



## SOCIAL

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# Assessment of BRAC's Enhancing Social Capital Project -2011

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## ACRONYMS

AM	Area Manager
BM	Branch Manager
BBS	Bangladesh Bureau of Statistics
BEP	BRAC Education Programme
BHP	BRAC Health Programme
CO	Community Organizer
CEP	Community Empowerment Programme
DM	District Manager
ESC	Enhancing Social Capital
EIG	Employment and Income Generating Activities
FA	Field Assistant
FP	Family Planning
FO	Field Organizer
FGD	Focus Group Discussion
HRLS	Human Rights and Legal Aid Services
HH	Household
IGA	Income Generating Activities
PA	Programme Assistance
PO	Programme Organizer
MF	Micro-finance
NGO	Non-governmental Organization
SSI	Semi-structured Interview
VO	Village Organization
VAW	Violence Against Women
WASH	Water, Sanitation and Hygiene

## **ABSTRACT**

BRAC embraces a holistic approach towards development that is integrated with village organization (VO). To uphold and maintain the integrity and norms of BRAC VOs, Community Empowerment Programme (CEP) of BRAC initiated the Enhancing Social Capital (ESC) project in 2010. This study aimed to assess the progress in VO discipline in ESC project areas. We used a quasi-experimental design to understand the achievements of this project. Both quantitative and qualitative techniques were used to collect data from 264 VOs representing experimental and control group. The findings reveal that experimental VOs were performing better than control ones, particularly in sanitation, family planning, VO discipline, participation in local *shalish*, etc. The location of VO sometimes constrained project's staff in attending VO activities in time. Thus, coordination between ESC and micro-finance staff should be improved to achieve ESC project objectives.

# EXECUTIVE SUMMARY

## INTRODUCTION

A peer-based approach increases borrowers' accountability and responsiveness to the institution they are attached to. BRAC adopts a holistic development approach for the poor women introducing village organizations (VO) consists of a group of female borrowers.

BRAC's Community Empowerment Programme (CEP) has introduced the Enhancing Social Capital (ESC) project in 2010. The project aims to increase solidarity among VO members and further develop their integrity as BRAC clients. The project intervention involved 7,582 VOs across 10 districts in Bangladesh - Khulna, Meherpur, Chuadanga, Jhenaidah, Jhalokathi, Munshiganj, Moulvibazar, Comilla, Feni and Gazipur. The selected VOs were reflected lowest micro-finance performance in terms of achieving VO discipline.

## METHODS

We followed a quasi-experimental design to assess the achievements of ESC project. The VO members of ESC project areas were considered experimental group while those of non-ESC areas were treated as control group. Both quantitative and qualitative techniques were used to collect data. A two-stage simple random sampling technique has been adopted. The total sample size was determined to be 132 VOs out of 6,082 VOs from experimental VOs. The same numbers of VOs were also considered from non-ESC project areas (control group) in nine ESC project districts. Simple statistical tests including test of equality of means and proportions, along with 't' and chi-square tests were have been performed.

## KEY FINDINGS

### Socio-demographic profile

In the experimental group VO members' average household size, age of HH member, age of VO member, number of loan taken from BRAC, adult literacy rate are not significantly different between the groups. So, it appears that target population of both groups were representing a population with similar features except there was a subtle difference, as such 80.4% of experimental and 84.9% of control group children (6-10 years old) were attending primary schools.

### VO discipline

In 2010, average size of a VO in experimental and control groups were 18 and 14 members respectively. After introducing ESC project, the average 19 members were in experimental VOs while 13 members were observed in control VOs. This epitomizes a better situation prevailed in experimental groups than control ones. Both the groups experienced member dropout from VOs although average VO members increased in experimental (6) and control groups (4) in last year. Most of the VO meetings were convened regularly in experimental groups (84.5%) as per procedure while this was

the case in 22% of control VOs. Around 95.5% of experimental group members could mention the 18 promises recited in their VO meetings compared to 15.5% of control group members. The study also found that experimental group members became more aware of socioeconomic aspects.

### **Employment and income generating activities**

On an average 74.2% of the experimental and 77.7% of the control group members had taken 1-5 more loans from BRAC for generating income in last five years. Around 86% of experimental and 91% of control group members used their loan in IGA sectors, e.g., agriculture, small businesses, livestock, poultry and fisheries. The findings reveal that 92% of the experimental and 31% of the control group members reimbursed their last loan in VO meetings that were reported to be significantly different between the groups. However, 61% of the control group members paid the instalment of their last loan without appearing in VO meetings.

### **Sanitation and family planning**

Around 79% of the experimental and 63% of the control group members have been reported to have sanitation coverage at household level. On the other hand, 5.3% of the experimental and 17.8% of the control group members were still using open spaces/*kuchha* latrines (for defecation). All differences were found statistically significant. Practicing family planning was found in both the groups (experimental 73% and control 73%).

### **Community leadership and social initiatives**

The qualitative survey reveals that ESC project enabled VO member to get involved actively in local *shalish* and protest against human rights violation along with local influential persons. Nevertheless, in terms of political empowerment participation of VO members in local institutions, e.g. Union *Parishad* (UP) was still a little below than expectation. Three VO members of control group participated in the last UP election.

It was also evident that the VO members collectively adopted different strategies in protesting violence against women (VAW) including divorce, dowry, and physical torture. To be more specific, VO members of experimental groups were found more proactive in protesting VAW and other related issues compared to control group members during the tenure of this project.

### **Community organizer (CO) model**

The achievement of the project was explicitly felt by the ESC project staffs, e.g., Community Organizer (CO), Field Organizer (FO) who have been playing key roles in implementing the project. We found that the VO members were benefited through people-centred development approach of BRAC health, family planning, education, legal aid services, etc. To become VO members they acquired knowledge on different issues. COs were found instrumental to discuss 18 promises in VO meetings that helped VO members immensely in assorted socioeconomic circumstances. In experimental groups, the members were found more organized in terms of achieving VO discipline as ESC developed a culture in VO meetings through establishing a set of mechanism.

## **Status of micro-finance programme in ESC project**

The study revealed that the microfinance programme performance in the ESC project branches (intervention) have been better than the control branches. We observed some general trend on selected microfinance programme indicators, such as, amount of outstanding loan, number of active borrower per loan officer, portfolio at risk over 30 days, and operational expenses for four - and - half years from December 2007 to June 2011 (in both control and intervention branches). On average, in June 2011, the amount of outstanding loan per branch was Tk.17,042,587 for intervention and Tk.15,78,3276 for control branches. This was a highest amount of loan outstanding in intervention branches compared to control during the last four -and - half years. The lowest portfolio at risk over 30 days was at 4.88% in intervention branches and 7.21% in control branches in June 2011. This was reported to be significantly different between the intervention and control branches. Similar findings were found in operational expenses, 5.69% for intervention branches and 6.58 % for control branches at the time of study (June 2011).

# INTRODUCTION

## BACKGROUND

BRAC has been providing development services to the rural poor women in Bangladesh since 1972. From the beginning, BRAC has been able to maintain a coherent development philosophy that aims to directly address the needs of the poor women. In a nutshell, BRAC focuses on involving the poor in active participation in decisions and actions which affect their lives. In doing so, BRAC's priority is to mobilize and organize the poor women to pursue activities that would improve their human capital and material resources, and develop their understanding on values of cooperation and mutual aid. This evinces that BRAC's development philosophy can be likened as development through empowering the poor women. In concrete terms, empowerment is achieved through raising consciousness of the poor women, equipping them with organizational and practical skills, supporting them with required resources, instilling them with confidence and determination necessary for taking actions to improve both their social and economic lives (BRAC 2009).

Moreover, BRAC has adopted a holistic approach towards development through village organization (VO), consisting of a group of female borrowers. Development messages or information on specific issues are supposed to be disseminated to beneficiaries through VO as a grassroots institution. Groups are subjected to complex internal dynamics that challenge their ability to sustain. It is observed that over the years the VO has withered as an entity. The group no longer meets regularly. When gatherings occur, activities are only limited to financial transactions. Even though most of the researches on social capital<sup>1</sup> focus on the benefits of social capital, Putnam's (1994) - work outline the benefit accruing to the community level interest through the developed social network and relationship.

BRAC has been implementing a project 'Enhancing Social Capital' (ESC) under the Community Empowerment Programme (CEP) in 2010. The project aims to achieve VO discipline through innovative approach of CO model<sup>2</sup>. This project is based on the assumption (influenced by the above understanding of social capital) that a strong and dedicated membership can help strengthen the VO as an organization and ensuring

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<sup>1</sup> Broadly social capital can be seen in terms of five dimensions: firstly, networks-lateral associations that vary in density and size, and occur among both individuals and groups; secondly, reciprocity-expectation that in short - or long - term kindness and services will be returned; thirdly, trust-willingness to take initiatives (or risk) in a social context based on assumption that others will respond as expected; fourthly, social norms shared values that direct behaviour and interaction; and finally, personal and collective efficacy - the active and willing engagement of citizens within participating community (Bourdieu 1983; Coleman 1988a, b; Onyx and Bullen 2000; Paxton 2002).

<sup>2</sup> CO model: In the ESC project female Community Organizers (COs) are acting as local change agents within in the project areas. They are recruited among community members who have previously received capacity development support from different programmes of BRAC, e.g., HRLS *Shebikas* and Upgrade *Shebikas*, BEP school teachers, *polli shomaj* leaders and members and popular theatre artists. Each CO oversees a number of 20 VOs where they are responsible to conduct monthly meetings and maintain communication network with VO members and others. As for example, CO visits the VO member's house the day before the VO meeting is held and invites them to come to the meeting. She asks the well-beings about them while visiting them. CO recites 18 promises and discusses details about it.

sustainability in the long - run. The project intervention has launched in 7,582 VOs<sup>3</sup> in 10 districts of Bangladesh. The selected VOs for the ESC project were subjected to poor performance in terms of achieving VO discipline in relation to micro-finance activities.

Now, BRAC has been operating in 294,214 VOs in 69,421 villages across 64 districts of Bangladesh (BRAC 2011). However, due to this large number of VOs it has become difficult for the frontline micro-finance staff, PO (Programme Organizer, Micro-finance) to ensure group solidarity among the VOs across Bangladesh. As a result, many VOs have, to some extent, lost their group integrity and their activities have become limited to mere loan disbursement and repayment. In the long run, this is not only affecting loan realization but also hampering the socioeconomic development of the VO members.

## **OBJECTIVES OF THE ESC PROJECT**

### **Main objective**

The underlying objective of the intervention is to develop the social capital of VO members which will enable them to 'solve economic problems socially' which will in turn lead to broaden their socioeconomic development.

### **Specific objectives**

- Increase integrity and solidarity within the VO
- Increase VO members' awareness on different social issues
- Increase VO members access to information on locally available GO-NGO resources and services
- Make VO members more respectful towards VO rules and discipline
- Strengthen female leadership at the grassroots level
- Provide support to '*Polli Shomaj*' and '*Union Shomaj*' in the target areas, and
- Encourage VO members in regular loan repayment.

## **STRATEGIES OF THE ESC PROJECT INTERVENTION**

The ESC project has recruited a number of frontline COs who have been working part - time to organize VOs and create female leaders at the community level. Each CO has supervised 20 VOs where they would conduct weekly meetings and maintain communication network with them e.g., home visit, invites them to attend VO meeting, etc. So, proper communication, with VO members and resource persons, are essential to make the meetings successful. Although, COs ensure the attendance of VO members in VO meeting.

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<sup>3</sup> VOs and districts in ESC project: Chuadanga (155), Comilla (2,637), Feni (313), Gazipur (474), Jhalokathi (175), Jhenaidaha (87), Meherpur (162), Moulvibazar (1,406), Munshiganj (673), Khulna (1500).

To fulfill the quorum at least two-third of the members of a VO has to be present in the meetings. A CO operates a VO through the following four steps:

1. Identify and contact relevant resource person<sup>4</sup> and ensure his or her presence at the VO meetings
2. Contact VO members to invite/remind them about the meetings
3. Conduct VO meetings according to a BRAC guideline
4. Visit houses to ensure achievement and monitor targeted outcomes

As the ESC meetings are convened monthly, each VO has organized 12 meetings per year. Six out of 12 VO meetings are conducted by the resource person.

On the ground, BRAC has brought forward a process of group formation by the poor women comprised of landless labourers and workers of different socioeconomic groups. It is important to note that awareness raising projects help improve the material well-being among these employment and income generating group members. VO members are now linked with an extensive grassroots network involved in development. Bearing in mind all these lacking, this study has designed to measure the ESC project goal which has been provided direction of VO members for improved practice, discipline, changes and development in their livelihoods.

## **OBJECTIVE OF THE STUDY**

Assess the progress in VO discipline<sup>5</sup> due to the ESC project

### **Specific objective:**

Compare of VO performance in control and experimental groups, and Evaluate to what extent CO model is functioning in the ESC project.

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<sup>4</sup> Resource persons: Resource persons of VO meeting were village doctor, school teacher, *Shasthya Shebika* of BRAC, member of UP, personnel of social welfare department attended VO meetings. Resource persons deliberate lectures in VO meeting from respective point of expertise. For example, UP member encouraged VO members to protest the incidences of dowry and early marriage.

<sup>5</sup> VO discipline: Village Organization should be positively performed their routine activities, e.g., organize weekly meeting, reciting 18 promises, more than two-third VO members attending to meeting, regularly savings and loan instalments to be collected in VO meeting, ensure access to service and information for VO member, participation in local institutions, and raising awareness on development issues.

## METHODS

The study implemented a quasi-experimental design to assess the progress of the ESC project. Both quantitative and qualitative approaches were used.

### STUDY AREA AND POPULATION

The study was conducted in nine ESC project districts - Chuadanga, Comilla, Feni, Gazipur, Jhalokathi, Jhenaidah, Meherpur, Moulvibazar and Munshiganj. First set of target population of the study, e.g., VO and VO members were selected from the intervention and non-intervention areas of ESC project district. Related ESC project staff were also considered as a second set of target population e.g., Community Organizer (CO), Field Organizer (FO), Programme Organizer (PO), Branch Manager (BM), Area Manager (AM) and District Manager (DM) were purposively selected to collect information.

### SAMPLE AND SAMPLING PROCEDURE

Statistical representation has not been considered in determining sample size. Overall, a two stage random sampling technique was adopted for selecting the first set of target population, e.g., VO and VO members (Appendix A). The size of the total sample was targeted to be 528 VO members (264 VO members for experimental and 264 VO members for control). At the first stage, 132 VOs (approximately 2.2% of the total ESC VOs<sup>6</sup>) were selected at random with proportional allocation from each ESC project areas (experimental group). The same numbers of VOs were also considered from non-ESC project areas (control group). In the second stage, two VO members were selected; one executive and one general member from each of the previously selected VOs in both, experimental and control areas. The study also used qualitative tools and techniques for data collection, e.g., VO meeting observation and focus group discussion (FGD) at nine ESC project intervention districts. The second set of population was considered (ESC project staff) for in-depth interview, e.g., CO, FO, PO (MF), BM, AM, DM and they were purposively selected from the nine ESC project districts.

### VARIABLES

Indicators<sup>7</sup> and variables are chosen according to the ESC project objectives and activities. The study has dealt with two sets of variables; independents and dependents.

Independent variable includes knowledge, attitude, behaviour and practice, and awareness. The dependent variables are determined through assorted socioeconomic determinants including VO membership, VO meeting, income generating activities

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<sup>6</sup> ESC Project intervention areas and No. of VOs in each districts as follows: Chuadanga (155), Comilla (2,637), Feni (313), Gazipur(474), Jhalokathi (175), Jhenaidah (87), Meherpur (162), Moulvibazar (1,406), Munshiganj (673) and Khulna (1500)

<sup>7</sup> Indicators: Through the VO meeting, member's became aware of different development issues, e.g., sanitation, family planning, women abuse, gender discrimination, immunization, breast feeding or colostrums feeding and proper utilization of loan, participation in local institution, and income generating activities

(IGA), VO member leadership, participation in local institutions, *shalish* or village court, protesting violence against women and social initiatives, NGO overlapping, sanitation, use of family planning method, VO members' awareness on 18 promises, women abuse, etc.

## **METHODS OF DATA COLLECTION**

Both quantitative and qualitative methods were used for data collection. A semi-structured interview questionnaire was used to gather primary information. As many other stakeholders were involved in the project, FGDs (18), observations (19), and in-depth interviews with staff (45) were also carried out to explore and deepen critical understanding of the ESC project outcome. Fifteen trained field enumerators assisted in collecting information.

### **Semi-structured interview**

Semi-structured interviews were carried out with VO members both in experimental and control groups. The field enumerators collected information from the selected VO and VO members. The interviews were conducted for following reasons. Firstly, the VO members' interviews provided detailed information on individual role of a VO member. Secondly, some of the analysis was done on VO and CO activities and interview was apposite technique to explore these activities. Although, it was believed that information based on all VO members of the VOs would have been more appropriate than selected samples.

### **Focus Group Discussion (FGD)**

Focus group discussion was only conducted in ESC project intervention areas (experimental group). On an average, two FGD sessions in each ESC district were conducted by using prior guideline coherent with study objectives. Eight to ten VO members participated in each FGD including executive members, e.g., VO president, cashier, general secretary of respective VO.

### **VO meeting observation**

VO meeting observation was held only in ESC project intervention areas (experimental group). On an average, two VO meetings observed in each ESC district by using checklist consistent with VO meeting activities. Observation of the VO meeting involved two tasks: keeping a record of attendees in VO meeting and process documentation of VO meeting.

### **In-depth interview**

In-depth interviews were also carried out to collect CO model and detailed information on effectiveness of CO model from the individual's opinion of related project staff, e.g., CO, FO, PO(MF), BM, AM and DM.

## **DATA MANAGEMENT AND ANALYSIS**

The quantitative data were analyzed by using SPSS. Number of statistical techniques includes ranging from simple frequency distribution to cross tabulation (with T-test and Chi-square test). Association between performance of experimental and control VO members were also convened. The qualitative data were analyzed manually by following coding and recoding process. In addition, qualitative techniques were

employed to describe any particular situation of significance, understand and extend the association with quantitative finding(s), and investigate the rationales behind holding certain progress of VO members.

Quality control was followed in every stage of the study. Extensive guidance was provided by supervisor, researcher and data management team of RED, BRAC. A number of randomly sampled re-interviews were carried out to cross-check the reliability and validity of the data.

## FINDINGS

The study was conducted in two different populations (experimental and control) to measure whether there was any statistical difference between these groups and members. This led us to perceive whether perceptible differences were taking place due to the intervention of ESC project of BRAC.

### SOCIO-DEMOGRAPHIC PROFILE

Socio-demographic characteristics are likely to influence microfinance behaviour of individuals. For example, higher household vulnerability may lead to irregular meeting attendance, repayment of loan instalments, or improper and unplanned use of loan funds. Enrolling children in schools may result in increased loyalty to BRAC, and encourage more regular loan repayment in the BRAC VO. Therefore, any socioeconomic differences between the two groups should be established (if any), so that they can be accounted for the impact evaluation. For each section below the study outlines characteristics of the intervention group, followed by comparison with the control group and established differences between two groups which is a recurrent theme of this study.

Table 1 shows a summary statistics of the socio-demographic characteristics found in the assessment study, can be seen average of household size, age of HH members, age of VO members, number of loan taken from BRAC, adult literacy rate, percentage of children (6-10 years), enrollment in primary school. It is observed that all of which were slightly higher in experiment groups than control groups. Nearly half of (49.2% experimental and 48.6 % control) the population was unmarried in both groups. Forty - eight percent were married and a few of them were widowed, divorced and/or separated in both groups.

The percentage of VO executive members in experimental group (46.9%) is higher than control (36.2%) group and only few members were involved in different BRAC programmes, e.g., Human Rights and Legal aid Services (HRLS) programme and health programme. However, the proportion of VO members' position held in BRAC has little difference between control and experimental groups. Similarly, the proportion of VO member holding social position was not significant in experimental and control groups. Most of the VO members were villagers while a few VO members' families were deemed to be influential at the community level, e.g., village leaders, former Union *Parishad* member, national political party member, influential *gustti* and community leader.

**Table 1. Socio-demographic characteristics**

Indicators	Experimental	Control	Difference	<i>p</i>
<b>Household</b>				
Average household size	3.4	3.3	0.1	.012
Average age of HH member	24.9	24.8	0.1	.971
Average age of VO member	35.2	36.7	-1.5	.106
Average number of loans taken from BRAC	4.41	4.13	.277	.305
Average adult literacy rate (above 14 years)	6.05	5.89	0.16	.410
Rate of primary school enrollment ( 6-10 years) %	80.4	84.9		-261
<b>Marital status (%)</b>				
Unmarried	49.2	48.6		
Married	48.1	48.1		
Widow	2.1	3.0		
Divorced	0.7	0.3		
<b>Position in VO (%)</b>				
<i>Shebikas</i>	2.2	3.7		
VO executive member	46.9	36.2		
VO member	50.9	60.1		
<b>Social position (%)</b>				
General villager	98.8	99.5		
Influential family	1.0	0.3		
Position holder	0.2	0.2		
<b>Main occupation of VO members (%)</b>				
Agriculture	0.8	1.9		
Small business	4.5	1.9		
Day labour (Agriculture)	0.8	1.5		
Day labour (non- agriculture)	2.3	2.3		
None government job	1.9	1.5		
Household work/house wife	89.8	88.6		
Student	0.0	0.8		
Unemployed	0.4	1.1		

Multiple responses

For additional analysis of household economic vulnerability we compared the profession of VO members in both groups. A lower percentage of VO members were involved with non-IGA activities like household work in both groups (89.8% experimental and 88.6% control). However, 4.5% of experimental and 1.9% of control groups VO members were involved in small businesses.

**Figure 1. Age distribution of household members (%)**

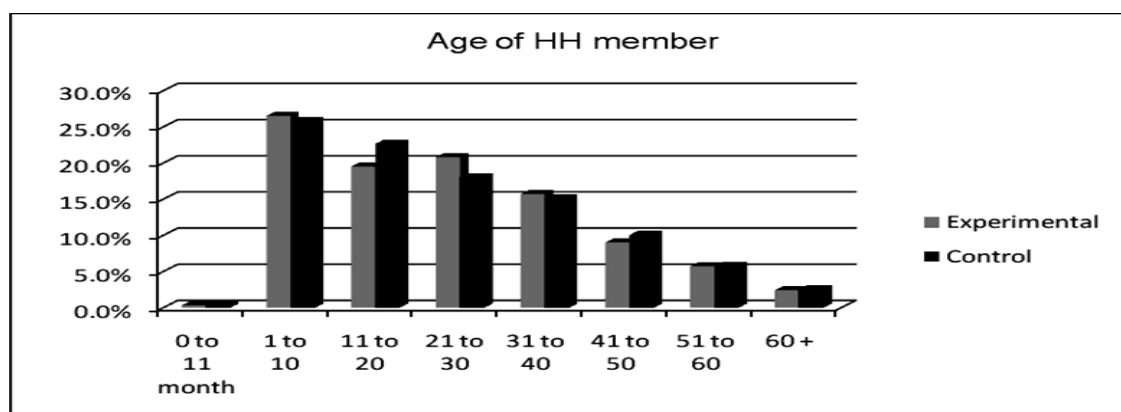


Figure 1 compares the proportions of the experimental and control group members' age distribution. Experimental group member's age groups proportion is higher than control group, e.g., 1-10 years, 21-30 years, and 31-40 years age. On the other hand, the age group proportion is higher in control group members in compare to experimental group, e.g., 11-20 years and 41-50 years. More people (67.1%) belonged to the younger age group (<30 years) in both groups. This figure is higher than national estimate of 36.7% (BBS 2007). On the contrary 2.4% of total household members in both groups were >60 years old. In the experimental group, highest concentration of population was found in the age group 21-30 years.

An overwhelming number of NGOs are involved in socioeconomic development in Bangladesh with particular focus on women empowerment. They have programmes to make their member aware of social injustice on health, education, gender, human rights, access to government organization (GO) and non-governmental organization (NGO) services etc. A few studies show that NGOs provision of credit and other support may lead to women's empowerment, even if the loan is used by male members of the family (Rahman 1999; Hashemi *et al.* 1996).

**Figure 2. VO members associated with other NGOs (%)**

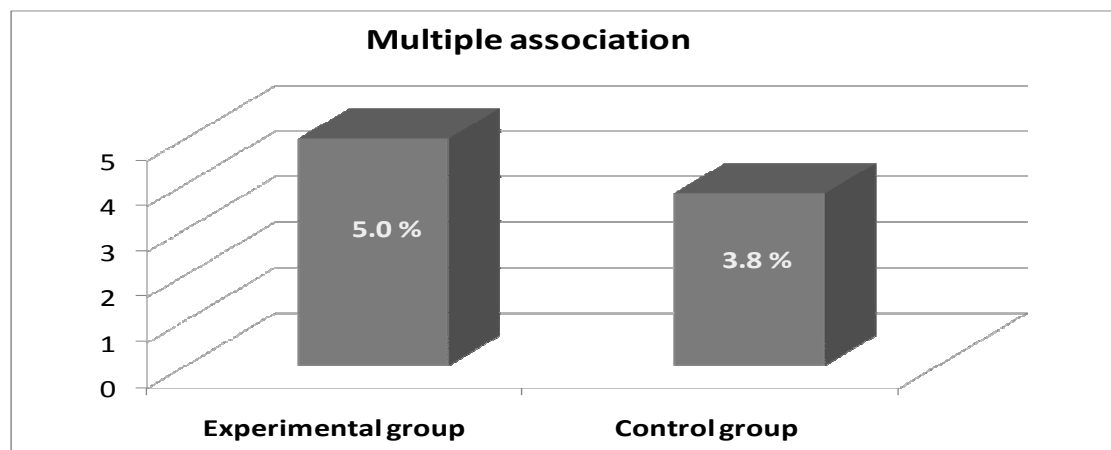


Figure 2 shows that 5% of the experimental group and 3.8% of the control group VO members associated with multiple NGOs including BRAC, Grameen Bank, ASA, Buro Bangladesh, and World Vision. The rate of multiple association of experimental group is much higher than control group. It has a positive implication for the VO members having access to multiple NGOs towards the women empowerment at community level.

## VO DISCIPLINE

VOs are an integral part of BRAC's microfinance programme formed with an aim to provide social support and microfinance to facilitate sustainable development of rural poor. A VO is at the centre of BRAC's microcredit and other programme operations. Ideally a VO consists of 20-25 women members (microfinance borrowers) who meet on a weekly basis primarily for loan disbursement, collection of loan repayments and savings contributions as well as for raising awareness on social, legal and personal issues affecting their livelihoods. In the following section, the study examines the extent to which the VO as an institution adheres to certain normative principles. The objective of VO meeting observation was to investigate the status of VOs, extent to which the VOs maintain its discipline, performance of the VO activities and the level of awareness on social and personal issues affecting their daily livelihoods through reciting 18 promises in VO meeting (Box 1).

### BOX 1.

Local people also attended VO meeting enthusiastically while CO recited 18 promises with explaining one more issues in detail. Even, CO also discussed on contemporary social problems including diarrhoea and bird flu disease. So, VO member were found very interactive in this session. However, local people also queried to CO about the process to receive government handouts. Thus, VO member defined VO meeting as diffusion of knowledge.

Source: FGD session (Meherpur)

The ESC project had an expectation that experimental VO members are more disciplined and aware on social, legal and personal matters rather than control VO members.

**Table 2. Changes in VO size within one year**

Status	Experimental (n= 120)	Control (n=85)	Difference	<i>P</i>
VO size in 2010	18.2	14.1	3.2	.001
VO size in 2011	18.7	13.3	4.6	.000
Average number of VO members increased in VO	5.8 (67)	4.4 (34)	1.4	.062
Average number of VO members dropout in VO	6.6 (50)	4.9 (40)	1.7	.227

Table 2 shows that there were notable differences between the size of VOs in experimental and control groups which are statistically significant. However, the average number of VO members increased and dropped out between the experimental and control groups were not significant while the proportion of experimental group is higher than their counterpart. The study also found different reasons for members' dropout from VO. Both groups had similar experiences in this regard (Table 3). The VO members of ESC areas explained that they went to the VO meeting regularly and they had more integrity.

**Table 3. Reasons for dropout from VO (%)**

Reasons	Experimental (n=52)	Control (n=39)
Migration	25.9	17.9
Instalment default in paying	36.5	33.3
Merge with another VO	11.5	12.8
Family does not like VO activities	11.5	25.6
Financial condition of HH improved	45.2	25.6
Small loan size	7.7	5.1
Interest rate is high	3.8	10.3
Conflict with PO(MF)	0.0	7.7

Multiple responses

Table 3 shows reasons for dropout. The highest proportion (45.2%) of the experimental group members were found to be dropped out from the VO to improve their financial condition than their counterpart in the control group (25.6%). Besides, proportion of migration and loan defaulter also higher in experimental group. For the poorer class, the migration rate is high. The poorer VO members have very little agricultural business and often are typically landless. They depend on work in diverse of occupations, which are available in different seasons in different places.

**Table 4. VO size in 2011(%)**

VO size (Members)	Experimental (n=120)	Control (n=85)	<i>P</i>
<20	63.3	77.7	.000
20-25 (BRAC ideal VO size)	20.8	14.1	.220
26+	15.8	8.2	.108

Table 4 shows average of VO size in 2011. In both groups were present a higher proportion of less than 20 members and the difference was highly significant. Besides, the proportion of BRAC ideal VO with 20 to 25 members was quiet better in experimental group than control. However, the proportion of VO with >26 members was found to be nearly twice in experimental group than control.

**Table 5. ESC staff attending VO meetings (%)**

Indicators	Starting of VO meeting		
	Before schedule (15-90 munities)	On schedule	After schedule (15-110 munities)
Meeting held	21.1	36.8	42.1
CO attended	68.4	5.3	26.3
FO attended	31.6	15.8	52.6

Table 5 reveals that 36.8% of the VO meetings were held on time and 21.1% of VO meeting were held 15 to 90 munities earlier than scheduled while 68.4% COs were present on time. But in contrast, 42.1% of the VO meetings were held 15-110 munities late which might create some problems for collection of instalments and savings. In addition, 52.6% FOs participated in the VO meetings late while 26.3% COs participated in same time. As a result, it created some obstacles to monitor the COs activities by FOs.

Many VO members avoided meetings as they felt it unnecessary to travel long distances to attend meeting. Others took loans to support their husband's business. Thus, they only showed up during loan disbursement, leaving other formalities to their husbands. Finally, in some cases members had no interest in VO activities. They thought that any issues discussed were unnecessary and recitative, e.g., polygamy, dowry, access to GO and NGO services, sign anything. They did not want to waste their precious time in listening (Box 2). Moreover, if asked to stay longer members excused themselves mentioning unattended children at home or incomplete household chores.

**Box 2.**

Name of VO: Moszidpara, Taranagar, Union; Bagual, Thana: Muzibnagar, District. Meherpur

The VO meeting started at 9.00 a.m. with 17 members. They used to sit on floor mats in U-shape. CO organized the introductory session including reciting promises. Then she discussed two issues, safe water and hygiene practices. During the session, CO asked VO president to inform other members about the meeting. Without moving from the spot, the VO member loudly called the name of three members. "Where are you all?" she added, "Sir (s) from Dhaka have come to visit us, come quickly". Soon after, one member joined at the meeting. There was a small setting arrangement and thus, all were seated very compactly while they submitted their instalment. One VO member (house owner) remarked to the CO, "Why haven't you informed us about this visit of Dhaka officials earlier, we would have arranged everything beforehand and make it look like good VO meeting. Following collection, members attempted to leave the spot. However, as the CO requested they stay back since officials from Dhaka wanted to talk to them. Members reluctantly remained, though some complained of having unfinished work at home.

**Table 6. Types of meeting held in VO in last year (%)**

Types of meeting	Experimental (n=264)	Control (n=264)	<i>P</i>
Social capital or ESC meeting	92.4	34.1	.000
VO meeting	3.1	14.4	.000
None of meeting held	4.5	51.5	.000

Table 6 shows that 92.4% of experimental group and 34.1% of control group members reported that the ESC or VO meetings were held in their VO regularly in last year. However, 3.1% of the experimental group members were not aware about the social capital or ESC meeting, whereas this was the case for 14.4% of control groups. Around 4.5% of the experimental and 51.5% of the control group members informed of not having any VO meeting in the last year. All the differences were highly significant.

Four meetings were supposed to be held in each VO in a month while experimental group conducted more VO meetings in last year compared to control group. So, to some extent, the concept of VO is becoming weaker as it is losing its discipline in control group.

A typical VO engages 20 to 25 female micro-credit recipients in weekly meetings where participants sit on a floor mat. Micro-finance and other programme staff e.g., CO, FO, PO (PM) regulate meetings and ensure group discipline in ESC areas. Concerned staff are expected to lead VO members in reading the 18 promises written on the back of their pass books, take attendance, complete loan activities, and engage in discussion on social issues, such as child marriage, dowry, etc.

*“Now VO member’s unity has increased among us because of social capital meeting, if any member of our VO is harassed or oppressed we altogether protest against it.”*

**Table 7. VO meetings held in last month (%)**

No. of meeting held	Experimental (n=264)	Control (n=264)	P
1 to 3	9.8	10.6	.000
4	84.5	22.0	.000
None	5.3	64.0	.000
Don't know	0.4	3.4	.000

Ensuring VO meeting<sup>8</sup> is the biggest challenge for any VO. Table 7 shows that, on an average, more than half (64.0%) of the control group members stated that no meeting was convened in last month while it was 5.3% in experimental group. Besides, 84.5% of the experimental and 22.0% of control group members expressed that four meetings were held in last month in their VO. All differences are statistically significant. They also reported that in order to avoid attending VO meetings members dropped off their instalment amount at the VO leader’s house the day before the scheduled meeting, or sent it with some other VO member or a family member.

**Table 8. Awareness of VO members on presence of 18 promises (%)**

Status	Experimental (n=264)	Control (n=264)	P
Known that promises to be recited	95.5 (252)	15.5 (41)	.000
Not aware that promises to be recited	4.5 (12)	84.5 (223)	.000
Could mention that there were 18 promises	99.2 (250)	65.9 (27)	.000

Table 8 shows a big difference in VO members’ knowledge on 18 promises. Significantly higher proportion of the experimental group members were aware of the 18 promises. Around 96% of the experimental group members were aware about reciting promises in VO meeting while it was 15.5% in control group. In contrast, 84.5% of control group members were not aware of the number of promises reciting in VO meeting. On an average, the 99% of the respondents in experimental and 65.9% in control group correctly mentioned 18 promises (Box 3). All the differences are statistically significant.

**Box 3.**

Now we have 18 VO members, but last year we were only 12. Everyone wants to hear the promises reciting session and discussion of the social capital meeting. In the meeting day, many people who are not even the members of the committee come to hear the discussion on various topics.

Source: VO meeting observation (Sreepur)

The study also found similar scenario in the qualitative part (FGD sessions and observations). Most of the participants were able to tell 18 promises in details. So, it

<sup>8</sup> VO meeting policy: Regarding the VO policy of BRAC, four meetings are held in each month. Among them, the meeting in which CO remains present to conduct the meeting is called social capital meeting or ESC meeting and the other three are normal VO meeting. CO conducts the ESC meeting in presence of FO and PO (MF) and the other three meetings are conducted by PO (MF) for collection of repayments and savings.

indicates that ensuring participation of the members in bi-weekly meeting was the most mentioned responsibility of the COs and group members followed by ensuring the reciting promises in VO meeting and it was a positive outcome of the project.

**Table 9. Individual promise known to VO members (%)**

Promises	Experimental (n=264)	Control (n=264)	<i>P</i>
1. We will not participate in any malpractice or injustice	41.7	5.7	.000
2. We will work hard to bring prosperity to our life	39.8	4.5	.000
3. We will send all our children to school	77.7	13.3	.000
4. We will adopt family planning practices and keep our family sizes small	64.4	11.7	.000
5. We will keep ourselves and our homesteads neat and clean	77.3	11.0	.000
6. We will always drink safe drinking water	74.2	8.3	.000
7. We will keep our food covered and wash our hands and face well before eating	68.9	5.3	.000
8. We will construct sanitary latrines in our homes and only use them for defecation	75.4	10.6	.000
9. We will grow vegetables and plant trees in and around our houses	45.8	5.7	.000
10. We will be helpful to others in all circumstances	41.3	3.0	.000
11. We will fight against polygamy and injustice to women	8.3	0.4	.000
12. We pledge our loyalty to our organization and will abide by its rules and regulations	32.6	1.9	.000
13. We will not sign anything without first gaining a good understanding of what it is	12.9	0.8	.000
14. We will attend our weekly meetings regularly and on time	53.4	3.0	.000
15. We will always abide by the decisions taken by us as a group at the weekly meetings	31.4	1.5	.000
16. We will deposit our weekly savings regularly	54.9	4.9	.000
17. Once we have taken a loan we will work to repay it on time	75.8	9.8	.000
18. We will treat our girls and boys equally and strive to provide equal opportunities for them	29.9	2.3	.000

Table 9 shows that a higher percentage of experimental group members knew about the 18 promises in brief, than the control group members and all differences are statistically significant. They also expressed their opinion (FGD sessions) that they were trying to practice those 18 promises in their livelihoods. As a result, we found some changes and development experimental groups compared to control group, e.g., children (6-10 years) enrolment in schools, sanitation, family planning, and participation in *shalish*.

Table 10 presents the observation of VO meetings. First part deals with the formation and dynamics of the ESC activities in relation to the performance of the VOs. Second part observes the performance of the VOs in relation to savings and credit - related activities, and third part observes other issues those are responsibilities and performance of VO members.

**Table 10. Selected activities observed in VO meeting (%)**

Activities	Percentage (n=19)
<b>ESC activities</b>	
CO arrived in VO meeting 15 minutes before time	89.5
51% VO members present at the starting of the meeting	89.5
Introductory session held	100.0
Promises recited and interpreted	100.0
Verifying the implementation of the decisions of earlier meeting	68.4
CO has made subject-related discussion for more than 15 minutes	100.0
Decisions taken in the meeting	84.2
Writing resolution and taking signs	100.0
Thanks giving and taking decision about the date, time and venue of the next meeting	100.0
<b>Savings and credit activities</b>	
PO (MF) has given entry of the collected instalments of loan and savings in a computer sheet	89.5
PO has written it in the passbook of the members and signed it himself	100.0
Cash reconciliation after collection and the sign of the president has been taken in the collection sheet	42.1
It has been discussed about any loan proposal among the VO members	26.3
<b>Others activities</b>	
VO member were unmindful during discussions in the meeting	36.8
VO member talked unnecessary for during meeting	26.3
VO member side talked during meeting	52.6
VO member left the VO meeting before it was over	47.4
Multiple responses	

The Table 10 presents the activities of the 19 VOs meetings observed. In most cases the VOs performed their routine activities smoothly. On the other hand, some of the activities were not so good (<50.0%) like savings and credit, discussion on loan proposal, VO members unmindful in the meeting, etc.

In general, the performance of VOs and their activities depend on COs initiatives. Therefore, a good working relationship between the PO (MF) and ESC staff may improve VO performance and discipline.

The older VOs mentioned the need for maintaining these formalities like social capital meeting in early days. In those times members used to sit on floor mats in U - shape and read out together 18 promises from the back cover of their passbook. POs noted attendance in the registers, and collected instalments through small groups.

Issue - based discussions, too, were frequently held in VO meetings. However, such rituals slowly dwindled over time. Contemporary VO meetings simply consist of instalment collection, often as a result of both POs (MF) and members' time constraints. Nonetheless, BRAC has again started those activities through the ESC project which is expected to yield better output for VO members.

**Table 11. Regression on 18 promises influences independent variables**

Variable	B	Std. Error	t	Sig.
Age	-.003	.014	-.185	.853
Education	.092	.041	2.243	.025
Member type (Experimental=1, Control=0)	6.167	.329	18.756	.000
Number of loan received (Multiple=1, Single=0)	.644	.397	1.623	.105
Instalment paid in VO (Yes=1, Others=0)	2.916	.338	8.620	.000
(Constant)	-.649	.711	-.913	.362
R Square	.675			

# for dummy variable the effect is from 0 to 1

The linear regression reveals the determinants or factors that influence 18 promises of VO members. The experimental group achieved better position in acquiring knowledge scores on 18 promises. Besides, year of education and paying instalments in VO meetings also had positive influence to acquire knowledge on 18 promises.

## **EMPLOYMENT AND INCOME GENERATING ACTIVITIES**

Integrated and multi-sectoral approach can lead to sustainable development of the poor. Therefore, the EIG facilitates self-employment strategy to make poor women economically self-reliant and help them attain a respectable social standing.

BRAC, through its microfinance programme, provides loans for productive activities in different sectors, e.g., agriculture, livestock, fisheries and small business. BRAC's microfinance/credit management (disbursement and recovery) is operated through the people's organization, e.g., VO at community level. The BRAC VOs are at the centre of its comprehensive approach, serving as an inlet for BRAC to support at the village level (Rafi M *et al.* 1997). Since its inception, the VO is expected to serve as a platform for various financial and social development activities including savings, credit, health, education, social development and training (Box 4). The VO allows BRAC to distribute resources among its borrowers and look after their well-being, which has an effect on their ability to repay loans.

### **Box 4.**

VO members received a number of training including sewing, poultry, and cattle farming, etc. These training enabled them to invest their micro-credit in proper sectors for maximizing profit. Besides, they also used their profit for tree planting, children's education, installing tubewell, etc. Thus, training encouraged VO members to take more loans for using in diverse income generating sectors.

Source : FGD session (Gazipur)

**Figure 3. Number of loans taken from BRAC (%)**

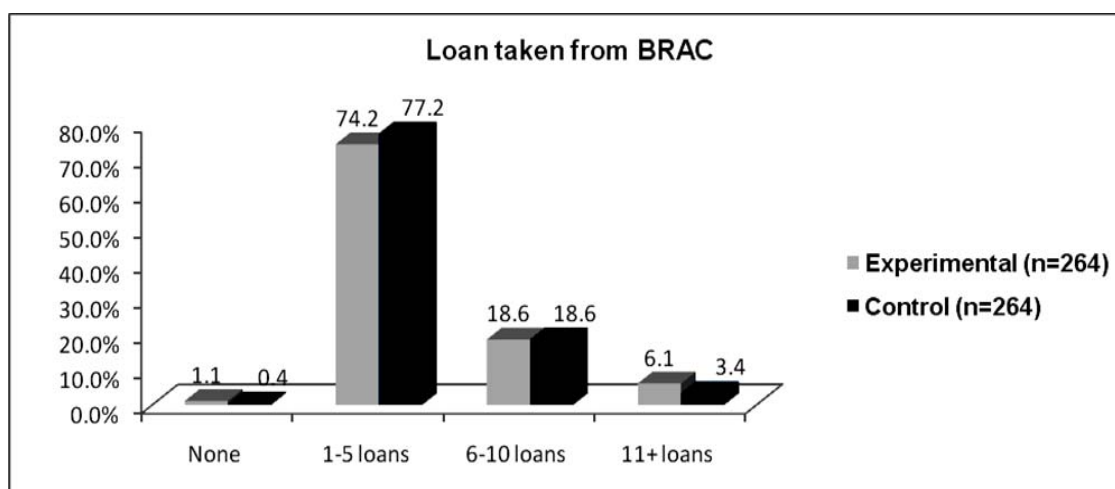


Figure 3 shows the VO members' involvement in IGA through financial support from BRAC's microfinance programme. There was no significant difference between control and experimental group on number of loan taken from BRAC for IGA.

**Table 12. Sectors where last loan invested (%)**

Sectors	Experimental (n=261)	Control (n=263)	P
Business/small business	43.3	46.0	.533
Agriculture	14.5	15.6	.533
Livestock/Fisheries	8.4	12.5	.742
Buy van/rickshaw/motor cycle	12.6	4.6	.250
Land mortgage	6.5	12.6	.019
Going abroad for a job	2.3	0.7	.152
IGA	85.5	91.2	0.51
Household daily expenses	2.6	0.9	.017
Home furniture purchase	10.3	3.8	.051
Other loan repayment	1.5	1.9	.746
Dowry and other expenses for wedding	0.3	0.3	.996
Non-IGA	14.2	8.7	.051

Table 12 shows that the control group (91.2 %) members were more likely to be involved in IGA compared to experimental group members (85.8 %). In addition, compared to control group members, the experimental group members were more involved in noneconomic activities, e.g., household expenses, buying furniture, etc. As a result, spending loan money in non-proposed sectors emerges as a significant difference between the control and experimental group.

**Table 13. Mode of repayment of last instalment (%)**

Mode of repayment	Experimental (n= 264)	Control (n=264)	P
Paid in VO meeting	92.4	30.7	.000
PO collected instalments from residence	3.0	61.0	.000
Paid by others	3.4	3.0	.806
Paid anywhere	0.0	4.9	.000

Table 13 shows that 92.4% of the experimental group members paid their last instalment in VO meeting by themselves compared to 30.7% of the control group members. However, last loan instalments were collected by the concerned PO (MF) from VO members' residence in 3.0% cases of the experimental group members vis-à-vis 61.0% in the case of control group members. All differences are statistically significant. In some cases of both experimental and control groups the last instalments were paid by others which include shops and VO president's residence, VO president went door to door for collection, etc. Although, 'instalments paid anywhere' mode in control group was significantly higher than experimental group which was one of the negative performances of control group considering the VO discipline.

In FGD session, VO members reported that presently their instalments and savings were collected by PO (MF) on a regular basis during the social capital meeting. Before the ESC project, PO (MF) collected their instalments and savings through door to door visit. Now it has been changed only for the social capital meetings while there were few of default and misappropriate cases in ESC project areas (Box 5).

**Box 5.**

Rahima Akther (35), a VO member of Haque VO, said that earlier PO (MF) collected their weekly instalments and savings from door to door. Then PO (MF) used to misappropriate many of their instalments and savings money by not registering it in their pass book. But now for social capital meeting, PO (MF) cannot practice this business anymore.

Source : VO meeting observation (Chuadanga)

**SANITATION AND FAMILY PLANNING**

**Sanitation**

BRAC has undertaken initiatives, through the ESC project, to encourage the use of sanitary latrines, and providing awareness to VO members. BRAC microfinance programme also offers small loan for installation of sanitary latrine<sup>9</sup>.

**Table 14. Type of latrine used by groups (%)**

Type	Experimental (n=264)	Control (n=264)	<i>P</i>
Sanitary latrine (recommended)	79.2	62.5	.000
Broken water seal	15.5	19.7	.287
Pit/open/ <i>kucha</i>	5.3	17.8	.000

Table 14 shows that higher proportion of experimental group members (79.2%) have access to sanitary latrine than control group members (62.5%). It is statistically significant, however, that 15.5% of the experimental group and 19.7% of the control group members were using sanitary latrine with broken water seal. Because, they usually break the water seal while installing the latrines. Nevertheless, the study has gleaned that 17.8% of the control and 5.3% of the experimental group members were

<sup>9</sup> Definition of sanitary latrine: latrine with two septic tanks and water seal or concrete ring (usually three rings) and slab with water seal was considered as sanitary latrine. If latrine water seal has broken that latrine has not considered sanitary.

using unhygienic open or *kucha* latrine which is alarming for the ESC programme. According to Kar and Bongarts P(2006), 78% of rural Bangladesh was under complete sanitation coverage the findings of this study.

In addition, we observed in FGD sessions that most of the VO members were well informed about sanitary latrine and the benefits of its usage. They have clearly said, “If the water seal is not broken and it can contain water then the latrine is a sanitary latrine. Use of sanitary latrine prevents diseases, mosquitoes, insects and stink. Using non-sanitary latrine is unhygienic and it spreads stink and germs of diseases”.

Every VO member was found aware of the use of sanitary latrine and hygiene practice. Most of the respondents reported that earlier they did not have sanitary latrine but now they had, they did not wash hands with soap after defecation but now they washed their hands. It is important to stay clean and tidy in order to stay away from diseases. These brought changes in their lives and it had become possible because of social capital meetings and ESC project.

### Family planning

The respondents’ understanding and awareness of family planning are assessed through their contraceptive use.

ESC project expected that experimental group members were more conscious about the family planning. The respondents identified birth control methods and their use. Table 15 presents the percentage of VO members and their family members who had been practicing any birth control method.

**Table 15. Use of contraceptives by groups (%)**

Category	Experimental (n=239)	Control (n=222)	P
User	73.2	73.4	.961
Not user	26.8	26.6	.961
Mean age	35.2	36.7	.106

Table 15 also shows that the similar proportion of experimental (73.2%) and control group (73.4%) members were using contraceptives. The remaining others were not using due to their personal and family problems (Table 16). In addition, they also mentioned some other reasons for not using any methods, e.g., lack of education, child marriage, unavailability of family planning methods at rural areas, and expectation of more son.

**Table 16. Reasons for not using family planning methods (%)**

Reasons	Experimental (n=69)	Control (n=65)
Would like to have baby	11.6	15.4
Over aged (49 years +)	49.3	55.4
Sick	11.6	7.7
Pregnant/ breastfeeding	3.1	13.0
Husband doesn't like FP method	17.4	15.4
Lack of awareness about the FP methods	0.0	4.6

Multiple responses

They marry off their children at as early age. They did not know family planning. But now through the recitation of the 18 promises, the VO members were aware of family planning and they were practicing it.

The experimental group members were aware about family planning and its merits. They expressed their opinion on necessity of family planning, such as it helps keep family small, prevents from repeated child delivery, and develops the lifestyle (for children). Family planning helps improve their quality of life. Because they can provide good food, clothing, and proper medical treatment in a small family. Also, in a small family it is possible to make children educated and give them a better future. It brings happiness in family.

### **Community leadership and social initiatives of VO member**

In an organization, a person whose words and advice are respected by everyone, who has the connection with village organizations, government and NGOs, people of all walks of the society and who can take proper decision is called a community leader.

A community leader is dutiful and sympathetic to every member of the community. In every VO, there is a president. She helps the VO members to improve their lifestyle and become self-dependent by giving loan (for example, taking loan and use it in a beneficial purpose such as poultry farming). Therefore, community leadership and social initiatives are assessed by VO member's participation in the village court or *shalish*.

**Table 17. Respondents involvement in different types of *shalish* during last year (%)**

Issue of <i>shalish</i>	Experimental (n=237)	Control (n=150)
Land/Assets	23.4	10.8
Familial conflict	49.6	44.6
Polygamy	36.4	50.0
Divorce/Separation	35.3	30.0
Women abuse	60.5	20.0
Financial issue	8.3	28.6

Multiple responses

Table 17 shows that a higher proportion of experimental group members played active role in *shalish* on different issues during the last year than the control group members.

To some villagers and VO members, the reason why VO members should not participate in *shalish* lies in the lack of women's capacity to conduct *shalish*. The poor women from VO did not have enough education and mobility to come out of their house which is considered to be preconditions for conducting *shalish*. Some people even believed that the behaviour of women was not up to the mark for conducting *shalish*. In the past when they were asked anything in *shalish*, they started quarreling with each other. One community leader believed that the VO of the poor women was a good idea but it would have been more effective if training was given to men than women (Box 6).

**Box 6.**

Rojina Begum was married in Khejura, a neighbouring village of Mujibnagar *Upazila*, Meherpur district. Her husband was addicted to gambling. She was physically assaulted whenever she tried to stop him from gambling. She was always harassed by her mother-in-law and father-in-law. For sometime Rojina did not protest to such a treatment, but over time such assault scaled up. Finding it unbearable at one point Rojina left for her brother's home. After some day brother's wife advised Rojina to return back to her husband, as they were unable to bear the extra expenses due to her presence in the family. She made Rojina understand that there was no other way for a woman without a husband. Being convinced Rojina returned back to her husband. After the return husband's behaviour towards her was worse than the before. She was severely punished for leaving husband's family and for neglecting him. She decided to leave her husband for-ever. Rojina was familiar with BRAC's VO and its activities. She informed Rinku Apa, CO of the concern VO, about her problem. Rinku Apa immediately arranged a *shalish* through the VO and *matbar* of the village at her home. Rojina Begum and her accused husband and father-in-law were asked to be present in the *shalish*. Two senior heads of the village - Tasir Mallik and Abul Mollah and a member of Union *Parishad* presided over the *shalish*. The *shalish* was attended by almost all the VO members. According to the decision of the *shalish* Rojina's husband signed a bond that he would never misbehave with Rojina, gamble, and would maintain family well. Villagers and VO members from both sides were present in the *shalish* and signed in supporting the decision.

*Shalish* is an age-old institution spontaneously created through trial and error over a long period of time, thus very much ingrained in the psychic of the rural society. It is also a part of social structure supported by social values and norms, and has a function, contributing to the continuation of rural society when it is in its ideal form.

Violence against women is a much-pronounced social phenomenon in Bangladesh. BRAC is equally interested in addressing and tackling the problem through various programmes, e.g., HRLS, CEP and Gender and Justice.

**Table 18. Respondents involvement in protesting violence against women in last year (%)**

Issues of violence	Experimental (n=132)	Control (n=85)
Divorce	25.9	23.1
Dowry	29.7	2.8
Physical abuse	62.9	36.7
Acid throwing	50.0	0.0
Rape	50.0	0.0
Abused through verdict	100.0	0.0

Multiple responses

Table 18 shows that the rate of women abuse protested<sup>10</sup> by VO members is higher in experimental group in the last year. The abuse of women in most cases happened due to divorce, dowry and physical torture in both areas and that was protested by VO members collectively at community level during the last year (Box 7).

*“Sir, look at my daughter, she is not good-looking at all, rather black, how will I arrange her marriage without dowry – you tell me. I know that giving and taking*

<sup>10</sup> VO members actively played role to protest violence against women in favour of victims, e.g., participation in procession on expostulation, participation in trial session, participation in expostulate discussion, provide personal counselling, and legal aid support.

*of dowry both are wrong. But we are poor and illiterate, so we do not have any other choice – said a VO member.”*

In both experimental and control groups we found that most of the VO members' families had to give dowry for the marriage of their daughters or sisters, if their daughters or sisters were not deemed to be good looking the amount of dowry would be higher. The practice was more strictly observed in the Hindu community. Some Hindu residents said as they had no rights to their father's land or capital, they had to pay higher amount of dowries for their daughter's marriage. So, it was quite high in comparison to other communities. Many women were forced to return to their parents' home due to unmet dowry obligations, and many women faced threats and physical assaults for non-payment. Many households were found negatively impacted by the burden of dowry.

However, in FGD sessions it was evident that VO members of intervention areas had adopted different strategies to protect themselves in the event of abuse by family such as:

- Discuss the issue among the other VO members of the group
- Arranging shelter for the victims (abused women or VO member) in others' houses
- Informed legal aid *sebikas* about the incidents
- CO and PO and popular theatre and '*Polli shomaj*' have played active role in raising awareness about women's rights and problems related to dowry

In addition, VO members have become aware about the issues like preventing child marriage and they have applied these learning in their practical life collectively.

#### **Box 7.**

The VO members of ESC project areas (experimental group) reported that some days earlier when a young girl was getting married in their village Durgapur in Meherpur, they tried to prevent it collectively with the help of CO, but the girl's family did not listen to them. Some days after marriage, the girl return to her father's home and the marriage was broken. Then the girl's parents could realize their fault. Now, they have stopped child marriage. Because, giving marriage at early age is a crime. It can bring danger to a girl's life. Becoming mother at early age occurs declination of health. That's why they have stopped this marriage. It has become possible only because of social capital meeting.

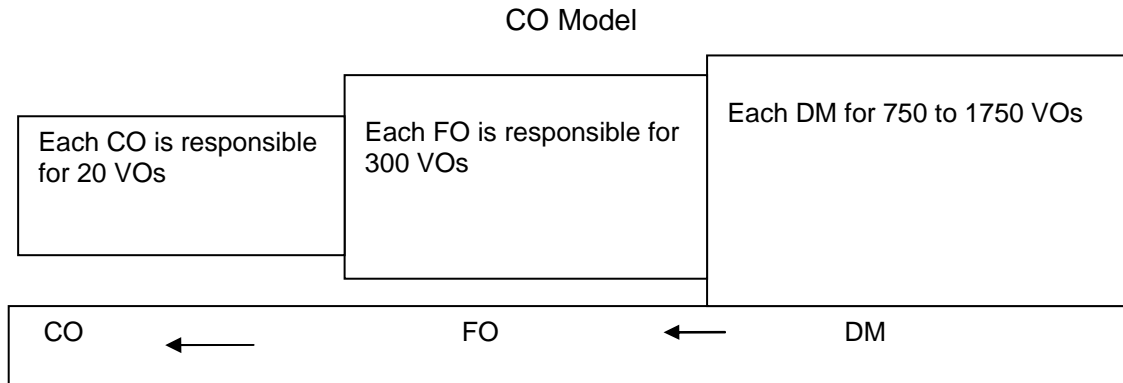
Source: FGD session (Meherpur)

Although, we found that VO members (experimental and control group) participation in local institutions e.g., Union *Parishad*, was poor. Three out of 528 VO members participated in the last Union *Parishad* (UP) election.

UP, is the most important platform of national politics which is mainly controlled by the local elites and political party. So, there are limited scope for poor VO members to participate in the UP election and succeed. However, currently increased solidarity among VO members led to develop their integrity as BRAC clients.

## CO model

Community Organizer (CO) played role model for VO meeting involving the PO (MF), FO/PA, DM and resource persons.



COs were instrumental to conduct social capital meeting in VO. As per the procedure the COs were supposed to visit the VO members' house the day before the social capital meeting. CO started the meeting with greetings to the VO members. CO articulated the promises in VO following rules of VO meeting. After reciting promises, she also selected one more subject or issue from 18 promises to discuss in details. Thus, VO members became aware of health, hygiene, sanitation, family planning, etc. through the mechanism of CO model. Resource persons were required to conduct social capital meeting in the VO. Resource persons were village doctors, influential persons, member of UP, who also attended the VO meeting as per procedure of CO model. Resource persons were welcomed to discuss issues of their own expertise. But, resources persons were not eligible to get honorarium for attending VO meetings. Even, refreshment was not offered to them. The mechanism of CO model helped microfinance programme immensely in terms of achieving VO discipline.

*“CO apa visits door to door to keep in touch with us. If we face any problem, we discuss with her for suggestions. Besides, she also helps us by providing information on various issues including legal aid, health and family planning issues, etc.-said a VO member”*

## Constraints of the ESC project

Distance and location of VO constrained project staff in attending VO meeting on time. However, Many VO members avoided VO meetings as they felt it unnecessary to travel long distances for attending meeting. Many women were neither allowed nor interested to attend VO meeting. Most cases of low attendance occurred due to their own work or family bindings. Even, their husbands restricted VO members to attend VO meeting. Besides, few VO members found sitting arrangement in the meeting were inadequate for them.

Moreover, the COs were low paid voluntary staff. The provision of festival bonus, phone bill and travelling expenses were not provided for them. On the other hand, COs workload was found high as they had to visit more than 20 VOs per day. The study also reveals that the COs were dropped out for many underlying reasons including lower salary, changing marital status, pregnancy, or for availing better opportunity (Box 8).

**Box 8.**

Lily (32) used to work as CO with ESC project in Moulvibazar district. She left the programme and joined a local NGO. She explained that the ESC project was a good one for villagers to make them aware of different issues. Besides, scattered location of VOs throughout the village made it difficult to visit VOs on time regularly. Even, she had to visit more than 20 VOs in a day while her salary was not sufficient to run her family. However, she also added that during menstruation period females could not visit VOs equally. Additionally, she mentioned that COs were encountered with huge workload compared to their salary. However, transport allowances were considered for them.

Source: Informal interview (Moulvibazar)

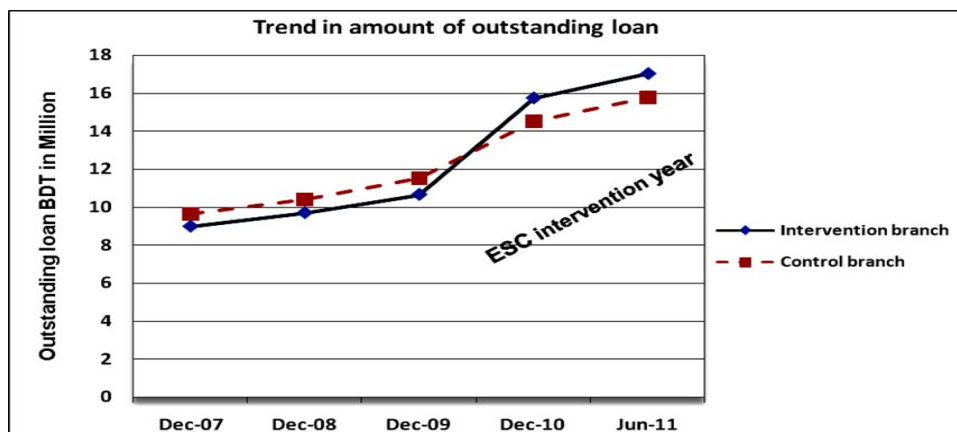
FOs played crucial role in supervising VOs where COs were supposed to attend. But, FOs had no official transport facilities like motorbike to attend VO meetings in time.

As per policy, the POs had to visit more than one VO per day to collect loan instalments. So, they were not able to attend VO meetings in time. Thus, we found that PO (MF) did not give required time in VO meeting. The relationship between microfinance staff (PO) and ESC staff (FO/FA/CO) was not found friendly in few areas. However, CO and FO/PA reported that they were being humiliated by MF staff to find VO discipline in VO meeting. Sometimes, the MF staff claimed superiority over ESC staff as they had been working with VO since its inception. To some extent, MF staff had inadequate knowledge about the activities of ESC projects. Even, MF staff considered the COs as an additional problem in their VO activities. Thus, the lack of coordination between ESC and MF staff was evident.

**STATUS OF MICROFINANCE PROGRAMME IN ESC PROJECT**

The ESC project<sup>11</sup> had an expectation that VOs in intervention (ESC project areas) branches would be more organized and disciplined than the control branches. So, it was assumed, that the microfinance programme performance in the former branches would be better performing than the latter. We did some trend analysis on selected microfinance programme indicators for four - and - half years (December 2007 to June 2011) in both control and intervention branches.

**Figure 4. Trend of outstanding loan**

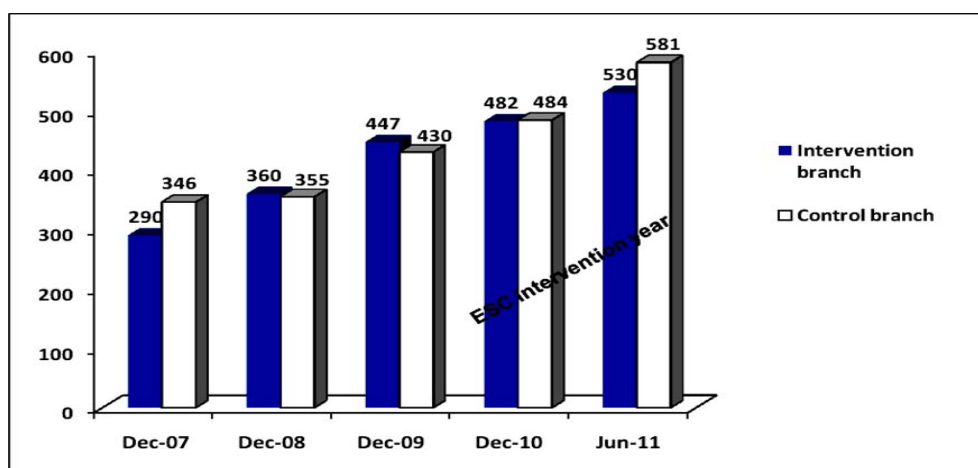


Data sources: MIS, Accounts section and Branch offices of BRAC

<sup>11</sup> ESC Project: Enhancing Social Capital(ESC) project intervention started: January 2010

Figure 4 shows that since December 2009 the amount of outstanding loan in intervention branches increased more compared to control branches. However, in 2007 and 2008, trend in amount of outstanding loans were steady in both areas. On the other hand, the figure shows that the trend in outstanding loan was on rise in intervention branches since December 2010 compared to control branches. It appears that intervention branches are more capable in loan disbursement which indicates the demand for increased loan compared to control branches.

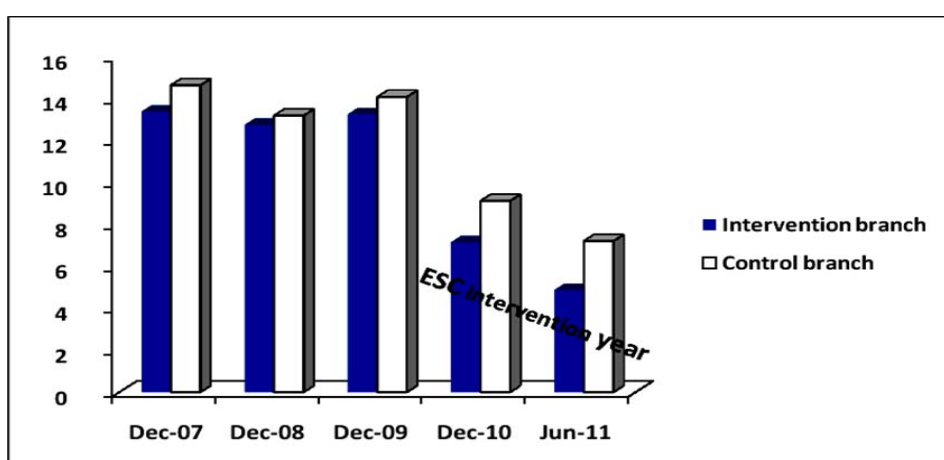
**Figure 5. No. of active borrower per staff**



Data sources: MIS, Accounts section and Branch offices of BRAC

Figure 5 compares the number of active borrowers per loan officer<sup>12</sup> between control and intervention branches from December 2007 to June 2011. This figure indicates that the number of active borrower per loan officer in control branches is much higher than that of intervention branches, except for 2008 and 2009. However, as per microfinance ratio analysis the standard number of active borrowers per loan officer is 350-400 and it was obtained in both areas since December 2008. So, the graph reveals that the number of active borrowers per loan officer positively increased in both areas of the microfinance programme.

**Figure 6. Trend in portfolio at risk (overdue loans over 30 days as per percent of outstanding loans)**

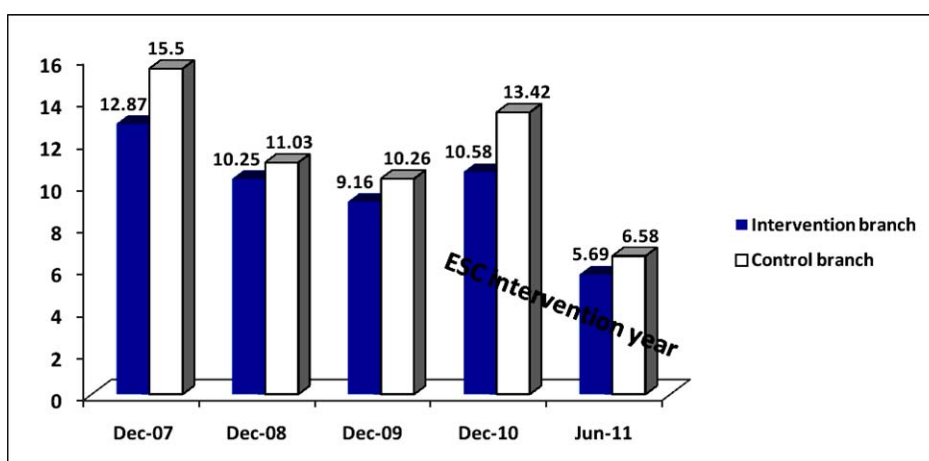


Data sources: MIS, Accounts section and Branch offices of BRAC

<sup>12</sup> No. of active borrower per loan officer or staff= No. of active borrowers ÷ no. of loan officer or staff

Figure 6 compares the proportions of portfolio at risk<sup>13</sup> of the microfinance programme between control and intervention branches from December 2007 to June 2011. A portfolio is the greatest indicator of the microfinance programme. Portfolio quality<sup>14</sup> is characterized by the low portfolio at risk and high loan recovery rate. The portfolio at risk is declining since December 2010 in both control and intervention branches. However, in 2007 to 2009, overall portfolio ratio was almost same and steady in intervention branches, but it was actually doing better compared to control branches. The lowest portfolio at risk ratio was in 2011, a rate of 7.21% and 4.88% respectively for control and intervention branches. So, it was found that the microfinance programme was more secured intervention areas rather than control.

**Figure 7. Operational expenses<sup>15</sup> as percentage of outstanding loan**



Data sources: MIS, Accounts section and Branch offices of BRAC

Figure 7 compares the proportions of operational expenses in control and intervention branches during December 2007-June 2011. The highest proportion of operational expenses was found in 2007 15.50% for control and 12.87% for intervention branches. In 2008 it was 11.03% for control and 10.24% for intervention branches. In contrast, the lowest proportion of operational expenses was observed in 2011, 6.58% for control and 5.69% for intervention branches. This trend continues. The least difference in expenses between the control and intervention branches expenses was observed in 2007-2011 which is a lowest expense needed in intervention branches compared to control. So, the microfinance programme in intervention branches is more cost - effective than control ones.

<sup>13</sup> Portfolio at risk= Principal balance of loans overdue for more than 30 days ÷ total loan outstanding ×100

<sup>14</sup> Portfolio quality: Portfolio quality ratios can be calculated from portfolio information. This information together with the aging analysis can give a picture of the health of the portfolio and can also give valuable insight into an MFI's sustainability

<sup>15</sup> Operational expenses = Operating expenses ÷ total loan outstanding ×100  
Operating expenses are considered with salaries and benefits, office rent, utilities, maintenance and general expenses, stationeries, travelling and transportation, depreciation, staff training and development, VO members insurance benefits, data processing, HO logistics and Mgt support and expenses from other project.

## DISCUSSIONS AND CONCLUSION

The achievement of ESC project was articulated by CO, FO, FA, and DM who have been playing key roles in implementing the project. The VO members were benefited in various ways through different programmes of BRAC.

The VO members became acquainted with BRAC education programme that has been providing primary education. As a result, they became more interested to enroll their children in BRAC primary school (BPS) as this type of school is located in remote areas. So, the BPS has also increased.

Average number of VO members in experimental group was found to be higher compared to control. However, member dropout from VO remained as a major concern in both groups although it was higher in the experimental group, but the differences was not significant (Table 2).

Ideal VO size in experimental and control group exposed very low at proportionate. But experimental group found to be higher in terms of forming ideal VO size (20.8%). However, experimental group achieved better position in three categories by forming standard VO compared to control group.

The study also shows many reasons that induced member dropout from VO. However, VO members' association with multiple NGOs may lead to dropout as most of them would not afford to pay more than one instalment in a month. Experimental group found to have higher affiliation with other NGOs compared to control group. Besides, experimental group received more training on livelihood issues which brought positive change in their household condition.

Staff participation was a major concern to arrange social capital meeting in VO that were supposed to be held in experimental group as per procedure. Most of the meetings were not held on time because the COs could not attend VO on time. Thus, the mechanisms of ESC project needed to be strengthened to achieve the objectives.

Four meetings were supposed to be held in each VO in a month while experimental group conducted more VO meetings in last month compared to control group. Even, the study also reveals that most of the control group members were not aware of VO meeting held in last month. To some extent, the concept of VO discipline is becoming weaker in control group.

Useful messages or socioeconomic issues were disseminated in VO meetings through 18 promises. Experimental group was more aware of 18 promises than the control group. The process enabled VO members to be aware of different issues including livelihood procedure and social aspects. Control member found to be less aware of 18 promises were supposed to recite those in their VO meetings.

VO members of both groups used their microcredit in non-IGA sectors to meet household expenses in other sectors. These sectors were abortive to maximize their profit. As a result, VO members may become defaulter in paying their instalments if they would not use their loan in productive sectors.

Experimental members have been cultivating vegetables in their homestead to meet household demands. They acquired knowledge on how to invest their loan in productive sectors. They mainly used their microcredit in income generating sectors including small business, land, farming cattle, etc. Proper use of microfinance ensures VO members to maximize their profit. To some extent, experimental members already received training on sewing, poultry, cattle rearing, etc. conducted by ESC project.

BRAC microfinance staff used to collect instalment either through household visit or from convenient places of borrower. But, the scenario has been changed after the intervention of ESC project in experimental areas. In control group, PO (PM) collected instalments from different places instead of VO. But ESC project brought significant change collecting instalment in VO members meeting. The study also observed that 61% of the control members paid their instalment at their household. So, experimental group achieved better performance to pay their instalment in VO meetings. The, VO found more organized in participating VO meeting held regularly in experimental group. Microfinance programme immensely benefited through the innovation approach of ESC project as members attended the VO meetings regularly with their instalment and savings. To some extent, ESC project could claim VO discipline achieved through the mechanism of the project.

Experimental group members found to be more aware of using sanitary latrine compared to their counterpart. Practicing family planning methods has increased among VO members. The VO members were interested to adopt family planning methods.

BRAC Health Programme (BHP) provided different services with health messages to VO members that enabled them to receive health services from BHP and other facilities existed in their localities. Besides, they also acquired knowledge on how health and hygiene practices should be observed and maintained at household level. Mothers became more aware of feeding colostrums to their newborn babies. Now, the children got vaccinated for immunization in time against six lethal diseases. Moreover, the VO members also knew about BHP services including the treatment of tuberculosis that are provided free of cost to the poor.

BRAC WASH programme enabled the VO members to nurture hygiene practice at their household level and in personal life. The concept of using sanitary latrine was coined differently by the VO members. Some of them defined sanitary latrine with or without water seal. Now, most of VO members did not break water seal of their own latrine. The use of sanitary latrine has increased in experimental group compared to control group. But, they became aware of using sanitary latrine in appropriate manner. Furthermore, experimental members reported that they liked to keep their surroundings neat and clean for maintaining hygienic atmosphere. They also preferred to drink tubewell water. As a result, waterborne diseases including diarrhoea and dysentery have been decreasing among the VO members.

The VO member also became aware of human rights violation issues through different innovations of VO. They protested the incidences of early marriage, dowry and domestic violence. The experimental group achieved higher proportion in these instances. VO members also protested if they found domestic violence took place in their neighbourhoods. Legal aid services became popular among VO members and they also encouraged other villagers to deal human violation issues with HRLS, BRAC to ensure justice.

A kind of social integration and solidarity were found among the VO members in protesting injustice prevailed in the society. They already acquired knowledge about handouts of the government and NGOs including old aged, widow allowances, etc. Experimental group proclaimed that they achieved bargaining capacity to receive such services from relevant authorities. The study also addressed that VO members, especially in experimental areas, were cooperative and helpful to each other in situation of human rights violation issues, early marriage, dowry, etc. In experimental areas, the VO members were also found more active in dealing *shalish* with local influential persons. Participation of VO members in local institutions e.g., Union *Parishad*, was negligible. Three VO members of control group participated in the last Union *Parishad* election.

## RECOMMENDATIONS

The following recommendations may be taken into consideration in devising future policies for ESC project:

- Increased emphasis may be given on social awareness programme to ensure people's participation at its optimum. Data show the efficacy of both direct and indirect influence of social awareness programmes on access to local institution, e.g., participation in *Shalish*, reducing women abuse, and dowry.
- Training on gender issues for male counterpart of the VO members may also be arranged and at the same time improve or extensive participation of the female group members in training on gender need to be ensured.
- Effective and (local) culture - specific initiatives to build awareness on polygamy and domestic violence need to be undertaken.
- VO members' participation in local institutions, e.g. Union *Parishad*, should be increased for further empowerment.
- Salary structure may be re-structured to prevent staff dropout.
- Transportation facilities may be provided to FO/PO to accelerate their mobility in the VO meetings.
- Refreshment allowances may be provided to resource persons for their participation in the VO meetings.
- Coordination between ESC and microfinance staff should be improved to achieve ESC project objectives.

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## APPENDIX

### Appendix A. Sampling strategies

