO. He is the richest person in the village with 20 acres of land. This person also leads five other organizations, including a shop owner's association, a rickshaw puller's association, a truck labour's association. He is the secretary of the local primary school. He plays a dominant role in *shalish* (arbitration) in the village and is always invited as a special guest in social functions such as marriages. He has the capacity to influence the local UP elections. He was included in the VO consciously in order to maintain the VO discipline in terms of regular loan repayment. Being an influential person of the area he is obeyed and respected by the villagers. The VO chairperson has recently purchased a power tiller. Apart from this, he owns the only laundry at the nearest market. In this village organisation there is evidently immense differences in the socio-economic status of the leaders and the ordinary members.

In another male VO, 'K', there is no other active leader but the VO chairperson. The initiator and the chairperson of this VO is an ex-army person who received Tk.68,000 on retirement in 1985. With this money he bought some arable land and homestead land, built a semi-pakka house. He receives pension worth Tk.613 and 40 kg rice, 40 kg of wheat flowers, 5 kg sugar and 5 kg of oil at subsidized price every month. He has a TV, a sanitary latrine, 13 rickshaws and a rickshaw repairing shop. He earns Tk.200 per day. A lot of the members of this VO rent rickshaws from him. The only decision maker in this VO is the chairperson. When we asked BRAC members in the village "which VO they belonged to", they replied "Almas Samity". The VO chairperson is acting as the only medium between the PA and members. The chairperson's two mother-in-laws are BRAC members and one of them chairs the female VO. His wife is also a member of the female VO. Within the VO his position is unchallenged. There is no doubt that there is an immense difference between the leader and ordinary members of this VO in terms of their socio-economic status.

If we compare another study VO 'B' with 'A' and 'K', we get a slightly different picture. The leader of this VO - Nurbaksh does not come from an economically better off class, but

has a large kinship network within the local society. So he has enhanced social status and wider connections compared to the ordinary members of the village organisation.

Another male VO `E' established in 1989 has only one active leader - Hashem. He comes from a family with higher status compared to the general members. He is a "smuggler" and has a big network of relatives in the village. Once he even contested the local UP membership elections. As he did not have the kind of money other candidates were able to distribute, he did not win. BRAC or the VO members had nothing to do with his candidacy. Although he did not win the election, this does not mean that he does not have any command over his VO. He boasted that he knew much more than the other members and that the AO staff always consult him before doing anything for the VO. Now he is acting as a manager of the deep tube-well installed by BRAC. The general members know that BRAC is operating the DTW, but only Hashem and a few others who are in the DTW management group know that it is the VO members' money with which the DTW is running. Once on Hashem's initiatives, 10 of the members leased in a pond for cultivation. But they have discontinued this project, since it was not profitable. Apart from VO activities, he also has some influence in the village and participates in the village *Shalish*. On the whole, there is a considerable difference between the VO leader and ordinary members in the VO in terms of their socio-economic status.

The situation of male VO `F' also demonstrates different socio-economic status between the VO leaders and ordinary members. But the difference here is not so pronounced. The VO management committee has changed three times since its formation in. The former VO secretary was a literate person, received functional education training and conducted 2 training sessions in the VO. Later, he wanted to be a program assistant but the BRAC office did not hire him and he left the VO protesting the decision along with a few fellow members.

The second committee worked for 6 months and then they found their duties to be problematic and decided to discontinue on the grounds that they did not like asking defaulters for repayment and going to their houses to remind them to repay. They found this work to be inconvenient. A few members volunteered to form a new committee and a third committee was established. The present VO leader does not come from a prestigious family. He is a van puller. Though this leader is not economically well-off, he has a wide net of kith and kin and thus has a stronger network of relations compared to other members of the VO.

In the male VO 'M' the socio-economic status of the leader in the VO and within the community is not remarkably different from that of the general membership. The president of this VO belongs to the wealth category 3 (i.e. in the middle of the class hierarchy). On the basis of wealth he might be considered as a relatively well-off member. But there is no distinct difference with regard to social status because all VO members belong to a fish-trading community. Although he is the only active leader in the VO, sometimes he gets help from another relatively less active member from lower wealth category.

While we have assessed socio-economic differences between leaders and ordinary members of the male VOs in general terms, for female members there are added considerations required. Most importantly, a key determinant of their status derives from their domestic situation.

We will first consider the 3 youngest female VOs 'O', 'P' and 'Q' (1-11 month old VOs), in which we found some interesting criteria for leadership. In VO 'O', the cashier is the actual leader. She was the initiator of the VO. This leader belongs to the wealth category 5 (one of the lower ones). This VO is located in a somewhat conservative area with some people who have migrated here from different places of Bangladesh. So the people of this locality are not willing to allow their wives to go to public places. Even the husband of the VO president said that he would not allow his wife to go to the training centre for receiving training or even to the Area Office. At one stage he threatened to take his wife out of the VO. In this adverse situation the leader who had to steer the VO was the cashier, a widow. This woman is very mobile and outspoken in nature and other members of the VO appreciate this and admire her. Thus she holds a high status in the VO.

Members of VO 'P' named two leaders. The chairperson of the VO belongs to a well-off household and the informants said that she is only a nominal leader. The main responsibilities of running the VO are being carried out by the cashier, who belongs to the lowest wealth category in that village. This cashier is a widow. In spite of her poverty she has a good control over the VO. The general members of this VO also admire her though wider society may not accord her the same kind of respect and prestige.

The third VO of age category 1-11 months, 'Q', has only one active leader. She was selected after the former VO chairperson left the VO to join Grameen Bank instead. The current chairperson belongs to the wealth category 4. So there is no difference in economic status between the leader and the ordinary members. But since her husband is ill and does

not work, she plays a vital role in decision making in her household's affairs.

Amongst the case studies there are 5 female VOs between 12-47 months. The VOs are (R), (N), (W), (T) and (V). In all these cases, the VO leaders belong to the last or poorest wealth category of the community. So in the case of these VOs there is obviously no difference in the economic status between members and the VO leaders. But there are some differences in the social status between the members and the VO leaders.

The leader of VO `W' used to work in CARE's RMP and earned Tk.400 per month. Before joining BRAC, she was a member of Grameen Bank. Her husband is idle and does not do anything for the family. She has no alternative other than to maintain her family by her own capacity. On the other hand, the chairperson of the VO `V' is a widow. Almost all the members of this VO are Hindu. Hindu women are not bound by the same kind of *`purdah'* norms as are Muslim women and enjoy more freedom in their movement.

In the case of VO `N', the chairperson of the VO is an outspoken woman. As it is a fish trading community, most of the male folk of the society stay outside the village the whole day. So the women to take up more responsibilities in the household. In addition to this favorable situation, the VO President is articulate and extrovert and this appears to enhance her status in the VO. The leader of VO `T' fits the pattern well--she is poor like other VO leaders and outspoken in nature.

There are 8 focus VOs (5 female and 3 male) and 5 linked VOs (2 female and 3 male) in the 48 months plus age group. Among the 7 female VOs (5 focused and 2 linked) we can't say anything about the leaders of the VO `G' as they are not within our VO command area. We did not do the wealth ranking exercise with them. In the case of the other 6 female VOs if we look at the economic status of the leaders we will find a slightly different picture than VOs from the other two age groups. Here leaders of the VO `I', `H' and linked VO `C' belong to the last wealth category of the community. Leader of the VO `L' belongs to the wealth category 4--the last but one wealth category. The other two leaders of VOs `J' and `D' belong to wealth category 3 and are well-off compared to the other members of the VO. It is difficult to say whether they were in a better condition before joining BRAC or they have improved their economic condition over time through their participation in BRAC Programmes. However, though the difference in economic status is small, their social status remains high as the other two age group leaders. Leaders of the VO `I' and `D' are widows. In the case of linked VO `C' the chairperson's husband

has been paralyzed for 15 years, so she is the breadwinner of her family. As the VO is located in a matriarchal tribal community, the chairperson and the leader of VO 'L' enjoys a different type of social status. However, we did not, during the course of our interview attempt to ascertain the relative status of the leader and the ordinary VO members). Leaders of two other VOs 'J' and 'H' are not like other leaders, i.e. they are not widowed or deserted. Yet they are very mobile and out spoken. In this regard, the leader of VO 'H' said,

"we have elected those [women] as leaders who have 'mukhh chalu' (more vocal) and 'thang chalu' (who can walk much)."

It is clear that in the case of male VOs, there is a distinct socio-economic status difference between leaders and ordinary members. Most of the male leaders of the VO come from comparatively well off families. While for the female VOs, we do not have any notable economic status differences, though there are some differences in social aspects. As it was found that among 15 female VOs (12 focused and 3 linked), 6 leaders are widowed, 5 others have husbands who are ill, 1 leader is from a matriarchal society and another leader married 8 times. One is unidentified and two others are housewives. So it is apparent that single, more independent women - often widows or deserted women who have to struggle for their existence - are usually selected as leaders. They are mobile and extrovert which make them distinct from the general members. Perhaps because they are used to struggling for their daily existence, so they can more easily organize and bargain for their fellow members' interests.

In the first instance, VO members found it insulting to have the BRAC staff remind them constantly to repay their instalments. The management committee themselves decided to take the full responsibility of repaying the installments regularly.

In another VO, 10 members leased in a pond for fish cultivation. Other members of the VO were totally unaware of this venture. The groups did not make any profit out of it and did not continue.

In the third VO, one of the VO member's husband competed in the UP election for membership. All the VO members campaigned for him without any instigation from BRAC. He won the election.

The fourth VO maintains an emergency fund to pay the instalments temporarily for those who fails to pay on time. They are doing it entirely by themselves.

Another VO mentioned that BRAC, after working for two years in that area, closed their office and left the area but the VO members continued their activities for 6 months after which BRAC returned. This is the only VO which showed some elements of self representation.

The last VO of the lot had several DTWs around their village and they felt that they had adequate supply of irrigation water. In this situation, when BRAC wanted them to buy a DTW, they successfully resisted BRAC's initiative.