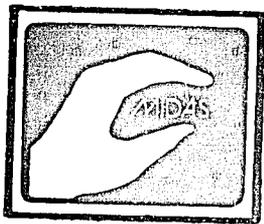


Annex 262  
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**A PILOT STUDY OF  
THE SATURATION OF MARKETS  
FOR TRADITIONAL GOODS AND SERVICES**

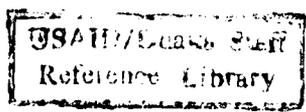
**PREPARED FOR  
AID/ECONOMIC OFFICE  
USAID, DHAKA**

**PREPARED BY:**



**MICRO INDUSTRIES  
DEVELOPMENT  
ASSISTANCE SOCIETY**

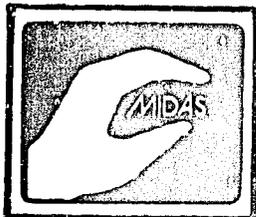
**HOUSE 56, ROAD 7A, DHANMONDI RESIDENTIAL AREA, DHAKA-9  
TELEPHONE : 310335, 310336 & 326427  
FEBRUARY 1987**



**A PILOT STUDY OF  
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TELEPHONE : 310335, 310336 & 326427**

**FEBRUARY 1987**

# MICRO INDUSTRIES DEVELOPMENT ASSISTANCE SOCIETY (MIDAS)



মাইক্রো ইন্ডাস্ট্রিজ ডেভেলপমেন্ট অ্যাসিস্টেন্স সোসাইটি (মাইডাস) জি. পি. ও. বক্স নং ৮০০, ঢাকা-২

HOUSE 56 ROAD 7/A DHANMONDI R/A, DHAKA-9, BANGLADESH. CABLE : MIDAS, DHAKA G.P.O. BOX 800 DHAKA-2 TEL : 326427, PABX 310335-6 TELEX 642940 ADAB BJ

February 15, 1987

Ref: AI/CY-19/87/4650

Mr. Nishkam S. Agarwal  
Economist  
USAID  
Jibon Bima Bhaban (4th floor)  
10, Dilkusha Commercial Area  
Dhaka

Subject: Contract No. 388-0249-C-00-6065-00 Dated 28-9-86:  
Pilot Study of the Saturation of Markets for  
Traditional Goods & Services: Final Draft Report

Dear Mr. Agarwal:

Kindly refer to your letter dated February 01, 1987 extending the period of the subject contract upto February 15, 1987.

We are pleased to submit 20 copies of the final draft report which presents and analyzes the results of the pilot study. It includes our justification in support of undertaking a comprehensive study by applying the same methodology and with the modified survey instrument (Appendix-D). As required, a fully costed work plan has also been worked out in the proposal.

We trust that the report will satisfy your requirements and we look forward to receiving your considered comments.

Kind regards,

Sincerely yours,

M. MOBASSAR HUSAIN  
Executive Director.

c.c: Mr. Jack Gunther  
Management Officer  
USAID

a



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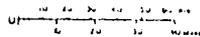
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# BANGLADESH

GEOCODE INDEX MAP



## LEGEND

- INTERNATIONAL BOUNDARY
- DIVISION BOUNDARY
- DISTRICT BOUNDARY



List of Abbreviations

ADAB	:	Association of Development Agencies, Bangladesh
AR	:	Azizur Rahman
B	:	Before
BARD	:	Bangladesh Academy for Rural Development
BIDS	:	Bangladesh Institute of Development Studies
BKB	:	Bangladesh Krishi Bank
BMDT	:	Bureau of Manpower Development and Training
BRAC	:	Bangladesh Rural Advancement Committee.
BRDB	:	Bangladesh Rural Development Board.
BSCIC	:	Bangladesh Small & Cottage Industries Corporation
BSS	:	Bittaheen Samabaya Samity (Cooperative for resourceless people)
CCDB	:	Christian Commission for Development in Bangladesh
CCI	:	Credit for Cottage Industry
CIRDAP	:	Centre for Integrated Rural Development for Asia and the Pacific
CIDA	:	Canadian International Development Agency
DANIDA	:	Danish International Development Agency
DRR	:	Directorate of Relief & Rehabilitation
ESCAP	:	Economic & Social Commission for Asia & Pacific



List of Abbreviations

MSS	:	Mahila Samabaya Samity
NGO	:	Non Government Organisation
NIRDP	:	Noakhali Integrated Rural Development Programme
NORAD	:	Norwegian Agency for International Development
NRDP	:	Noakhali Rural Development Project
NWRDP	:	North-West Rural Development Project
P	:	Present
PO	:	Programme Organizer
RCTP	:	Rural Credit and Training Programme
RD-I	:	Rural Development Project - I
RD-II	:	Rural Development Project - II
RDTI	:	Rural Development Training Institute
RDA	:	Rural Development Academy, Bogra
RDRS	:	Rangpur Dinajpur Rural Service
RFEP	:	Rural Finance Experimental Project
RPP	:	Rural Poor Programme
LGRDC	:	Local Government Rural Development and Cooperatives
Ei	:	Expenditure Elasticity
RWP	:	Rural Works Programme
SCF-USA	:	Save the Children Fund - United States of America
SDC	:	Swiss Development Cooperation



List of Abbreviations

SFYP	:	Second Five Year Plan
SIDA	:	Swedish International Development Agency
SWANIRVAR	:	Self - Reliance
TARC	:	Training and Resource Centre
TGP	:	Target Group Oriented Programme
TFYP	:	Third Five Year Plan
THANA	:	Sub-district now renamed upazila
TOR	:	Terms of reference
UCCA	:	Upazila Central Co-operative Association
UERC	:	Upazila Employment Resource Centre
UNCDF	:	United Nations Capital Development Fund
UNDP	:	United Nations Development Programme
UNICEF	:	United Nations Children's Fund
USAID	:	United States Agency for International Development
VO	:	Village Organiser
WEDP	:	Women Entrepreneurship Development Programme



Explanation of Some of the Words Used

House hold: A group of persons living together and having meals from a common kitchen constitutes a household. A household may have one or more members.

Household size: The number of members normally residing in a household and include the normally resident members who are temporarily absent while temporary visitors and guests are excluded. The average size varies between 5-6 members per household.

Occupation: The occupation which an individual pursued for the longest period during the last year from the date of survey is his/her occupation.

Helicopter: A bicycle having two additional seating capacity besides the one for the rider. These seats are mounted on the carrier in the back and on the frame in the front of the rider. This is used as a mode of transport in selected rural areas including the survey zone at Sarsha, Jessore.

Helicopter puller: The rider who paddles the helicopter and makes a living out of the fares paid.

Exchange rate: US \$ 1.00 = Tk. 31.00.



MICRO INDUSTRIES DEVELOPMENT ASSISTANCE SOCIETY

SUMMARY  
AND  
CONCLUSIONS

*h*



SUMMARY AND CONCLUSIONS

1. The major objectives of the present study have been to investigate:
  - i) economic and financial benefits accrued to the target groups, and
  - ii) assess the demand and market prospects facing the non-farm activities promoted under various government and non-government operated programmes.
2. Target group oriented programmes currently under implementation are aimed at alleviating the rural poverty and creating new employment and earning opportunities in the rural non-farm sector. The approach is to encourage the rural poor to be organised into effective working groups and ensure increasing participation in the development process. Moreover, the emerging human development and awareness spirit will enable them to manage their own programmes free from the overriding influence of the social power elites.
3. A target group approach is defined as being one which brings together the poor with similar socio-economic background into separately organised productive groups, permitting them to take care of their own programmes in terms of planning and implementation. In Bangladesh, target group oriented income generating programmes are being implemented by
  - a number of public sector government agencies, and



- still a larger number of private sector non-government organizations.
4. Two models namely, BRAC in the NGO sector and Grameen Bank in the public sector have emerged successful. The working methodologies adopted by these two organizations provided a comparative basis of addressing rural poverty. While Grameen Bank reaches to its self-managed target groups through field monitoring mechanism, the BRAC's implementation process is somewhat lengthy starting from socio-economic survey and through a number of processes to credit disbursement stage. Grameen Bank appears to be credit oriented and BRAC insists on a strong village organization.
  5. In the past, agricultural development was considered synonymous with rural development. However, of late, a coordinated approach to rural development has been adopted and one of the three major components of this approach, as spelt out, in the SFYP, is: 'production and employment programme for the rural poor through development of crop and non-crop activities'. In the government sector BRDB, LGEB, Grameen Bank, BSCIC, Swanirvor Bangladesh, Department of Social Services and Department of Women Affairs are supporting various target group programmes. Parallel to government effort, non-government organisations are also supplementing to the national efforts for rural development. Some of the NGOs have shown considerable success in terms of benefiting the rural poor. Target-group approach and the flexibility of the



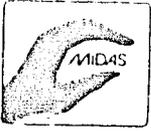
operational structure are reckoned as the key factors behind their achievement. However, there are doubts as well about the extent of their success, in particular, in respect of the extent of cost-effectiveness, area of coverage and ultimately, the impact of development milieu. While some of the leading NGOs are breaking new grounds, many others are faltering. Again, some small NGOs are also showing bold promises.

6. The important findings of the pilot study may be summarized as follows:
  - a. In terms of the basic socio-economic indicators, the study areas appear to be broadly typical of other regions of the country. Both areas are typical agricultural regions with some non-farm activities being pursued by the survey households, promoted through income-generating programmes. The incidence of landlessness is high and the pattern of land-ownership is also skewed. In both the areas, considerable proportion of economically active population are unemployed and underemployed. Of those who are engaged in economic activities, overwhelming majority eke out their living by depending on agricultural pursuits with roughly one-third being engaged in non-agricultural pursuits.
  - b. In so far as the survey households are concerned, the incidence of landlessness is very high; the proportion being 73 percent in Kachua and 68 percent



in the Sarsha upazila. Such proportion is even higher among the non-loanees in the study areas. Hence, the programmes had no influence on the pattern of landownership in the study areas. However, considerable changes seemed to have occurred in the ownership of non-land assets in the study areas due to programme intervention. The proportion of loanees in the high income bracket is seen to have risen and that in the low-income bracket is observed to have declined. However, the positive impact of the programmes on the ownership of non-land assets is found to be more pronounced in those areas where the income-generating programmes have been in operation for longer periods. Further, the loanees with relatively better initial endowment of resources are seen to have fared better in this regard than those with poorer initial resource ownership.

- c. In terms of occupational distribution, petty traders are the dominant groups followed by those engaged in saw-milling and cottage industries in Kachua. Though farming is dominant in Sarsha upazila, petty trading is still the primary occupation for about one third of the loanee respondents. But this is not true for the non-loanees amongst whom the day-labourers are most dominant. The implication is that availability of credit is expected to help diversify opportunities for employment for the target groups.
- d. Another feature emerging from the socio-economic condition of the loanee households is that women

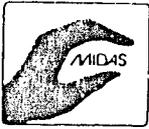


participation has not been encouraging to the desired extent. Most of the programmes have been dominated by male loanees. Even in the programmes specifically designed for women, the beneficiaries have mostly been the male loanees. While there is no consistent trend with regard to rate of literacy of the survey respondents under various programmes, the rate of illiteracy is quite high in both the study areas, the proportion being 62% in Kachua and 63% in Sarsha.

7. The economic and financial impacts of the programmes have been assessed by comparing the levels of income of the target groups before and after project intervention by programmes and by loanee and non-loanee households. In this connection, sources of growth of income and magnitude of capital accumulation by the loanees have also been investigated.
8. Based on the statements made by the respondents about monthly earnings as well as estimates made from their expenditure accounts, it is seen that the level of per capita income of the loanees as well as the non-loanees and non-members has increased considerably over time. In Kachua upazila, the per capita income of the BRDB female loanees is found to be Tk. 2,659 in 1986 compared to Tk. 1,507 in 1982. Similar favourable changes in level of per capita income of the loanees can also be noticed for other programmes in Kachua. Though of slightly lower magtitude, positive changes in the level of per capita incomes of the loanee households can also be noticed in the Sarsha upazila.



9. Looking at the comparative position of the loanees and non-loanees in this regard, it can be observed that the level of per capita income of the loanees is higher than that of the non-loanees and the non-loanees within the programme area are slightly better off than their counterparts outside the programme area.
10. In so far as the relationship between level of income and type of occupation is concerned, the loanees with cottage industries as their primary sources of incomes appear to enjoy the highest per capita income. Again, the non-loanees and non-members with same occupation are observed to fall behind the loanees in this regard. The implication is that availability of credit plays an important role in creating income differentials. However, the average size of loan extended to the respondents being both small and intermittent, any consistent relationship could not be established between size of loan and level of per capita income. It proved even more difficult to trace any such relationship because of influence of smuggling activities in the Sarsha upazila.
11. While the record of loan repayment has, in general, been rather poor - because of most of the credit programmes being in operation for rather short period in the study areas, the overall repayment record has been relatively better in case of NGO operated programmes, especially for female loanees.
12. The increase in the level of percapita income of the target groups has taken place due to a number of reasons



among which greater utilization of work force arising from increase in the self-employment opportunities, particularly for women. This increase in the number of earning members in the survey households and overall diversification of income-earning opportunities resulted from availability of credit. Indeed, our survey revealed that the loanees on the one hand became conscious not to involve in wasteful ceremonial expenditures and on the other hand took up various special income earning projects (i.e. vegetable cultivation, poultry raising, pisciculture and so on) as secondary occupations to supplement their incomes.

13. Turning to the influence of the credit programmes on the capital accumulation by the target groups, it is seen that there has been a considerable level of capital accumulation among the loanees. The sizeable capital assets that the loanees are left with after repaying the loans, are found to be spent on buying non-land assets of various types (i.e. milch cow, weaving machine, etc.) and investing in various non-farm income generating activities.
14. As a corollary to the above, the overall volume of trade and business has expanded, leading to increase in the earnings opportunities and improvement in the standard of living of the people in the programme as well as in the non-programme areas. While a buoyance of economic activities generated by the credit programmes seems to have created snow-ball effects on the production and consumption behaviour of the households in both the programme and the non-programme areas, the other factors

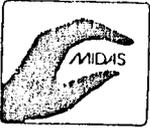


reinforcing the trend has been an increase in the productivity of agriculture and rise in the agricultural incomes and wage levels. Increasing opportunities for employment especially in the non-agricultural labour market has led to increase in the demand for labour with consequent rise in the wage level. Indeed, the wage rate in Kachua has been found to be in excess of the minimum wage rate fixed by the government.

15. As noted already, along with increase in the level of income, quality of living has also shown positive signs of improvement. This is indicated by greater amount of expenditures being made by the survey households after project intervention on such items as non-food goods, health, education and housing. What is important, many of the respondents from among the poorest of the poor informed that the overall economic environment in the programme areas has made them more confident than before to face the realities of life. They have now gained greater economic and financial strength and have learnt to eke out a living by engaging themselves in one or the other income generating pursuit.
16. The demand and marketing prospects facing the goods and services produced by the target groups have been analysed through examining the budget composition of the survey households, estimating expenditure elasticities and marginal propensities to consume and conducting opinion survey on the market situation.



17. The analysis of the budget composition reveals that the expenditure pattern of the survey households has shifted away from consumption of cereals to non-cereals with proportion of expenditure made on cereals declining and that made on non-cereals and non-farm products increasing with increase in the level of incomes. This trend is confirmed by the results obtained from the estimates of expenditure elasticities and marginal propensities to consume. It is seen that the MPCs of the commodities produced by the non-farm sector are quite high. While the MPC for food items (cereal + non-cereal) for the NGO loanees is 0.56 the corresponding figure for the GO loanees 0.49. And the MPC for the non-cereal food items is found to be 0.29 in the first case and 0.47 in the second case. Further, while 44 percent of the incremental income is found to be spent on non-food items by the NGO loanees, the corresponding figure can be observed to be 63 percent in case of the GO loanees.
  
18. The overall results of our analysis show that the demand for non-farm products is considerably income elastic, indicating increase in the demand for such products with increase in incomes. We can thus claim that the markets for products and services of the non-farm sector in the survey areas is not small and there is good potential for the expansion of the existing market. As the income for the target group increases, the demand for both food and non-food (the latter increasing at a faster rate) will increase, providing an overall stimuli to the economy. Finally, it is to be noted in this connection that the results obtained from the opinion survey on the market



prospects also confirmed that the existing demand for the non-farm goods is adequate to keep the producers of such goods profitably engaged in such activities. While lower demand in some cases created problems, the producers could read the market signals and changed their occupations.

19. Another important TOR of the study was to examine the impact of the programmes on the influence of the non-institutional lenders as sources of credit. The results obtained from our investigation have shown that availability of institutional credit has curbed the influence of the money lenders by reducing the dependance of the loanees on them as suppliers of credit. Indeed, the money lenders themselves from both the study areas informed that due to reduction in the number of their clients and hence in the amount of loan extended they had to reduce the rates of interest charged on loans and also look for alternative avenues for utilization of their funds.
20. Before concluding finally, it seems pertinent to admit that since the present exercise has been a pilot study covering small areas and limited number of respondents, the results obtained cannot be pushed too far to make strong generalization. For this, a more comprehensive study needs to be undertaken, the justification for which has been elaborated in chapter-VIII of the study.



### Recommendations

The target group oriented programmes have been in operation in the study areas for varying length of time, some for considerable length and most others for rather short span of time.

However, the programmes have already made significant impacts in terms of creating employment opportunities, increase in investments, improvement in household output, income and consumption and standard of living. To consolidate these benefits and make them available to more wider clientele in the areas concerned the following recommendations may be made.

1. The size of loans extended to the target groups needs to be enhanced.
2. The coverage of the programmes needs to be wider in terms of making credit available to more clients.
3. Since the majority of the loanees belong to the poorest segment of the population the terms and conditions of loans should be made more easier and flexible.
4. Special care should be taken to ensure more wider participation of women in the programmes. This will enhance self-employment opportunities, diversify sources of income generating activities, create larger demand and ultimately provide greater stimuli to the economy of the areas concerned.



5. Since the loanees are groups without much skill and knowledge of the market potentials for their products, arrangements need to be made to impart adequate training and supervision.
6. While the overall impact of the programmes seems favourable and also propitious for replicating them in the other areas of the country, this can be better implemented after carrying out comprehensive surveys and studies in wider geographical regions and covering larger number of clients in order to generate adequate information base needed for effective implementation of the future programmes.



CHAPTER I

OBJECTIVES, METHODOLOGY AND  
ORGANISATION OF THE STUDY

INTRODUCTION

OBJECTIVES AND SCOPE

METHODOLOGY

ANALYSIS

REPORTING

STUDY TEAM



CHAPTER - I

OBJECTIVES, METHODOLOGY AND ORGANIZATION  
OF THE STUDY

1.1 Introduction

Economic Office of the United States Agency for International Development, Dhaka, has contracted the consultancy wing of MIDAS, a non-government organisation for delivery of technical services to design and implement a pilot study. The focus of the study is to analyze the economic and financial issues relating to the question of saturation of markets for traditional goods and services produced in rural areas and promoted under the closely supervised target group credit programmes.

Currently in Bangladesh, both government and private sector agencies are working intensively to address the national problem of unemployment and poverty. Target group approach together with closely supervised credit is now an accepted model which may help ameliorate the condition of the rural poor. A large number of target group oriented income and employment generating programmes are either in operation or planned and likely to be carried out at varying degrees of intensity throughout the country. Given their nationwide coverage, this assignment, aimed at making it practically oriented (cost and time wise), directs that the study design should be pilot tested. The objective of the pilot test is primarily to identify problems in study design and implementation. Furthermore, it will help determine whether or not implementation of a detailed and comprehensive study is warranted before replicating the target group oriented programmes nationwide.



This report therefore is essentially a designing - implementation-modification research tailored to suit the requirements of the contract.

## 1.2 The Objectives and Scope

### 1.2.1 Objective

The objective is to design a thorough field study of the economic and financial issues relating to the question of saturation of markets for products of traditional activities stimulated by target group programme model. The study has been designed to concentrate on analyzing the financial and economic benefits to the beneficiaries of the target group. In doing so, the study design has addressed other issues as well. For example, attempts have been made to investigate the financial and economic effects on members of the target group not involved in specific activities (e.g. assetless persons in the region who are not members of the organisation providing assistance, assetless persons in nearby regions who are not covered by the organisations providing assistance, money lenders and others in the region who are not members of the target groups, and persons who are outside the region being served).

### 1.2.2 Scope

The laid down scope of work has been to fully design a field tested study: (1) to investigate various issues relating to the economic and financial benefits of traditional production oriented group target programme, and (2) to investigate various issues relating to the likelihood that market



saturation characterises, or soon will characterise, these programmes. More specifically, it was assigned to:

- a. define the target group programme model.
- b. identify the size, scope, intensity and other relevant characteristics of target group programmes currently operating or planned in Bangladesh.
- c. devise a suitable measure of likely market saturation, by suitable geographic region, for traditional production programmes.
- d. identify and rank, by degree of intensity, geographic regions in which the effects of market saturation are likely to be felt.
- e. devise a questionnaire schedule, when fielded, will yield useful information on the economic/financial costs and benefits of relevant programmes, in particular:
  - on included (e.g. group members) members of the target group,
  - on members of the target group who are excluded from the programmes,
  - on groups both in and out of the geographic coverage of the programmes,
  - on non-target group members, explicitly including merchants and moneylenders.



- f. conduct a pilot test of the questionnaire schedule in two geographic regions.
- g. analyze the results in order to support a recommendation whether or not to perform a comprehensive survey.
- h. submit a detailed, fully costed work plan to conduct a comprehensive field survey based on the analysis of the pilot test.

### 1.3 Methodology

Given the objectives and scope of work the study applied two basic methodologies supported by an informal workshop discussion on each of them. The methodologies are briefed below.

#### 1.3.1 Exploratory informal surveys

The research team, since the commencement of the study, held intense informal discussions with many knowledgeable persons relevant to the study and consulted many published and unpublished documents, reports, journals, mimeographs, etc. Aim of these exploratory surveys was to gather information about the degree of involvement of various institutions (both government and non-government) in promoting target group oriented non-farm employment generating activities and characteristics and dimension of such programmes. Included among them were the donor agencies (bilateral and multilateral), government and non-government organisations, private voluntary agencies and research institutions.



Information thus collected have been synthesized to help develop the study design. A list of places visited and persons contacted is presented in Appendix-A. The list of published/unpublished documents and mimeographs consulted for purposes of collecting the necessary preliminary information is presented in Appendix-B.

Furthermore, a series of discussions were held between the study team members and U S A I D economist to help develop a clear understanding of the key researchable issues as well as of the analytical framework.

### 1.3.2 Formal survey

Formal survey was undertaken to collect primary data from the field. For administering field survey, the methodological steps followed included selection of geographical areas to be covered, designing the sample frame, stratification of the survey audience, design of respective data collection instrument (questionnaire schedule), recruitment of field enumerators and their training and finally, administration of the structured questionnaire. Presented below are brief discussions on each of them:

#### a. Selection of geographical areas

In conformity with the TOR and based on exploratory field visits in this behalf, the following two geographical areas were selected to be covered by the pilot study:

<u>District</u>	<u>Upazila</u>	<u>Union</u>
Jessore	Sarsha	Kayba
Chandpur	Kachua	Karaya



Again, two adjacent locations having identical socio-economic characteristics and concentration of non-farm activities were also selected as control areas in order to compare the impacts of the economic and financial benefits accrued to the target groups within and outside the programme areas.

These two areas were selected on the basis of the following considerations:

- i. Both these upazilas are considered to be economically backward and are located in two different geographical regions of the country. Basic indicators of socio-economic profile of the two upazilas appear as Appendix-C of the report.
- ii. In both the upazilas collective efforts are being made by both government and non-government agencies in the direction of promoting non-farm income generating activities through target group oriented programmes. This has facilitated comparison of the relative effectiveness of the target group oriented programmes run by the government and non-government agencies which were used as guidelines for future policy formulation towards choosing appropriate implementing agencies.
- iii. In Kachua, besides BRDB, a national NGO, Comilla Proshika, is actively supporting as many as 50 groups spread over 40 villages. Of these 50 groups, 10 are exclusively women groups having



924 female members. Selection of this upazila as one of the two areas therefore enabled us to examine the impact of the non-farm employment generating programmes on the socio-economic conditions of women.

- iv. In Sarsha, BRDB, Social Welfare Services, Women Affairs Directorate and NGOs like CIDA, JOVC, UNICEF, IUCW are collaborating together for the economic development of the area. Selection of this upazila provides us an unique opportunity to examine the feasibility as well as desirability of joint implementation of target group oriented programmes by government and non-government agencies based on a spirit of cooperation rather than confrontation.
- v. As a result of collective efforts made by both government and non-government agencies a wide spectrum of economic activities are taking place in both the upazilas. The major income generating activities currently being pursued under different target group oriented programmes in the two upazilas include the following:

Activities at Kachua

1. Paddy husking
2. Mat making
3. Fish net making
4. Sweet making/baking
5. Chira/muri making

Activities at Sarsha

1. Coir making
2. Parboil rice
3. Goat rearing
4. Tailoring/garments
5. Nakshi kantha



<u>Activities at Kachua</u>	<u>Activities at Sarsha</u>
6. Fishing	6. Mat(pati) making
7. Carpentry/wood works	7. Cap making
8. Clay pottery	8. Muri (puff rice)
9. Weaving	9. Chicken/egg production
10. Dal processing	10. Beef fattening
11. Betelnut processing	11. Handicrafts
12. Oil seed crushing	12. Chira (flattened rice)
13. Wheat crushing	13. Clay potteries
14. Bamboo based handicrafts	14. Hand fans
15. Petty business/vending	
16. Goods transportation in boats	

b. Stratification of survey audience

Survey audience included three broad strata. These are:

- members of target group programmes,
- non-members of target group programmes, and
- non-members outside the geographical coverage of any programme.

Members of target group programmes were further stratified to represent loanee and non-loanee members under a programme.



In order to examine the importance of non-institutional credit as a source of supply of capital, especially after project intervention in the survey areas, money lenders/merchants/shopkeepers were also included among the survey audience.

c. Sample design

While a tentative sample size was proposed in the original proposal, distribution of respondents (as interviewed) over the given strata for two geographical regions is presented below:

Strata	Respondent Size		Total
	Sarsha	Kachua	
1. Members of the target group	75	76	151
2. Non-members of the target group	38	38	76
3. Groups outside the programme (in and out of geographical coverage)	38	40	78
4. Money lenders/merchants/shopkeepers	20	20	40
Total :	171	176	347

The number of respondents to be interviewed had been selected keeping in mind the size of the total population in each stratum and time available for interviewing. As far as the ratio of sample size to population is concerned, the total respondents interviewed covered approximately 0.5% of the total number of households (72,775) in the two selected upazilas. Given the



nature of the research design, the sample size chosen in each category appears to be reasonably representative for a pilot study.

In the field, the enumerators identified respondents of each type on random (not statistical random) basis. However, the money lenders were identified during the process of interviewing non-members and members of target group programmes.

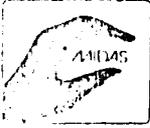
d. Data collection instrument design

Structured questionnaire schedule was developed to collect information from field. A copy of the questionnaire is appended as Appendix-D. The questionnaire was pre-tested and subsequently modified to suit its administration in the field and meet the data collection requirements.

In addition, two separate interview guides were developed, one for interviewing donor agencies and the other for interviewing the money lenders.

e. Workshop

Immediately after the study design and questionnaire schedule were ready, a workshop was held at USAID Office. The purpose of the workshop was to examine and discuss the key researchable issues, methodology, data collection instrument and the basis of selection of two geographical areas for survey.



f. Recruitment of field enumerators

A total number of 12 persons (6 for each area) having requisite qualification and experience were recruited and trained for administering the questionnaire in the field. In addition, two senior MIDAS inhouse professionals were detailed to supervise field survey - one in each zone, viz: Kachua and Sarsha.

Briefing session for three consecutive days were held at MIDAS where the team members adequately explained the questionnaire, survey plan and on rapport building with the respondents.

g. Field survey

Simultaneous field work started in both the places. Field survey lasted for 15 days beginning with December 14, 1986.

1.4 Analysis

The following issues have been analysed to meet the objectives of the study:

- a. First, the analysis of target group definition and the size, scope and intensity of the programmes have been largely descriptive, based on information gathered through the exploratory survey.
- b. Second, the socio-economic profile of the project and control areas have been briefly analysed based primarily on the information collected from secondary sources.



- c. Third, the socio-economic conditions of the target group households of the control area, both before and after project intervention, have been analysed in order to assess the economic and financial benefits accrued to both groups in the survey as well as in the control areas.
- d. Fourth, demand and marketing issues relating to various target group programmes present in the study areas have been analysed in details. While the analysing was carried out using quantitative techniques, (i.e. estimating expenditure elasticities), it has been supplemented wherever possible, by descriptive analysis based on the perception of respondents about demand and market prospects for the activities pursued by them.

### 1.5 Reporting

Based on the analytical framework outlined above, the remaining presentation of the report has been organised as follows:

- Chapter II : Major target group programmes and a brief review of their characteristics
- Chapter III : Size, scope, intensity and other characteristics of target group programmes.
- Chapter IV : Socio-economic characteristics of the sample households.
- Chapter V : Economic impact of target group programmes in survey areas
- Chapter VI : Demand and marketing aspects.
- Chapter VII : Market saturation: opinion survey.
- Chapter VIII : Proposal for comprehensive survey.



### 1.6 Study team

The entire study has been carried out by the MIDAS inhouse professionals with the aid of outside consultants of different expertise levels. The key personnel engaged in the study were:

<u>Team members</u>	<u>Position in the study</u>	<u>Professional standing</u>
M.S. Alam Mia	Team Leader	Senior Management Professional
Montazuddin Ahmed	Economic Expert & Consultant to Study Team	Professor of Economics
Anwarul Azim Syed	NGO Expert	Senior Management Professional
M. Najmul Huda	Field Co-ordinator	Senior Management Professional
Sk. Mujibur Rahman	Data Analyst	Statistician and Data Analyst
Nadira Begum	Field Supervisor	Junior Professional
AFM Sodrul Alam	Field Supervisor	Junior Professional
Golam Sarwar Bhuiyan	Field Supervisor	Junior Professional
Nayeem Ali Kadri	Field Supervisor	Junior Professional



1.7

Limitations

This study suffered a few limitations and most important ones are briefed as under:

- a. Absence of baseline survey data. As a result the household respondents were invited to provide information of events happened in the past. While many of them failed to reply correctly, the collected information also suffered in qualitative terms.
- b. Again, our survey audience were mostly illiterate and poor. Hence, they could neither fully appreciate the technicality of the intricate survey instrument nor were they willing to spare that much of time to response to the series of queries. The enumerators had therefore to spend quite a lot of time in explaining things and rapport building.
- c. Non-farm income generating programme is a new concept and the current programmes started not long before and some of them still awaiting implementation.
- d. It has been found in the areas under survey that a number of programmes are pursued by government and non-government organizations and there was the problem as to which ones to be chosen as models for the purpose of the study.



CHAPTER II

MAJOR TARGET GROUP PROGRAMMES AND A  
BRIEF REVIEW OF THEIR CHARACTERISTICS

INTRODUCTION

METHODOLOGY OF GBP

METHODOLOGY OF BRAC

LIMITATIONS OF TWO SUCCESSFUL MODELS

LESSONS FROM EXPERIENCE WITH THESE MODELS

NEW MODELS



CHAPTER - II

MAJOR TARGET GROUP PROGRAMMES AND A  
BRIEF REVIEW OF THEIR CHARACTERISTICS

2.1 Introduction

Rural poverty in Bangladesh is inexorably linked with a high rate of population growth, widespread under-employment, increasing landlessness, high rate of illiteracy, lack of skills, and inadequate financial resources. As the landless have no assets or skills and have no depend on the rich for access to resources, they enter into patron-client relationships of dependency with the landowners and money-lenders and continue to eke out a subsistence living in marginal activities. The issue is thus how to provide access to resources and services to the millions of the poor and the unemployed so that they can participate more meaningfully and productively in the growth process. Currently, a number of target group oriented programmes aimed at ameliorating rural poverty and creating new employment and earnings opportunities are in operation with a view to encouraging the poor to be organised into effective working groups and ensuring their participation in the development process.

A target group approach (i.e. direct contact with the distressed and disadvantaged section of the rural population) may be defined as that which brings together the poor with similar socio-economic background into separately organised productive groups and permits them to plan and implement their own programmes. This approach has been found more



effective than reliance on the overall village organisation which, by its nature, tends to perpetuate the existing social power structure.

On review of Bangladesh's experience in implementing target group oriented income generating programmes by the public and non-government sectors it has been found that two models have emerged out successfully. These are the Bangladesh Rural Advancement Committee (BRAC) model and the Grameen Bank Project (GBP) model. Methodologies adopted by these two institutions in attacking rural poverty are discussed separately.

## 2.2 Methodology of GBP

The GBP model is based on the closely supervised formation of small groups of five members each. Early experiences showed that larger groups tend to lack discipline and do not stay together. The main features of the methodology are as follows:

- a. The model rests on the ability of these small self-managed units to work directly at the village level. Each GBP bank branch has a staff of seven to eight: a Manager, five to six bank workers, and a guard. On average, each branch covers 14 villages and each bank worker is responsible for managing and supervising 20 to 25 groups. Each branch has at least two female workers.



- b. GBP branch staff are required to live in the villages where they work. The bank workers establish a rapport with the villagers and informally explain the GBP programme. If they are interested, villagers are asked to form groups of five and to participate in a week-long intensive training course. On each day of the course the participants must deposit one Taka to initiate the beginning of a group fund. In the course, the bank worker explains the objectives and the rules of the GBP programme, and the participants are asked to agree to the following:
- i. members attend weekly meetings and agree to impose a fine on those who do not attend (unless their absence is otherwise justified) and the fine is deposited in the group fund;
  - ii. members elect a chairman and secretary;
  - iii. each member deposits at least Taka 1 per week in the group fund.
  - iv. members as a group are responsible for each other's payments;
  - v. loans are repaid on a weekly basis, members pay 2% of the principal each week (exceptions may be granted when loans are for activities that have one-time benefits) and interest is paid in two weekly instalments (once the principal has been repaid, members make an additional payment of 50% of their interest payments to establish a fund for defaults and emergencies);



- vi. five percent of each loan is deducted and placed in the group fund; and
- vii. the group fund is administered by the group; no more than 50% of the fund can be lent; each disbursement from the fund must be signed by the group chairman and secretary as well as by the GBP branch manager. Five percent of all loans made from the group fund is deposited back into the group fund.

Once the group members complete the course, they are examined by the branch manager. If the manager is satisfied, the group is recognised and undergoes a period of observation for one month. During this period the bank worker monitors the group's weekly meetings and their deposits into the group fund. Group members are also taught how to sign their names. At the end of the observation period, the two most needy members of the group are granted loans. The other members must wait for the next month while the first two make their weekly payments. At this point, the group is considered reliable and the other members can obtain loans.

### 2.3 Methodology of BRAC

BRAC's programme is based on the premise that credit is only one component in an integrated process which includes group formation, consciousness-raising, and training. The programme attempts to foster group-owned and operated productive activities. The main components of BRAC's methodology are as follows:



- a. Before a Rural Credit and Training Programme (RCTP) branch is established, a team from BRAC's Research and Evaluation Division conducts a socio-economic baseline survey lasting three to six months. The first phase of the survey is a census which lists household income and resources available in the area, especially unutilised or underutilised aspects like government land, tanks, etc. In the second phase a stratified sample of 10% of the households in the survey area is selected and a more detailed profile is obtained.
- b. Once the survey is underway, a team is selected and trained to staff the RCTP branch. The team is composed of a manager, five programme organiser (POs) and an accountant. A branch covers roughly 25 villages, and each PO is responsible for 10 groups averaging 50 to 60 members. Total coverage is 500 villagers per programme organiser or 2,500 per branch. Each branch facility consists of an office for the branch, dormitory for the staff, storage and other ancillary facilities.
- c. After completion of the baseline survey, the POs begin to hold informal discussions with landless villagers about the possibilities of establishing a village organisation (VO) which is essentially group formation. It normally takes between two to three months from the first contact to form a village organisation. During this period the POs, in consultation with the villagers, identify potential leaders and send them to BRAC's Training and Resource Centre (TARC).



- d. In the BRAC model, training plays a major role throughout the process of establishing and strengthening the VOs. The centre provides three basic types of training. The first is human resource development for members of landless groups as well as BRAC workers. The principal course of this type is the Functional Education Course (FEC), which uses consciousness-raising techniques to promote awareness and functional literacy among the landless. Other courses cover organisational management, human dynamics, and the skills needed to carry out social and economic activities. The second type is skill training. TARC has a demonstration farm with a wide variety of activities (poultry, dairy, fish culture, crop production) which is used to train landless group members. Other skills for income generating activities are also taught. The third type of training consists of extension services.
- e. The Functional Education Course is the first stage of training conducted at the village level. It is taught by villagers trained by TARC and RCTP staff. This course is designed to be given over a six-month period in weekly sessions of one to two hours. Completion of this course is mandatory for the VO to be eligible for credit.
- f. For a VO to be eligible for credit several conditions must be met: group members must attend weekly meetings regularly and deposit a minimum of one Taka per week in a savings fund; the group must have a bank account; a majority of the members must have completed the FEC;



the group must demonstrate its ability to carry out collective social activity and to manage economic activities; and 10% of the loan requested must be raised by the group. It takes a minimum of a year for a VO to become eligible for credit. The activities are for the most part collective in nature among sub-groups in the VO. A part of the credit from these activities will be put into the group fund of the VO.

- g. BRAC's philosophy is based on the premise that the landless rural poor cannot achieve economic development until they have broken down the traditional links of dependence upon the village elites. At its core, BRAC's methodology is to create strong village organisations that organise substantial numbers of the poor into a powerful lobbying force. The village organisation also provides an opportunity for them to engage in viable economic activities to earn their livelihood. The VOs are run by a number of committees that serve as checks and balances and have clearly defined responsibilities.

#### 2.4 Limitations of Two Successful Models

Both of the models discussed are not without some limitations. These limitations tend to take formidable proportions especially when their replication on national scale is considered. Such limitations are outlined briefly as under.

#### 2.5 Limitations of GBP Model

Over 95% of GBP loans were used to finance non-farm activities. The largest concentration is in petty trading activities (33%), followed by an array of traditional cottage



industries (24%) and livestock (23%). This profile raises questions about replication on a nationwide scale, the main issue being the problem of possible market saturation, especially in the area of petty trading and cottage industries. Wide proliferation or expansion of petty trading and cottage industries could result in over-supply and diminishing returns for the landless rural poor. The GBP model does not address these issues as the approach is based on the belief that the rural poor are able to understand these problems and will select viable activities.

There are indications that returns are beginning to diminish. The GBP model allows for repeat borrowing in the older branches. Some members are already on their fifth loan. The only requirement for these members is that three-fourths of the previous loan be repaid. The BIDS evaluation finds that "with every repeat loan, the average loan size increases, but the income increases at a much smaller rate than the increases of the loan". It is not possible to explain this slower rate of increase with the data presented. However, the data do raise the possibility that in activities such as petty trading and cottage industries a certain degree of market saturation may be occurring<sup>1</sup>.

As impressive as the results of this model are, it is important to realize that the total number of borrowers is roughly equivalent only to the number of landless rural poor in one medium-sized Upazila. Since there are over 400 rural

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1. World Bank Document on Employment Opportunities for the Rural Poor - February, 1985.



Upazilas in Bangladesh, the costs of the model may prove to be a major limitation to wide-scale replication. The change in status of GBP to a full bank and the planned expansion to 500 branches and 400,000 borrowers over the next five years is important. However, it still remains a small effort in relation to the size of the problem.

The GBP model does not seek to phase itself out over time. Groups remain dependent on the bank worker for processing, disbursing, and collecting all loans. This could prove to be a critical constraint over time as larger numbers of groups are formed.

## 2.6 Limitations of the BRAC Model

BRAC's methodology is too lengthy and costly to pursue on a larger scale unless a means to increase income generation for the branches is found. Collective activities in particular - which BRAC emphasizes - require a long start-up period before any economic impact is felt by the participating members.

Apparently group members are beginning to put pressure on the BRAC to grant a larger proportion of loans for individual activities. As the BRAC model was designed for collective activities, it is difficult for it to meet these demands. Problems could occur such as individual leaders obtaining loans and not repaying them, as has happened in the KSS/UCCA system with BRDB approach.

In its 1982 annual report BRAC very candidly discussed the problem of keeping large groups motivated. Sustained participation is difficult to achieve even with careful attention to consciousness-raising and functional literacy.



Agricultural activities pursued on a collective basis tend to be less profitable than non-agricultural activities. In some cases the low level of profitability decreases members' motivation and threatened the overall viability of the activity.

## 2.7 Lessons from Experience with These Models

- a. Group approach which brings together the rural poor with similar socio-economic background into separately organised productive units is necessary for dealing with the established rural power structure and for ensuring adequate supply of inputs and services on an economical basis. This also ensures access of the poor people to services that could not be attained by them individually or otherwise the receipt of such services could be more costly.
- b. There exist a number of traditional rural occupations which can provide income earning opportunities for which the necessary skills are already available with certain beneficiaries. New activities and new skills also develop as a result of the training facilities being made available to the target groups.
- c. Availability of institutional credit at unsubsidized rates is essential for the rural poor to undertake productive activities and that high repayment rate can be achieved for credit given to landless groups, under adequate technical guidance and close supervision.



- d. Training for the catalysts as well as group leaders is essential to give them the necessary skills to deal with the rural poor and build up their confidence.
- e. Design of such a programme needs to be light on planning and strong on evaluation to allow innovation and adjustments based on experience of implementation. Further the beneficiaries need to have considerable say in the choice of activities to be undertaken.
- f. Such a programme can make effective contribution to help landless women, who are generally left out of the development process. This ensures tapping of a latent resource for development and makes possible wider use of available human resources.

## 2.8 New Models

In addition to these two models, two more new models are in progress. These are:

- UNCDF-BSCIC-BKB Credit for Cottage Industry (CCI); and
- USAID-BSCIC-BKB Women Entrepreneurship Development Programme (WEDP).

Common features of both these programmes are:

- a. Supervised credit through close liaison of BSCIC and BKB officials;
- b. No collateral except the assets to be created out of loans;



- c. Individual approach for loan is entertained;
- d. Loan size is small; ranging between Tk. 10 to 20 thousand; and
- e. Credit forms a part of a total package of promotional assistance comprising training, appropriate technology, supply of new product design, development of new products and provision for marketing assistance.

## 2.9 Lessons

CCI programme introduced in 1983 disbursed as of March 31, 1985, an amount of Tk. 29,559,000 to 10,354 loanees and the recovery rate was reported poor at 22.69%. The WEDP, spread in 11 Upazilas, by April 1986, distributed an amount of Tk. 14,800,000 to 13,000 loanees and the recovery rate is reported to be 76%. Two major observations emanate:

- a. smaller the loan size better the recovery rate, and
- b. women entrepreneurs have demonstrated to be more creditworthy.

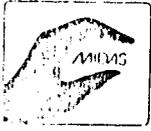


CHAPTER III

SIZE, SCOPE, INTENSITY AND OTHER  
CHARACTERISTICS OF TARGET GROUP PROGRAMME

INTRODUCTION

MAJOR RURAL DEVELOPMENT PROJECTS  
GOVERNMENT AND NGO INVOLVEMENT IN  
RURAL DEVELOPMENT

CHAPTER - IIISIZE, SCOPE, INTENSITY & OTHER CHARACTERISTICS  
OF TARGET GROUP PROGRAMMES3.1 Introduction

Rural development has attracted attention all over the world. In one of the speeches of Mr. Robert S. McNamara, the ex-President of the World Bank, emphasis was given to programmes for increasing the productivity of "that approximately 40% of the population of developing member countries who have neither been able to contribute significantly to national economic growth, nor to share equitably in economic progress".<sup>1/</sup>

With the passage of time, the meaning and approaches of rural development have changed. In the past often agricultural development would be considered synonymous with rural development. At present, a co-ordinated approach basis on the development of both agricultural and non-agricultural sectors is adopted as the strategy for rural development with a view to creating new employment opportunities and ensuring wider participation of people in the development process. Like in other developing countries such co-ordinated approach to rural development has been adopted in the Second Five Year Plan (1980-1985) of Bangladesh integrating three major compo-

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<sup>1/</sup> Rural Finance, Didarul Islam, Dhaka, 1985.



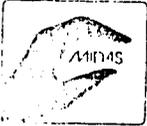
nents of rural development. The components are:

- a. development of physical infrastructure including roads, storage, and markets;
- b. irrigated agriculture, minor drainage and flood control work, and
- c. production and employment programme for the rural poor through development of crop and non crop activities.

### 3.2 Major Rural Development Projects

Keeping conformity with the new strategy, three projects have come into operation since 1983/84. These were RDII, NWRDP, NRDP. Of these three projects, RDII has been the largest and important one. This project is located in 301 upazilas of 13 (old) districts.

In addition to KSS, two other cooperatives viz., Bitayaheen Samabaya Samity (BSS) and Mohila Samabaya Samity (MSS) were developed to provide support service in terms of skill development, credit and input supplies to the members in farm and non-farm activities. As these institutions (BSS & MSS) came late not much headway could be made during the SFYP. About 10,000 BSS and 8,000 MSS were organised with about 0.29 million and 0.26 million members respectively during SFYP. Some of the economic activities undertaken by BSS and MSS are cane and bamboo works, bee-keeping, handicrafts, coir, pottery, rice husking, pond fisheries, oil milling, goat/cow and poultry raising, net making, rickshaw pulling, etc.



The most notable programme undertaken during SFYP in the development of rural physical infrastructure was Rural Works Programme based on decentralized participatory planning and implementation process. The local bodies at different levels identified, planned, approved and implemented the local level projects through peoples involvement. It has twin - objective, viz., (a) to build essential physical infrastructure relating to agriculture and communication, and (b) to generate temporary employment opportunities for the landless labourers in the off-season through physical infrastructure development projects.

Organisation which has been entrusted with this particular facet of rural development responsibility is Local Government Engineering Bureau (LGEB) under the Ministry of Local Government, Rural Development & Co-operative. LGEB is planning to launch a programme (RESP) in collaboration with SIDA and NORAD by June 1987.

Besides BRDB and LGEB, a number of other government organisations are also promoting and supporting rural development programmes. They are Grameen Bank, BSCIC, Swanirvor Bangladesh, Department of Social Services and Department of Women Affairs. The last two departments have joint programmes with International Union of Child Welfare and UNICEF respectively.

Of late, two other Ministries viz., Ministry of Relief & Rehabilitation through its directorate in collaboration with ESCAP and Ministry of Labour Manpower through its



Bureau of Manpower Development and Training (BMFDT) in collaboration with ILO are supporting two programmes aimed at promoting non-farm employment in selected upazilas.

### 3.3 Government and NGO Involvement in Rural Development

In Bangladesh, efforts for rural development are being pursued at both government and non-government levels. Massive inflow of foreign aid for rural development in the government sector, has not actually furthered the cause of development in real sense. It is true, some progress has been recorded in food production. But, benefits somehow did not trickle down to the poor, particularly the most disadvantaged.

Amidst such generally distressing results, some bright instances, also, attract attention. Some of the non-government organizations (one or two converted to GOs) have shown spectacular success in terms of benefiting the rural poor. They have not only been helping the poor to improve their perceptions of societal conditions, but also enhancing their participation in the process of development. Target-group approach and the flexibility of the operational structure are reckoned as the key factors behind their achievement. However, there are doubts as well, about the extent of their success, in particular, about the extent of cost-effectiveness, area of coverage and ultimately, the impact on the development milieu. While some of the leading NGOs are breaking new grounds, many others are faltering. Again, some small NGOs are also showing bold promises.



The NGOs are very much a post-1971 phenomena. Starting with relief and rehabilitation activities in response to cyclone in 1970 followed by the war of liberation in 1971 and the famine of 1974 many of the NGOs have switched over to development programme, gradually getting involved in assisting Bangladesh's poor. It may be noted that most NGOs initiated their efforts at creating overall community facilities through what is known as community development. The thrust was on the whole community and not a particular segment of the community. But through experiences, soon they realized that focus of their efforts must be to remove poverty and its related manifestations, such as unemployment, illiteracy, low status of women, malnutrition and infant mortality. It was also felt that the poor needed organisational support, more than any economic palliatives. As a result, there has been constant changes in the approaches of the NGOs towards rural development.

By origin the NGOs may be national, foreign and international.<sup>1/</sup>

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<sup>1/</sup> International NGOs are affiliated with NGOs outside Bangladesh and obtain funding and technical support from their parent organization. Local/national NGOs differ from international organizations and are headed by nationals. Funding for national NGOs come mainly from foreign sources. Local NGOs are similar to national ones except that their funding comes from internal sources i.e. their local donations or funding through the national NGOs (See AST, 1985: NGOs and the Ministry of Agriculture - A Survey of Agriculturally Oriented NGOs in Bangladesh, p-1.



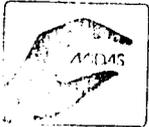
By level of operation they may be local and foreign. One study claims that there are about 110 foreign and numerous local NGOs in Bangladesh.<sup>2/</sup> However, some of the local NGOs have already enhanced their coverage and reputation to a level that they can easily be categorized as national NGOs. In a recent survey of ADAB, it is found that (1985), about 300 NGOs have reached as many as 335 upazilas (many foreign NGOs did not respond to the ADAB queries). Out of them, 81 are national, 56 foreign and the rest are local. The survey finds that 39 of the total NGOs surveyed, follow target groups approach. The latter figure looks understated since most of the NGOs today are involved in improving the lot of the target population.

Almost all the NGOs have multiple target groups, identified on different criteria such as, age, sex, occupation and landholding, etc. Children and women get prime attention from some NGOs. But all agencies focus on the landless poor and marginal farmers. Other occupational groups like fishermen, weavers, handicraft workers, etc., living in poverty, are some specific target groups of some of the agencies.

NGOs pursue multiple objectives and tend to cover, at the same time, several types of activities, e.g., agriculture, and agricultures related activities, health

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<sup>2/</sup> See for details on the operations of the NGOs in Bangladesh, Miah, A and Khan, AR, 1981: Participation of Non-Governmental Organizations (NGOs) in Integrated Rural Development, Bangladesh CIRDAF.



(including environmental sanitation, water supply, preventive and curative health care service) and family planning nutrition, housing, education (including human development, skill upliftment), handicrafts, small scale industries, horticulture, poultry, livestock and fisheries. Besides, innovation and adaptation of appropriate technology, documentation of development of communication support services fall within the purview of NGO activities. However, the point to be noted is that each of them has certain entry points like health, family planning agriculture, literacy, even religion. However, all of them, at some points, tend to be integrative in approach.

The study team, since the commencement of the study, made systematic efforts towards contacting relevant donor, bilateral, multilateral, government and non-government agencies engaged in promotion of the target group oriented programmes. The objective of this contact was to generate adequate baseline information about the degree of involvement of these different agencies in promoting, supporting and implementing target group oriented non-farm income generating activities and their areas of operation in Bangladesh.

The information gathered so far have been assimilated under headings like geographical coverage (upazilas), number of activities, number of beneficiaries, length of program, etc. These are presented in two separate tables in the following pages; the first one presents public sector activities and the other private sector activities.



ACTIVITIES CURRENTLY PURSUED & PLANNED BY GOVT. AGENCIES

Agency	Number of			Length of Program
	Upazilas	Activities	Beneficiaries	
1. Grameen Bank	79	393	171,622	1983
2. Bangladesh Rural Development Board (BRDB) in collaboration with World Bank & CIDA	129	27	59,000	RDI & RDII
3. BSCIC Programmes				
a. WEDP with USAID & BKB				
Existing	9	29	10,000	1981-1985
Planned	11	29	10,000	1985-1990
b. CCI with UNCDF & BKB	5	10	10,000	1982
4. LGEB (Planned) in collaboration with SIDA & NORAD	6	Not yet Identified	-	-
5. Bureau of Manpower Development & Training with ILO	5	2	11,078	Jan.'85 to Dec.'86
6. Directorate of Relief & Rehabilitation with ESCAP	2	Not yet Identified	-	-
7. Deptt. of Women Affairs with UNICEF	4	2	26,000 Women & 14,000 Children	1985-1988
8. Swanirvor Bangladesh with Sonali, Rupali, Janata, Agrani & BKB	77	22	200,000	-
9. Department of Social Service with IUCW	55	21	177,143 families	1974



ACTIVITIES CURRENTLY PURSUED BY  
NON-GOVERNMENT AGENCIES

Organisation	Number of			Length of Program
	Upazilas	Activi- ties	Beneficia- ries	
1. BRAC	31	26	43,098	1975-
2. Proshika - Comilla	21	11	41,664	1976-
3. MCC	17	19	1,003	1977-
4. CCDB	7	20	12,200	1974-
5. CARITAS - Bangladesh	24	12	9,820	1987-1991
6. RDRS	26	21	21,300	1976-
7. CONCERN - Bangladesh	6	Na	3,745	1973-
8. FIVDP	2	Na	1,076	1980-
9. Proshika Manabik Unnayan Kendra	22	25	60,000	1976-
10. SCF - USA	4	11	22,000	1973-



CHAPTER IV

SOCIO-ECONOMIC CHARACTERISTICS  
OF THE SAMPLE HOUSEHOLDS

SOCIO-ECONOMIC CHARACTERISTICS  
LAND OWNERSHIP PATTERNS OF THE SURVEY HOUSEHOLDS  
ASSETS STRUCTURE OF THE RESPONDENT HOUSEHOLDS  
OCCUPATIONAL PATTERN OF THE RESPONDENT HOUSEHOLDS  
PARTICIPATION OF WOMEN  
LEVEL OF EDUCATION

CHAPTER - IVSOCIO-ECONOMIC CHARACTERISTICS OF THE SAMPLE HOUSEHOLDS4.1 Socio-economic Characteristics

Given the general background of the study areas we now turn to look into the socio-economic characteristics of our respondents. As we have already mentioned, we have investigated into 156 respondent households in Comilla region and 151 in Jessore region. Tables 4.1.A and 4.1.B give the details of population and household size of the respondent households' programme by programme (from now on suffix A will indicate Comilla region and B Jessore region). Tables do not portray a consistent picture. Except for one category of loanee (receiving credit from both Proshika & ERDB), the family size appears to be very large, in most case more than six in the Comilla region. In the Jessore region average family size is slightly less in all the cases. However, the family planning programmes in both the regions are almost ineffective and the loan operation is in no way conditional upon the adoption of family planning practices by the loanees.



TABLE - 4.1.A  
No. of Population and Average Household Size by Programme & Non-programme in the Comilla region

Programme	Sex	No. of Population	No. of H/H	Average size of H/H	Average earning member per H.H.
<u>Loanee</u>					
BRDB	Female	34	5	6.8	3.4
PROSHIKA	Male	443	65	6.8	1.9
PROSHIKA	Female	30	5	6.0	2.6
PROSHIKA & BRDB	Both Sex	24	5	4.8	1.8
Sub-Total:		531	80	6.6	2.02
<u>Non-Loanee</u>					
PROSHIKA	Male	240	38	6.3	1.9
<u>Non-Programme Non-Loanee</u>					
Inside the study area	Male	111	19	5.8	1.7
Outside the study area	Male	113	19	6.0	1.7

TABLE - 4.1.B

No. of Population and Average Household size by Programme & Non-programme in the Jessore region

Programme	Sex	No. of Population	No. of H H.	Average size of H.H.	Average earning member per H H.
<u>Loanee</u>					
BRDB	Male	210	36	5.83	1.56
BRDB	Female	127	22	5.77	1.36
Social Welfare	Female	89	17	5.24	1.76
Sub-Total:		426	75	5.68	1.55
<u>Non-Loanee</u>					
BRDB	Male	114	22	5.18	1.31
Social Welfare	Female	81	16	5.06	1.45
Sub-Total:		195	38	5.10	1.37
<u>Non-Programme Non-Loanee</u>					
Inside the study area	Male	98	19	5.15	1.53
Out side the study area	Male	104	19	5.47	1.53





#### 4.2 Landownership pattern of the survey Households

Tables 4.2.A and 4.2.B give the landownership pattern of the respondent households. The first part of each table gives the pattern of operational land (owned or otherwise) of the loanee households. As can be seen from table 4.2.A about 73 percent of the loanee households cultivate less than half an acre of land. The corresponding figure for the Jessore area is 68 percent. Of the non-loanees, 79% in both the regions fall within the category of operating less than half an acre of land. The upshot is that a significant portion of the landless households have not yet received loans from any programme operating in the areas. Further, no change in the pattern of ownership of cultivated land can be noticed after introduction of the credit programmes in either of the two regions.

TABLE- 4.2.A

Distribution of H/Hs by Size of Owned Cultivated Land  
(Land Under Own Cultivation + Share Out Land) in the  
Comilla Region

Size of cultivated holding	Loanee Households								Non-loanee Households					
	BRDB Female		Proshika				Proshika & BRDB (Both sex)		All		Proshika Member Nonloanee (Male)	Non Member Non-loanee Inside (Male)	Non Member Non-loanee Outside (Male)	All
	P	B	P	B	P	B	P	B	P	B				
Nil	3 (50.0)	3 (50.0)	18 (27.7)	17 (26.1)	3 (60.0)	3 (60.0)	2 (40.0)	3 (60.0)	26 (32.5)	26 (32.5)	12 (31.6)	7 (36.8)	13 (59.4)	32 (42.1)
Upto .50 acres	1 (20.0)	1 (20.0)	29 (44.6)	29 (20.0)	1 (20.0)	1 (40.0)	2 (40.0)	2 (41.3)	33 (41.3)	33 (41.3)	16 (42.1)	8 (42.1)	4 (21.1)	28 (36.8)
.51-1.00 acres	1 (20.0)	1 (20.0)	12 (18.5)	11 (16.9)	1 (20.0)	1 (20.0)	-	-	14 (17.5)	13 (16.2)	6 (15.8)	3 (15.8)	-	9 (11.9)
Above 1.00 acres	-	-	6 (9.2)	8 (12.3)	-	-	1 (20.0)	-	7 (8.7)	8 (10.0)	4 (10.5)	1 (5.3)	2 (10.5)	7 (9.2)
Total:	5 (100)	5 (100)	65 (100)	65 (100)	5 (100)	5 (100)	5 (100)	5 (100)	80 (100)	80 (100)	38 (100)	19 (100)	19 (100)	76 (100)

Figures in the parentheses indicate the percent of total.

P= Present

B= Before

TABLE - 4.2.B

Distribution of H/Hs by size of cultivated land in the Jessore region

Land (Acres)	Loanee Household								Non loanee Household				
	BRDB Male		BRDB Female		Social Welfare Female		All		Member non-loanee		All	Non member non-loanee inside	Non loanee controlled
	Present	Before	Present	Before	Present	Before	Present	Before	BRDB Male	Social welfare female			
Nil	16 (44.5)	15 (41.7)	5 (22.7)	5 (22.7)	12 (70.6)	12 (70.6)	33 (44.0)	32 (42.7)	13 (31.3)	17 (77.3)	30 (73.9)	13 (68.4)	11 (67.7)
.01 --.50	7 (19.4)	8 (22.2)	8 (26.4)	9 (40.9)	3 (17.6)	2 (11.8)	18 (24.0)	19 (25.3)	2 (12.5)	4 (18.2)	6 (15.8)	5 (26.3)	3 (15.4)
.51 - 1.00	7 (19.4)	7 (19.4)	5 (22.7)	4 (18.2)	1 (5.9)	2 (11.8)	13 (17.3)	13 (17.3)	-	-	-	1 (5.3)	2 (10.5)
Above 1.00	6 (16.7)	6 (16.7)	4 (18.2)	4 (18.2)	1 (5.9)	1 (5.8)	11 (14.7)	11 (14.7)	1 (6.2)	1 (4.5)	2 (5.3)	-	2 (10.5)
Total:	36 (100)	36 (100)	22 (100)	22 (100)	17 (100)	17 (100)	75 (100)	75 (100)	16 (100)	22 (100)	38 (100)	19 (100)	19 (100)

Figures in the parentheses indicate the percent of total.



### 4.3 Asset Structure of the Respondent Households

Besides land, we have also looked into various non-land assets of the loanee households. The non-land assets include items like draught animals, carts, boats, ploughs and other farm implements. Tables 4.3.A and 4.3.B give the comparative picture for the two regions. Value of non-land assets indicates that most programmes have reached the target group. They are indeed very poor.

Most credit programmes are in operation only for a short period, except for one or two programmes. It is therefore very difficult to measure the impact of the credit operations on the changing pattern of the asset structure. As can be seen from tables 4.4.A and 4.4.B. the programmes which are in operation for a longer period have made better impact on the level of asset ownership pattern of the loanees. Thus, as seen in table 4.4.A, the BRDB female loanees utilizing loans for about seven years (1979-1986) have improved their asset structure substantially. It is seen that there were as many as 40% of the female loanees in 1979 who owned non-land asset amounting less than Taka 1000. But by 1986, this proportion has dropped to 20%. On the other hand, the proportion of female loanees in the upper income bracket has gone up. For example, in the upper income bracket of Taka 7501 to 10,000, there was no loanee household in 1979. But by 1986, at least 20% of them have reached that range - a clear improvement in the asset ownership. In terms of quantum of the asset, the figure has improved at a greater rate in the higher value of asset bracket. In other words, the poorest of the poor are not fairing well compared to slightly stronger amongst



the poor. On the other hand, the loanees which have received loans for only a year or so have not shown significant changes in any of the programmes. Similar results were also noticed in the BRDB programmes operating in Sarsha Upazila (Table 4.4.B). The loans have been given there for atleast two years (in some cases four years) and the level of value of asset ownership has increased in those cases. Social welfare programmes too show similar trend. Again loanees at the upper brackets of asset ownership are showing better results in this region.

So it may be said that the loanees with slightly better endowment initially do respond more favourably compared to the most wretched ones.

TABLE - 4.3.A

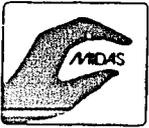
Distribution of H/Hs by size of Non-land assets by Programme (Area-A)

Value of Non-land Assets (Tk.)	Loanee								Proshika member Non-loanee		Non-member Non-loanee (inside)		Non-member Non-loanee (outside)	
	BRDB Female		Proshika				BRDB & Proshika (Both sex)		Male		Male		Male	
	% of H/H	% of Asset value	% of H/H	% of Asset value	% of H/H	% of Asset value	% of H/H	% of Asset value	% of H/H	% of Asset value	% of H/H	% of Asset value	% of H/H	% of Asset value
Upto-1000	20.00	.96	32.31	1.59	40.00	1.30	40.00	9.18	52.63	3.43	36.84	5.29	47.37	5.86
1001-2500	60.00	37.44	13.85	4.28	-	-	40.00	17.77	-	-	15.79	8.34	15.79	5.50
2591-5000	-	-	23.08	16.73	60.00	98.70	20.00	73.04	28.95	34.81	15.79	17.94	15.79	11.61
5001-7500	-	-	10.77	12.77	-	-	-	-	7.89	16.19	15.79	23.47	5.26	6.18
7501-10,000	20.00	61.60	1.53	2.75	-	-	-	-	2.63	7.09	5.26	11.34	-	-
Over-10,000	-	-	18.46	61.88	-	-	-	-	7.89	38.48	10.53	33.61	15.79	70.85
Total Households	100.00	100.00	100.00	100.00	100.00	100.00	100.00	99.99	99.99	100.00	100.00	99.99	100.00	100.00

TABLE - 4.4.B

Distribution of Households by size of Non-land Assets by Programme (Area-B)

Value of Non-Land Assets (Tk.)	Loanee Households								Member Non-loanee Households						Non member Non-loanee inside		Non member Non-loanee controlled	
	BRDB Male		BRDB Female		Social Welfare Female		All		BRDB Male		Social Welfare Female		All		% of House-hold	% of Assets Value	% of House-hold	% of Assets Value
	% of House-holds	% of Assets Value	% of House-hold	% of Assets Value	% of House-hold	% of Assets Value	% of House-hold	% of Assets Value	% of House-hold	% of Assets Value	% of House-hold	% of Assets Value	% of House-hold	% of Assets Value				
Upto-1000	13.88	0.39	31.82	3.28	29.41	4.26	22.67	2.00	50.00	5.92	54.54	14.19	52.63	10.00	47.36	8.54	51.64	4.94
1001-2500	36.11	17.05	9.09	3.89	29.41	17.58	26.67	14.12	25.00	21.49	22.73	27.44	23.68	24.42	26.32	35.89	5.27	2.44
2501-5000	19.44	18.03	31.82	29.63	23.53	35.04	24.00	22.02	18.75	38.32	22.73	53.37	21.05	48.24	15.78	41.03	15.73	20.00
5001-7500	11.11	16.99	18.17	31.88	11.77	25.66	13.33	24.33	-	-	-	-	-	-	5.27	22.92	5.27	0.97
7501-10000	13.88	27.38	4.55	10.44	5.88	17.46	9.33	19.36	6.25	34.27	-	-	2.64	17.34	5.27	25.82	10.52	23.93
Over-10000	5.58	20.14	4.55	20.88	-	-	4.00	18.17	-	-	-	-	-	-	-	-	10.52	34.56
Total:	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0



#### 4.4 Occupational pattern of the Respondent Households

Tables 4.5.A and 4.5.B give the distribution of households according to the primary occupation of household heads. Amongst the loanees in Kachua upazila, petty traders are the dominant group followed by the households engaged in saw milling and cottage industries. Nearly one-third of the loanees in this area are petty traders. In Sarsha area (Table 4.5.B), though farming is the dominant occupation (for 38% of loanees), petty trading is still the primary occupation of about one-third of the loanee households. Cottage industry is quite important in both the areas. Our investigations into both the areas indicate that most loanees were engaged in trading and manufacturing activities. But this is not true for the non-member non-loanee households. Day labourers are the dominant group here. Petty trading is also quite significant.

We have also looked into the pattern of secondary occupations of the respondents. It is seen from tables (4.6.A and 4.6.B) that credit programmes have helped diversify the occupational pattern of the loanee households. Thus loanee households have various secondary occupations (mostly farming and day labour) while the incidence is quite small amongst the non-loanees.

TABLE A.2.A

Distribution of loanee households by size of Non-land Assets before and after Project Intervention (Area-A)

Value of Non-land Assets (Tk.)	BRDB - Female Households				Proshika								BRDB & Proshika (Both sex) Households				All Programme			
	Present-1986		Before-1982		Male Households				Female Households				Present-1986		Before-1982		Present		Before	
	% of House-holds	% of Asset Value	% of House-holds	% of Asset Value	% of House-holds	% of Asset Value	% of House-holds	% of Asset Value	% of House-holds	% of Asset Value	% of House-holds	% of Asset Value	% of House-holds	% of Asset Value	% of House-holds	% of Asset Value	% of House-holds	% of Asset Value		
Up to - 1000	20.00	0.66	40.00	1.93	32.31	1.59	35.46	1.88	40.00	1.30	40.00	2.08	40.00	9.18	80.00	48.91	32.50	1.73	41.25	2.20
1001 - 2000	60.00	37.44	40.00	39.64	15.55	4.28	20.00	8.06	-	-	40.00	51.66	40.00	17.77	20.00	51.09	16.25	5.64	33.50	10.00
2001 - 5000	-	-	20.00	58.43	23.08	16.73	12.51	9.24	60.00	98.70	20.00	48.26	20.00	73.04	-	-	23.00	19.38	12.50	11.00
5001 - 7500	-	-	-	-	10.77	12.77	9.33	12.50	-	-	-	-	-	-	-	-	23.00	19.38	12.50	11.00
7501 - 10,000	20.00	21.60	-	-	1.53	2.75	6.15	11.74	-	-	-	-	-	-	-	-	2.50	4.61	5.00	11.00
Over 10,000	-	-	-	-	13.46	61.88	13.55	36.22	-	-	-	-	-	-	-	-	15.00	56.33	11.00	53.42
All House-holds	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	59.97	100.00	100.00	100.00	59.99	100.00	100.00

TABLE 4.4.B

Distribution of Loanee Households by size of Non-land Assets by Programme and Before and After Project Intervention (Area-B)

Value of Non-land Assets (Tk.)	ERDB - Male Households				ERDB - Female Households				Social Welfare-Female Households				All Programme			
	Present-1986		Before-1982		Present-1986		Before-1984		Present-1986		Before-1985		Present		Before	
	% of Households	% of Asset Value	% of Households	% of Asset Value	% of Households	% of Asset Value	% of Households	% of Asset Value	% of Households	% of Asset Value	% of Households	% of Asset Value	% of Households	% of Asset Value	% of Households	% of Asset Value
Up to - 1000	15.88	0.59	33.33	1.79	31.82	3.28	40.91	3.25	29.41	4.26	47.06	3.14	22.67	2.00	38.67	2.56
1001 - 2500	36.11	17.05	25.00	15.81	9.09	3.89	13.64	7.92	29.41	17.58	17.65	14.15	26.67	14.12	20.00	12.66
2501 - 5000	19.44	18.03	22.22	23.12	31.82	29.63	27.27	27.00	23.53	35.04	23.53	41.65	24.00	22.02	24.00	21.95
5001 - 7500	11.11	16.99	11.11	23.29	18.17	31.88	4.54	9.70	11.77	25.66	5.88	15.91	13.33	24.33	6.00	17.03
7501 -10,000	13.28	27.38	2.78	7.81	4.55	10.44	4.54	11.32	5.88	17.46	5.88	25.15	9.33	19.36	4.00	12.29
Over 10,000	5.58	20.14	5.56	28.18	4.55	20.88	9.10	40.83	-	-	-	-	4.00	18.17	5.33	27.51
ALL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

TABLE-4.5.A

Primary Occupation of Respondent Household heads in  
Kachua

Occupation	Loanee H/H					Member Non- loanee Proshika Male	Non member Non loanee inside	Non member Non loanee outside
	BRDB Female	Proshika		Proshika & BRDB Both sex	All			
		Male	Female					
Farming	-	6 (9.2)	-	-	6 (7.5)	7 (18.4)	1 (5.3)	-
Day Labour	-	1 (1.5)	1	-	1 (1.2)	4 (10.5)	4 (21.1)	6 (31.6)
Petty Trade & Shopkeep- ing	1 (20.0)	25 (38.5)	1 (20.0)	-	27 (33.8)	12 (31.6)	7 (36.8)	4 (21.0)
Service	-	6 (9.2)	1 (20.0)	-	7 (8.7)	-	-	-
Carpentry & Masonry	-	3 (4.6)	-	-	3 (3.8)	-	3 (15.8)	-
Rickshaw/Rick- shaw Van, Heli- copter puller	-	-	-	-	-	2 (5.3)	2 (10.5)	3 (15.8)
Cottage Industry	3 (60.0)	5 (7.7)	1 (20.0)	5 (100.0)	14 (17.5)	8 (21.1)	-	3 (15.8)
Saw	1 (20.0)	18 (27.7)	2 (40.0)	-	21 (26.3)	5 (13.1)	2 (10.5)	2 (10.5)
Others	-	1 (1.5)	-	-	1 (1.2)	-	-	1 (5.3)
Total:	5 (100.0)	65 (100.0)	5 (100.0)	5 (100.0)	80 (100.0)	48 (100.0)	19 (100.0)	19 (100.0)

Figures in the parentheses indicate the percentage of total.



TABLE- 4.5.B  
Primary Occupation of Respondent Household Heads in Sarsha

Occupation	Loanee H/H				Member Non-Loanee			Non-member Non-loanee inside	Non-member Non-loanee outside
	BRDB Male	BRDB Female	Social Welfare Female	All	BRDB Male	Social Welfare Female	All		
Farming	19 (52.8)	6 (27.3)	4 (23.5)	29 (38.7)	-	2 (9.1)	2 (5.3)	2 (10.5)	3 (15.8)
Day Labour	7 (19.4)	3 (13.6)	4 (23.5)	14 (18.7)	9 (56.3)	11 (50.0)	20 (52.6)	7 (36.9)	8 (42.1)
Petty Trade & Shop keeping	7 (19.4)	11 (50.0)	6 (35.3)	24 (32.0)	5 (31.3)	7 (31.8)	12 (31.6)	6 (31.6)	5 (26.3)
Service	1 (2.8)	1 (4.5)	1 (5.9)	3 (4.0)					
Carpentry & Masonry	1 (2.8)			1 (1.3)	1 (6.2)		1 (2.6)		1 (5.3)
Rickshaw/ Rickshaw Van/ Helicopter puller	-	1 (4.6)		1 (1.3)		1 (4.6)	1 (2.6)	2 (10.5)	1 (5.3)
Cottage Industry			1 (5.9)	1 (1.3)	1 (6.2)	1 (4.5)	1 (5.3)	1 (10.5)	
Others	1 (2.8)		1 (5.9)	2 (2.7)					
Total:	36 (100.0)	22 (100.0)	17 (100.0)	75 (100.0)	16 (100.0)	22 (100.0)	38 (100.0)	19 (100.0)	19 (100.0)

Figures in the parentheses indicate the percentage of total.

TABLE - 4.6.A

## Secondary Occupation of respondent household heads in Kachua

Occupation	Loanee H/H					Proshika member non-loanee (male)	Non-member non-loanee (Male) (inside)	Non-member non-loanee (Male) (outside)
	BRDB Female	Proshika Male	Proshika Female	Proshika & BRDB (Both sex)	All			
Farming	2	33	1	2	38	10	9	6
Day labour	-	12	1	3	16	5	2	4
Petty trade & shopkeeping	-	3	-	-	3	-	1	-
Service	-	-	-	-	-	1	-	-
Carpentry & Masonry	-	-	-	-	-	-	-	-
Rickshaw, Rickshaw Van, Helicopter Puller	-	-	-	-	-	-	-	-
Cottage Industry	-	1	-	-	1	-	1	-
Saw	-	1	-	-	1	-	-	-
Others	-	2	-	-	2	-	-	-
Total:	2	52	2	5	61	16	13	10

TABLE - 4.6.B

Secondary occupation of respondent household heads in Sarsha

Occupation	Loanee H/I				Member Non-loanee household		All	Non-member non-loanee inside	Non-member non-loanee
	BRDB Female	BRDB Female	Social Welfare Female	All	BRDB Male	Social welfare Female			
	Farming	-	6	4	10	-			
Day Labour	4	2	2	8	2	1	3	1	1
Petty trade & shopkeeping	-	2	6	8	1	1	2	1	2
Service	-	-	-	-	-	-	-	-	1
Carpentry & Masonry	-	-	-	-	-	-	-	-	-
Rickshaw, Rickshaw Van, Helicopter puller	-	1	-	1	-	-	-	1	-
Cottage Industry	-	-	-	-	1	-	1	-	-
Saw	-	-	-	-	-	-	-	-	-
Others	1	-	1	2	1	-	1	-	-
<b>Total:</b>	<b>5</b>	<b>11</b>	<b>13</b>	<b>29</b>	<b>5</b>	<b>4</b>	<b>9</b>	<b>7</b>	<b>6</b>



#### 4.5 Participation of Women

In order to see the participation of Women in the target group oriented programmes, we looked into the primary occupation of each of the earning members of the loanee households. The results are not very encouraging. Most programmes are dominated by the male members. Even in a programme specifically designed for the women (say for example BRDB female programme, MRSS) the participation of women is quite negligible. As can be seen from table 4.7.A, of the seventeen workers in BRDB rural poor women programme, more than half of them are male. Similarly in Proshika out of 125, 118 are male workers. The same picture emerges with regard to female participation also in Sarsha upazila. As seen from table 4.7.B, of the total workers of 56, only five were women. In the BRDB female programme, out of 30 workers, 27 are male. Similar results are noticed in other programmes. What is more revealing, in both the study areas the male participants are seen to dominate even the programmes which have been introduced for women.

#### 4.6 Level of Education

Table 4.8.A and 4.8.B give the educational background of the loanees and non-loanees/non-members in the study areas. In Kachua, 62% of the members of the loanee households are illiterate. In Proshika this figure is relatively low-39%. In Sarsha, 63% of members of BRDB loanees are illiterate. There is no consistent trend with regards to literacy between programmed area and the control areas. Surely Proshika (NGO) loanees are doing better in this regard.

TABLE - 4.7.A

Occupational groups Reached by the programmes (Area - )

Primary occupation	BRDB Female		Prashika Male		Prashika Female		BRDB + Prashika (Both sex)	
	Male Workers N=9	All Workers N=17	Male Workers N=118	All Workers N=125	Male Workers N=7	All Workers N=13	Male Workers	All Workers
Farming	-	-	15.6	12.8	14.3	7.7	16.7	11.1
Day labour	22.2	11.9	6.8	6.4	-	-	16.7	11.1
Fetty trade & shopkeeping	22.2	23.5	33.9	32.0	-	-	-	1
Service	-	-	10.2	9.6	14.3	7.7	-	-
Carpentry & Masonry	-	-	4.2	4.0	-	-	-	-
Rickshaw/Rickshaw Van/Helicopter puller	11.1	5.9	-	-	-	-	-	-
Cottage Industry	33.3	52.9	6.8	10.4	14.3	38.2	66.6	77.6
Saw	11.1	5.89	23.7	22.4	57.1	30.8	-	-
Others.	-	-	0.8	2.4	-	15.4	-	-
Total	99.9	100	100	100	100	100	100	100

TABLE - 4.7.B

Occupational groups reached by the programmes (Area-B)

Principal Occupation	Number of Loanee Households					
	BRDB Male		BRDB Female		Social Welfare Female	
	Male workers N = 51	All workers N = 56	Male workers N = 27	All workers N = 30	Male workers N = 25	All workers N = 30
Farming	52.9	48.2	25.9	23.3	24.0	20.0
Day Labour	17.6	17.8	25.9	23.3	28.0	26.7
Petty trade & shopkeeping	17.6	17.8	40.8	43.4	36.0	36.7
Service	3.9	5.4	3.7	3.3	-	3.3
Carpentry & Masonry	3.9	3.6	-	-	-	-
Rickshaw/Rickshaw Van, Helicopter puller	2.0	1.8	3.7	6.7	4.0	3.3
Cottage Industry	-	3.6	-	-	4.0	3.3
Others	3.9	1.8	-	-	4.0	6.7
<b>Total:</b>	100.0	100.0	100.0	100.0	100.0	100.0

TABLE -4.8.A  
 Level of Education of Members of All Households by Programme  
 & Non Programme (Area-A)

Programme / Non Programme	No. of House- holds	Level of Education (No. of family members)							Total members	Average family size
		Illiterate	Capable of signing	Class 1 - V	Class VI-X	SSC	HSC & above	Child- ren		
BRDB - Female (Loanee)	5	21	1	8	-	-	-	4	34	6.8
Proshika - Male (Loanee)	65	172	9	139	41	7	4	71	443	6.8
Proshika - Female (Loanee)	5	8	2	10	6	1	-	3	30	6.0
BRDB & Proshika (Loanee)	5	9	2	6	1	-	-	6	24	4.8
Proshika Member non loanee	38	112	9	67	12	-	3	37	241	6.3
<u>Non-Programme</u>										
Non member Non-loanee (inside)	19	60	10	18	6	-	2	15	111	5.8
Non-member Non-loanee (outside)	19	49	7	33	3	-	1	20	113	6.0
<b>TOTAL:</b>	<b>156</b>	<b>431</b>	<b>40</b>	<b>281</b>	<b>69</b>	<b>8</b>	<b>10</b>	<b>156</b>	<b>995</b>	<b>6.5</b>

TABLE - 4.8.B

Level of Education of Members of All Households by Programme &amp; Non-Programme (Area-B)

Programme/ Non Programme	No. of House- holds	Level of Education (No. of family members)								Average Fami- ly size
		Illiterate	Capable of signing	Class I - V	Class VI-X	BSC	HSC & above	Chi- dren	Total family members	
<u>Loanee Households</u>										
BRDB - Male	36	132	12	45	17	2	2	25	210	5.83
BRDB - Female	22	78	9	30	10	-	-	26	127	5.77
Social Welfare Female	17	54	5	23	6	-	1	10	89	5.24
<b>Sub-Total:</b>	<b>75</b>	<b>264</b>	<b>26</b>	<b>98</b>	<b>33</b>	<b>2</b>	<b>3</b>	<b>61</b>	<b>426</b>	<b>5.68</b>
<u>Non-loanee Households</u>										
BRDB - Male	16	63	6	13	1	-	-	18	85	5.31
Social Welfare Female	22	80	7	15	8	1	-	30	111	5.04
<b>Sub-Total:</b>	<b>38</b>	<b>139</b>	<b>13</b>	<b>28</b>	<b>9</b>	<b>1</b>	<b>-</b>	<b>48</b>	<b>196</b>	<b>5.16</b>
<u>Non-Programme</u>										
Non-member Non-loanee inside	19	68	6	15	9	-	-	15	98	5.15
Non-member Non-loanee outside	19	60	7	23	10	2	2	16	104	5.47
<b>Sub-Total:</b>	<b>38</b>	<b>128</b>	<b>13</b>	<b>38</b>	<b>19</b>	<b>2</b>	<b>2</b>	<b>31</b>	<b>202</b>	<b>5.31</b>
<b>Total:</b>	<b>151</b>	<b>531</b>	<b>52</b>	<b>164</b>	<b>61</b>	<b>5</b>	<b>5</b>	<b>140</b>	<b>822</b>	<b>5.44</b>

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CHAPTER V

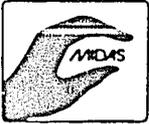
ECONOMIC IMPACT OF TARGET  
GROUP PROGRAMMES IN SURVEY AREAS

- CHANGES IN THE LEVEL OF INCOME
- INCOME LEVEL BY OCCUPATION
- SIZE OF LOAN AND LEVEL OF INCOME
- LOAN REPAYMENT
- SOURCES OF GROWTH OF INCOME

CHAPTER - VECONOMIC IMPACT OF TARGET GROUP  
PROGRAMMES IN SURVEY AREAS5.1 Changes in the Level of Income

In order to assess the impact of the programmes on the level of income of the loanees we have compared the present income with the income earned by them before project intervention. Also we have compared the incomes of the loanees with those of the non-members. While estimating incomes, we have followed two methods: (a) one estimated from the statements of incomes by the loanees on monthly earnings from different sources and (b) the other estimated from the expenditure accounts. The later estimates were based on information given on weekly consumption for various items, e.g., cereal, non-cereal, other daily necessities, non-farm goods and services, housing, health, education, fixed assets, etc.

Table 5.1.A. gives the level and distribution of income of loanees by programme over time. The time differential between before and present is four years for BRDB female programme and for the rest it is only one year. It is seen that per capita income of the BRDB female loanees for the year 1986 is Taka 2,659. This is much higher than the per capita income (Tk. 1,507 in 1982) of the same set of loanees before the programme started its operation. Even if the 1982 figures are converted into 1986 prices, the present figures look still better, at least 29% higher in real terms. Similar changes were also noticed for other programmes in Kachua. Proshika female programme has been doing

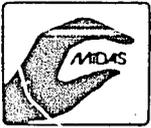


much better than the male programme. The increase in per capita income in real terms for the former is 38% while for the latter it is only about 10%.

In Sarsha also we can notice positive changes in the level of per capita income, though of not similar magnitude as in Kachua. As seen from Table 5.1.B., the per capita income increased at a rate of 8% in case of BRDB female programme and that of Social Welfare programme was even less.

We have also compared the level of per capita income between loanees and non-loanees both within and outside the programmed area. In general, the level of per capita income of loanees is found to be higher than other categories. In Table 5.2.A. we find that the loanees have higher per capita income than the non-loanees. However, a non-loanee within the programme area is slightly better off than his/her counter part outside the programme area. This may be because of the spillover effect of the developmental activities going on inside the programme area. Though most of these results are tenable for Sarsha area as well (Table 5.2.B.), the non-loanee-non-members there appear to have higher per capita income (may be because of invisible income) than the loanees. Again, the members of NGO are doing better than governmental programmes in terms of earnings.

We have also made a comparative study of the level of income of our respondent households estimated from the expenditure accounts. Table 5.3.A. (based on Appendix Table 5.1.A. to 5.7.A) and Table 5.3.B (based on Appendix Tables 5.1.B to 5.7.B) provide figures on the comparative



scenario of level of incomes of the respondents before and after project intervention in the study areas. Here too, we see that per capita income of loanees for 1986 is slightly higher than that before the programme came in. The increase in the per capita income of BRDB female loanees was 12% and that of the Proshika loanees (female), was 6%. However, Proshika male loanees did slightly better accounting for an increase of 10%. But those loanee which were lucky to get both BRDB and Proshika loans accounted for an increase of 67% in their level of per capita income.

In Sarsha too we can notice some increase in the level of per capita income. An average female loanee in BRDB programme experienced an increased of 8% in her per capita income compared to 12% in Kachua. A female loanee under Social Welfare programme witnessed an increase of 11% in her per capita income. Male loanees in BRDB programme too had 8% increase in their level of per capita income. In general, the level of increase in income in Sarsha appears to be lower than that in Kachua.

TABLE 5.1.A

Level and Distribution of Income of Large Households by Sexes (Present and Before)

Size of per capita income (Tk./Annum)	Present (1986)				Before (1985)				Present (1986)				Before (1985)							
	Male		Female		Male		Female		Male		Female		Male		Female					
	H/H	Income	H/H	Income	H/H	Income	H/H	Income	H/H	Income	H/H	Income	H/H	Income	H/H	Income				
Upto 1,000	-	-	20.0	13.6	6.1	2.7	3.1	1.1	-	-	20.0	9.7	-	-	20.0	11.9	5.0	2.1	6.3	2.3
1,001-1,500	20.0	11.0	20.0	22.0	6.2	3.3	13.8	7.7	-	-	-	-	20.0	9.3	60.0	55.9	7.5	3.3	16.2	9.4
1,501-2,000	-	-	20.0	17.2	10.8	6.3	21.5	16.3	20.0	12.4	20.0	17.0	-	-	-	-	10.0	6.0	20.0	16.4
2,001-2,500	20.0	28.0	20.0	30.9	15.4	13.3	20.0	15.5	-	-	40.0	44.2	-	-	20.0	22.2	13.5	12.7	21.1	17.7
2,501-3,000	-	-	20.0	16.3	24.6	24.1	12.3	14.6	40.0	38.3	-	-	40.0	46.8	-	-	25.0	24.6	11.2	13.6
3,001 +	60.0	61.0	-	-	38.9	50.0	29.3	44.2	40.0	49.3	20.0	29.1	40.0	43.4	-	-	38.7	50.0	25.0	40.6
ALL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Present (1986)		Before (1985)	
Average per Capita Income/Tk.		In 1985 Prices	
		At current prices	
EREB (Female)	= 2,659	(1,507)	2,060
Proshika (Male)	= 2,806	(2,503)	2,575
P-shika (Female)	= 2,891	(2,024)	2,083
EREB + Proshika (both sex)	= 3,028	(1,294)	1,769

Note: Figures in parentheses are in respective years current prices and others are in 1985 prices.

TABLE 5.1.B

Level and Distribution of Income of Loanee Households  
by Programme (Present & Before)

Size of Per Capita Income (Tk./Annum)	BRDB										Social Welfare Female				All Programme			
	Male					Female					Present (85)		Before (85)		Present		Before	
	Present (85)		Before (82)		Present (86)		Before (84)		Present (85)		Before (85)		Present		Before			
	% H/H	% Income	% H/H	% Income	% H/H	% Income	% H/H	% Income	% H/H	% Income	% H/H	% Income	% H/H	% Income	% H/H	% Income		
Upto 1,000	16.6	3.7	19.4	4.6	4.6	1.7	-	-	5.9	2.2	17.6	7.5	10.7	2.8	13.3	3.8		
1,001-1,500	19.4	12.7	19.4	12.2	13.2	7.9	27.3	14.9	11.8	8.2	5.9	4.5	17.3	10.3	18.7	11.3		
1,501-2,000	22.2	11.6	25.0	14.7	13.6	9.4	13.6	9.7	5.9	4.6	23.5	13.8	15.0	9.4	21.3	12.9		
2,001-2,500	5.6	5.8	2.5	2.5	18.2	15.1	18.2	15.9	23.5	14.2	23.5	29.5	13.3	10.4	12.0	13.1		
2,501-3,000	5.6	7.9	5.6	8.5	13.6	14.6	13.6	14.3	23.5	29.2	11.9	8.7	12.0	14.5	9.3	10.4		
3,001 +	30.6	58.3	27.8	57.5	31.8	51.3	27.3	45.2	29.4	41.6	17.6	36.0	30.7	52.6	25.4	48.5		
ALL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		

Average Per Capita Income/Tk.

Present (1985)

Before

BRDB:Male - 2,587

BRDB:Male (1982) - 2,298 (1986 price)

BRDB:Female- 2,652

BRDB:Female (1984) - 2,453 ( " )

Social: Female 2,415  
Welfare

Social: Female(1985) - 2,295 ( " )  
Welfare

**TABLE 5.2.A**  
**Level and Distribution of Loanees and Non-Loanees**  
**Households by Programme**

Size of Per Capita Income (Tk/Annum)	BRDB		Proshika				BRDB & Proshika Both Sex		All Loanees		Member Non-Loanees: Proshika-Male		Non-Member Non-Loanees			
	Female		Male		female								Male			
	% H/H	% Income	% H/H	% Income	% H/H	% Income	% H/H	% Income	% H/H	% Income	% H/H	% Income	Inside		Outside	
	% H/H	% Income	% H/H	% Income	% H/H	% Income	% H/H	% Income	% H/H	% Income	% H/H	% Income	% H/H	% Income	% H/H	% Income
Upto 1,000	-	-	6.1	2.7	-	-	-	-	5.0	2.1	5.2	2.1	-	-	-	-
1,001-1,500	20.0	11.0	6.2	3.3	-	-	20.0	9.8	7.5	3.8	7.9	3.5	15.8	10.1	15.8	10.5
1,501-2,000	-	-	10.8	6.3	20.0	12.4	-	-	10.0	6.0	15.8	14.2	-	-	21.1	15.3
2,001-2,500	20.0	28.0	15.4	13.3	-	-	-	-	13.8	12.7	25.3	27.2	21.1	19.5	10.5	10.8
2,501-3,000	-	-	24.6	24.3	40.0	38.3	40.0	46.8	25.0	24.6	13.2	16.8	15.8	14.1	26.3	29.3
3,001 +	60.0	61.0	36.9	50.9	40.0	49.3	40.0	43.4	38.7	50.8	31.6	36.4	47.4	56.3	26.3	34.3
ALL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Proshika loanee male - per capital income = Tk. 2,806  
 Proshika loanee female-per capital income = Tk. 2,891  
 BRDB loanee female per capital income = Tk. 2,659  
 BRDB + Proshika loanee per capital income = Tk. 3,028  
 Proshika member non-loanee per capital income = Tk. 2,466  
 Non-member non-loanee (inside) per capital income = Tk. 2,707  
 Non-member non-loanee (outside) per capital income = Tk. 2,490

TABLE 5.2.B

Level and Distribution of Income of Loanee and Non-Loanee Households by Programme

Size of Per Capita Income (Tk/Annum)	LOANEE HOUSEHOLDS								MEMBER NON LOANEE						NON MEMBER NON LOANEE			
	BRDB				Social Welfare		All		BRDB Male		Social Welfare Female		All		Inside		Outside	
	Male		Female		Male		Female		Male		Female		Male		Female			
	H/H	Income	H/H	Income	H/H	Income	H/H	Income	H/H	Income	H/H	Income	H/H	Income	H/H	Income	H/H	Income
Upto 1,000	16.6	3.7	4.6	1.7	5.9	2.2	10.7	2.8	6.5	5.2	31.8	18.6	21.1	12.7	15.8	9.6	15.8	6.8
1,001-1,500	19.4	12.7	18.2	7.9	11.8	8.2	17.3	10.3	6.5	5.2	31.8	18.6	21.1	12.7	15.8	9.6	15.8	6.8
1,501-2,000	22.2	11.6	13.6	9.4	5.9	4.6	16.0	9.4	31.2	20.9	31.8	22.5	31.6	21.8	26.3	17.1	15.8	10.2
2,001-2,500	5.6	5.8	18.2	15.1	23.5	14.2	13.3	10.4	12.5	8.4	4.5	3.8	7.9	5.8	5.3	2.7	15.8	11.1
2,501-3,000	5.6	7.9	13.6	14.6	23.5	29.2	12.0	14.5	25.0	29.3	4.5	5.9	13.1	16.2	5.3	9.0	10.5	18.7
3,001 +	30.6	58.3	31.8	51.3	29.4	41.6	30.7	52.6	25.0	36.2	18.2	45.3	21.0	41.3	36.8	57.1	31.6	49.5
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Average Per Capita Income/Tk.

BRDB Male Loanee	2,587
BRDB Female Loanee	2,652
Social Welfare Loanee	2,415
BRDB Member Non Loanee	2,392
Social Welfare Non Loanee	2,416
Non Member Non Loanee (inside)	2,404
Non Member Non Loanee (outside)	2,639

TABLE 5.3.A

Level and Distribution of Income Estimated from  
Expenditure Account in Kachua

Programme/Non-Programme	Present			Before	
	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.	Average Family Income/Tk.	Per Capita Income/Tk.
<u>Loanee</u>					
BRDB - Female (5)	17,761	6.8	2,612	14,540 (10,691)	2,319 (1,572)
Proshika - Male (65)	19,368	6.8	2,842	17,430 (17,088)	2,579 (2,507)
Proshika - Female (5)	15,589	6.0	2,598	14,500 (14,216)	2,438 (2,369)
Proshika & BRDB (5) (Both Sex)	16,300	4.8	3,396	8,971 (6,596)	2,027 (1,374)
<u>Non-Loanee</u>					
Proshika Male (38)	16,252	6.3	2,573	N.A.	N.A.
<u>Non-Programme</u>					
Non-Member Non-Loanee (Inside:Male) (19)	16,524	5.8	2,828	N.A.	N.A.
Non-Member Non-Loanee (Outside:Male) (19)	14,776	5.9	2,484	N.A.	N.A.

Note: Figures in parentheses are in respective years current prices and others are in 1986 prices.



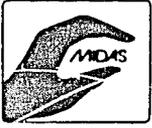


TABLE 5.3.B

Level and Distribution of Income Estimated from  
Expenditure Account in Sarsha

Programme/Non-Programme	No. of H/H	Present			Before	
		Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.	Average Family Income/Tk.	Per Capita Income/Tk.
<u>Loanee</u>						
BRDB - Male	36	15,278	5.83	2,620	14,103 (11,018)	2,418 (1,889)
BRDB - Female	22	14,059	5.77	2,437	12,906 (11,031)	2,237 (1,912)
Social Welfare - Female	17	13,023	5.24	2,483	11,655 (11,207)	2,224 (2,139)
<u>Non-Loanee</u>						
BRDB - Male	16	12,629	5.18	2,438	N.A.	N.A.
Social Welfare - Female	22	12,301	5.04	2,441	N.A.	N.A.
<u>Non-Programme</u>						
Non Member Non Loanee (inside)	19	12,068	5.15	2,343	N.A.	N.A.
Non Member Non Loanee (outside)	19	14,013	5.47	2,562	N.A.	N.A.

Note: Figures in parentheses are in respective years current prices and others in 1986 prices.



## 5.2 Income Level by Occupation

We have also calculated per capita income of the loanees by occupation. It appears from Table 5.4.A. and Table 5.4.B. that per capita income of the loanees with primary occupation of cottage industry is the highest in both the study areas. But the per capita income of non-loanees/non-members of the same occupation groups is much lower in most cases. This explains the crucial role which credit plays in the functioning of the cottage industry. Traders and shopkeepers too fare quite well when financed out of these credit programmes. Performance of BRDB (both female and male) programmes in both the areas is noteworthy in this respect.

TABLE 5.4.A

Per Capita Income of Loanee & Non-Loanee  
Households by Primary Occupation in Kachua

Primary Occupation	BRDB Female	Proshika		BRDB & Proshika Both Sex	All	Member Non Loanee : Proshika Male	Non Member Non Loanee (Male)	
		Male	Female				Inside	Outside
Farming	-	3056.8	-	-	3056.8	2182.5	3439.0	-
Day Labour	-	1716.7	-	-	1716.7	2199.3	2199.3	1832.1
Trade & Shop Keeping	3784.0	2995.0	3000.0	-	3015.4	4914.6	2670.0	2552.2
Service	-	2598.0	3554.0	-	2691.7	-	-	-
Carpentry & Masonry	-	2237.0	-	-	2237.0	-	3431.3	-
Rickshaw, Rickshaw Van, Helicopter Pullar	-	-	-	-	-	2804.0	3313.6	2680.0
Cottage Industry	2976.6	3134.3	4166.2	3028.1	2985.4	2557.0	-	3911.9
Saw	1248.8	2482.7	1981.2	-	2352.6	2519.0	2220.4	1675.0
Others	-	1050.0	-	-	1050.0	-	-	3691.7
<b>Total:</b>	<b>2659.0</b>	<b>2808.0</b>	<b>2891.0</b>	<b>3028.0</b>	<b>2813.0</b>	<b>2466.0</b>	<b>2707.0</b>	<b>2490.0</b>

Others = Bus helper/fishermen.



TABLE 5.4.B

Per Capita Income of Loanee & Non-Loanee Households by Primary Occupation in Sarsha

Occupations	Loanee H/H				Member Non Loanee H/H			Non Member Non Loanee	
	BRDB Male	BRDB Female	Social Welfare Female	All	BRDB Male	Social Welfare Female	All	Inside H/H	Outside H/H
Farming	2284.59	2168.03	2809.09	2331.49	-	1453.45	1453.45	2283.07	2412.50
Day Labour	1706.18	2050.00	2232.39	1745.38	1819.70	2218.60	2029.47	1263.20	1713.89
Petty trade & Shop Keeping	5404.59	2784.92	3063.76	3586.56	3356.25	3006.03	3152.38	3015.80	3122.50
Service	2155.80	4280.00	2760.	3217.90	-	-	-	-	-
Carpentry & Masonry	2985.71	-	-	2985.71	3320.00	-	3320.00	-	5857.14
Rickshaw/Rickshaw Van, Helicopter Pullar	-	2650.00	-	2650.00	-	1236.00	1236.00	4288.89	3712.50
Cottage Industry	-	-	3450.00	3450.00	2650	1358.33	1681.25	4222.50	-
Others	641.67	-	1487.50	1575.00	-	-	-	-	1771.43
All	2587.33	2651.96	2414.62	2551.30	2391.67	2416.00	2403.83	2403.71	2639.14



### 5.3 Size of Loan and Level of Income

We could not trace a consistent and significant relationship between the size of the loan and level of income. As is clear from the Table 5.5.A. and 5.5.B. the size of the loan is indeed very small and hence cannot have a substantial impact on the level of the income. Also the loan operations, unlike Grameen Bank, are quite irregular. As a result most loanees are not serious about the proper use of the loans. The bigger chunk of the loans have gone to relatively richer members whose per capita income though high, may not originate from the loans. It needs further probing in order to establish a clearer relationship between the loan size and the level of income. In Sarsha, most people are engaged in small-scale smuggling activities and it is indeed difficult to identify the sources of growth in income.

A look into Appendix Tables 5.A.1. to 5.A.4. and 5.B.1. to 5.B.3 give further details of the relationship between the size of the loans and the level of income.

TABLE 5.5.A.

Per Capita Income by Size of Loan Taken by Programme

Size of Loan/Tk.	BRDB Female Loanee				Proshika								BRDB & Proshika Both Sex Loanee				
	Percent of Loanee H/H/	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.	Male				Female				Percent of Loanee H/H	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.	
					Percent of Loanee H/H	Average Family Income/Tk.	Average Family Size	Per-Capita Income/Tk.	Percent of Loanee H/H	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.					
Upto 250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
251-500	-	-	-	-	16.9	12,803	5.45	2,347	-	-	-	-	-	-	-	-	-
501-1,000	20.0	9,990	8.0	1,249	16.9	21,027	7.0	3,004	40.0	14,263	6.0	2,377	-	-	-	-	-
1,001-2,000	60.0	18,496	6.3	2,920	43.1	19,914	7.14	2,788	20.0	18,000	6.0	3,000	-	-	-	-	-
2,001-4,000	20.0	24,940	7.0	3,563	21.5	24,064	6.93	3,473	40.0	20,099	6.0	3,350	-	-	-	-	-
4,001 +	-	-	-	-	1.6	18,550	9.0	2,061	-	-	-	-	80.0	16,394	4.75	3,451	-
Total:	100.0	18,084	6.8	2,659	100.0	19,772	6.81	2,808	100.0	17,344	6.0	2,891	100.0	14,535	4.8	3,028	-

TABLE 5.5.B

Per Capita Income by Size of Loan Taken by Programme

Size of Loan/Tk.	BRDB								Social Welfare Loanee			
	Male Loanee				Female Loanee				Percent of Loanee H/H	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.
	Percent of Loanee H/H	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.	Percent of Loanee H/H	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.				
Upto 250	-	-	-	-	4.5	12,400.0	6.0	2,066.67	100.0	12,552.59	5.24	2,414.62
251-500	16.7	6,079.17	4.8	1,257.75	63.6	14,784.64	5.8	2,557.89	-	-	-	-
501-1,000	33.3	18,217.0	6.3	2,714.72	18.2	16,962.25	5.5	3,084.04	-	-	-	-
1,001-2,000	38.9	12,387.50	5.6	2,223.39	9.2	17,600.0	6.0	2,933.33	-	-	-	-
2,001-4,000	11.1	22,918.75	6.0	3,819.79	4.5	5,710.0	6.0	951.67	-	-	-	-
4,001 +	-	-	-	-	-	-	-	-	-	-	-	-
Total:	100.0	14,449.42	5.8	2,500	100.0	14,915.63	5.8	2,583.81	100.0	12,652.59	5.24	2,414.62



#### 5.4 Loan Repayment

The loan repayment record presented in Table 5.6.A. and Table 5.6.B. appears in general to be poor. Of course, the loans under most of the programmes in operation have been disbursed only recently and it will not be wise to make general statement at this stage. From our investigation, we find that only one loanee out of five of our respondents from BRDB female programme in Kachua, repaid fully the loan she took from the agency. Four others have not yet repaid anything. The record of NGO(Proshika) operated programmes is much better in this regard. Out of 65 loanees, 34 of them repaid fully. Only two have not repaid any loan. The rest are partial defaulters. The above relates to the male programme of Proshika. As for the Proshika female programme, the result is not bad. Three out of five loanees have fully repaid. One is nearly completing repayment schedule.

In Sarsha too female loanees have performed better in terms of loan repayment. While 86% of female loanees of BRDB programme have fully repaid the loans, the corresponding figure for the male loanees is only 16%. In Social Welfare Programme as well, the female loanees have been performing well.



TABLE 5.6.A  
Repayment Performance of Loanees in Kaohua  
by Programmes

Programme	Full Paid	Unpaid Full	Unpaid Partially	All H/H
BRDB Female	20.0 (1)	80.0 (4)	-	100 (5)
Proshika Male	52.3 (34)	3.1 (3)	44.6 (29)	100 (65)
Proshika Female	60.0 (3)	20.0 (1)	20.0 (1)	100 (5)
BRDB & Proshika Both Sex	-	100.0 (5)	-	100 (5)

Note: Figures in parentheses indicate the number of households.

TABLE 5.6.B

Repayment Performance of Loanees in Sarsha  
by Programmes  

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(figures in percent of total)

Programme	Full Paid	Unpaid Full	Unpaid Partially	All H/H
BRDB Male	16.7 (6)	44.4 (16)	38.9 (14)	100 (36)
BRDB Female	86.4 (19)	4.5 (1)	9.1 (2)	100 (22)
Social Welfare Female	82.4 (14)	-	17.6 (3)	100 (17)

Note: Figures in parentheses indicate the number of households.



### 5.5 Sources of Growth of Income

The modest increase in the level of income which we have noticed amongst loanees of various programmes may have been due to a number of factors. By giving credit these programmes have facilitated the better use of labour which would have been otherwise idle. In general we have seen that the income from cottage industry is much higher in case of loanees compared to the non-loaneees. Also the trading sector has become quite vibrant in the project areas. This indicates that the extent of self-employment has increased in these areas.

Participation of women labourers in productive self-employment is yet another source of additional income for the loanee households. However, as seen from Table 5.7.A and 5.7.B major proportions of loans advanced under the Proshika Female Programme are found to be spent on social and household expenditure heads, particularly in Kachua upazila.

Female participation, though insignificant, compared to Grameen Bank, yet does contribute to the additional income even if that be quite modest. NGOs have better records in this regard. Had the programmes been able to ensure higher rate of women participation, the level of income would have risen even faster.

#### 5.5.1 Capital Accumulation

As we have seen in the section on asset structure, there has been a higher level of accumulation of capital amongst the loanees. After repaying the loans, the loanees are



left with a sizeable fixed capital assets in the form of, say, a milch cow, a weaving machine or some stock in the shops. Also a sizeable portion of the loans may be directed towards long term investment (we will see the pattern of investment when we will analyze the expenditure elasticities).

#### 5.5.2 Money-Lenders' Role Curbed

The credit programmes in the study areas have substituted many of the non-institutional sources of credit in the sense that the role of the money lenders have greatly been curbed. We have interviewed 40 money lenders, 20 from each study area and they themselves have opined that their role has been greatly underplayed by the presence of these programmes. As a result, they too had to reduce the rate of interest and some of them have been pursuing more productive activities. Table 5.8.A through 5.10.B give various dimensions of money lending practices in these areas.

TABLE 5.7.A

Use of Loan by Sectors in Kachua

Programme	Agricultural Crops/Tk.	Other Agri.Pro- duct/Tk.	Cottage Industry (Tk)	Petty Trade (Tk)	Cattle Purchas- ing/Tk.	Others (Tk)	Total (Tk)
BRDB Female	-	-	7,000 (65.4)	1,000 (9.3)	1,000 (9.3)	1,700 (15.9)	10,700 (99.9)
Proshika Male	15,800 (13.4)	7,500 (6.4)	1,900 (1.6)	5,200 (44.3)	2,800 (2.4)	37,450 (31.9)	117,450 (100.0)
Proshika Female	500 (5.2)	-	2,000 (20.8)	-	800 (8.3)	6,300 (65.6)	9,600 (99.9)
BRDB & Proshika Both Sex	-	-	11,000 (45.8)	-	-	13,000 (54.2)	24,000 (100.0)

Note: Figures in parentheses indicate percent of total.  
(Others include expenditure on marriage and other household consumption)





TABLE 5.7.B

Use of Loan by Sectors in Sarsha Upzila

Programme	Agricultural Crops/Tk.	Other Acric. Products/Tk.	Cottage industry (Tk.)	Petty Trade (Tk.)	Cattle Purchasing/Tk.	Others/Tk.	Total/Tk.
BRDB Male	14,168 (30.0)	945 (2.0)	-	10,862 (23.0)	10,389 (22.0)	10,862 (23.0)	47,226 (100.0)
BRDB Female	1,500 (10.5)	-	-	4,700 (33.0)	7,950 (55.8)	100 (.7)	14,250 (100.0)
Social welfare	250 (5.9)	35 (.8)	50 (1.2)	890 (20.9)	2,775 (65.3)	250 (5.9)	4,250 (100.0)

Note: Figures in parentheses indicate percent of total.  
(Others include expenditure on marriage and other household consumption).



5.5.3 Reduction in Ceremonial Expenditure

As we will see shortly in our analysis of expenditure pattern, the loanees have become quite conscious about the negative aspects of ceremonial expenditure. Since they are not willing to fall into the clutches of money lenders once again, the loanees are quite restrained in making any unproductive expenditure.

5.5.4 Income from Other Agricultural Activities

Most of these programmes insist that loanees must take up other special projects, e.g., vegetable cultivation, raising poultry and if possible, practising pisciculture in order to supplement main source of income. As can be seen from Table 5.11.A and 5.11.B, the contribution of these secondary sources of income is not negligible either. In some programme, say, for example, social welfare programme for the female in Sarsha, these sources account for 12% of the loanees per capita income.

As is seen from Tables 5.8.A and 5.8.B, the principal occupation of the respondent money lenders is either farming or business. Nearly 35% of them said that their money goes to farming sector. Another 35% said their money goes to business. Family consumption and land mortgaging are two other important avenues where money is invested by the money lenders.

Rate of interest charged by money lenders varies substantially. As seen from Table 5.9.A and 5.9.B, 65% of the money lenders in Kachua said that they charge in between 25% to 50% as rate of interest. The rest said that they charge more than 110%.



In Sarsha 30% said that they charge 51-80% and the rest said that they charge more than 110% as rate of interest.

As opined by the money-lenders themselves (Tables 5.10.A and 5.10.B) the scope of money lending is declining day by day. At least 70% of them in both Kachua and Sarsha said that the number of borrowers is decreasing overtime. Nearly 30% from both the sample areas said that the loan amount borrowed is also declining and availability of institutional credit has been the cause of declining rate of money-lending in these areas.



TABLE 5.8.A

Distribution of Money Lenders by Sectors of Money Lending by Occupational Group in Kachua

Principal Occupation	No. of Total Respondents	Sectors in which Money is Lent				
		Cultivation	Business/Trade	Family Consumption	Land Mortgaging	Disease
Farming	10 (50)	4 (20)	2 (10)	2 (10)	1 (5)	1 (5)
Business/Trade	10 (50)	3 (15)	5 (25)	1 (5)	1 (5)	-
Total :	20 (100)	7 (35)	7 (35)	3 (15)	2 (10)	1 (5)

Note: Figures in parentheses indicate the percent of total.

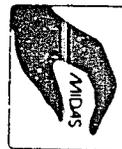


TABLE 5.8.B

Distribution of Money Lenders by Sectors of Money Lending by Occupational Group in Sarsha

Principal Occupation	No. of Total Respondents	Sectors in which Money is Lent				
		Cultivation	Business/	Family Con- sumption	Land Mortgaging	Disease
Farming	10 (50)	2 (10)	4 (20)	3 (15)	1 (5)	-
Business/ Trade	10 (50)	2 (10)	7 (35)	1 (5)	-	-
Total:	20 (100)	4 (20)	11 (55)	4 (20)	1 (5)	-

Note: Figures in parentheses indicate percent of total.



TABLE 5.9.A

Rate of Interest Charged by Money  
Lenders in Kachua

Sectors of Money Lenders	25 - 50 %	51 - 80 %	Above 110%	All
Cultivation	7 (35)	-	-	7 (35)
Business/Trade	3 (15)	-	6 (30)	9 (45)
Family Consumption	1 (5)	-	-	1 (5)
Land Mortgaging	2 (10)	-	-	2 (10)
Disease	-	-	1 (5)	1 (5)
Total :	13 (65)	-	7 (35)	20 (100)

Note: Figures in parentheses indicate the percentage of total.

TABLE 5.2.ERate of Interest Charged by Money Lenders  
in Barsha

Sectors of Money Lending	25 - 50%	51 - 80%	Above 110%	All
Cultivation	-	2 (10)	5 (25)	7 (35)
Business/Trade	-	-	5 (25)	5 (25)
Family Consumption	-	3 (15)	4 (20)	7 (35)
Disease	-	1 (5)	-	-
Total:	-	6 (30)	14 (70)	20 (100)

Note: Figures in parentheses indicate the percent of total.

TABLE 5.10.A

Opinion of Money Lenders on Their Money Lending  
Business During Last Five Years in Kachua

Opinions	No. of Respondents (%)
Number of Borrowers are Decreasing Day by Day	15 (75)
Number of Loan Amount is Decreasing Day by Day	5 (25)
Total :	20 (100)

Note: figures in parentheses indicate the percent of total

TABLE 5.10.BOpinions of Money Lenders on Their Money Lending  
Business during Last Five Years in Sarsha

Opinions	No. of respondents (%)
Number of Borrowers are Decreasing Day by Day	14 (70)
Number of Loan Amount is Decreasing Day by Day	6 (30)
Total :	20 (100)

Note: Figures in parentheses indicate the percent of total.

- TABLE - 5.11.A

Per Capita Income from other Agri. Products and Income from  
other Agri. Production as % of Total Income (Present) in  
Kachua-

Size of Per Capita Income	L O A N E E S										Member Non-loanee		Non member Non-loanee				
	Proshika				BRDB (Female)		BRDB & Proshika (Both)		All		Proshika		Inside		Outside		
	(Male)		(Female)		Per- capita income from other agri. Tk.	% of total income											
	Per- capita income from other agri. Tk.	% of total income	Per- capita income from other agri. Tk.	% of total income													
Upto-1000	173	18.9	-	-	-	-	-	-	-	173	18.9	88	11.4	-	-	-	-
1001-1500	101	8.3	-	-	105	8.4	340	23.9	127	10.2	88	7.3	52	3.6	67	4.8	
1501-2000	216	12.1	93	6.0	-	-	-	-	199	11.3	265	13.9	-	-	30	1.6	
2001-2500	122	5.6	-	-	46	2.0	-	-	112	5.1	112	5.0	135	6.0	50	2.3	
2501-3000	118	4.4	83	3.0	-	-	246	8.7	126	4.7	186	7.1	77	2.7	58	2.1	
3000 +	376	8.6	232	6.8	216	5.9	271	6.0	349	8.2	157	3.9	104	3.0	157	3.9	
Total:	215	7.7	140	4.8	135	5.1	273	9.0	209	7.4	159	6.4	98	3.6	74	3.0	

Note: Other Agricultural Products Include Vegetables, Poultry, Fish, etc.

TABLE - 5.11.B

Per Capita Income from other Agri. Products and Income from other Agri. Production as % of Total Income by Size of Per capita Income by Programme & Non-Programme ( Present).

Size of Per capita Income	L O A N E E								NON LOANEE MEMBER						NON MEMBER NON LOANEE			
	BRDS				Social Welfare		All		BRDS		Social Welfare		All		In side		Cut side	
	(Male)		(Female)		(Female)				(Male)		(Female)							
	Income from other agri. Tk.	% of total income	Income from other agri. Tk.	% of total income	Income from other agri. Tk.	% of total income	Income from other agri. Tk.	% of total income	Income from other agri. Tk.	% of total income	Income from other agri. Tk.	% of total income	Income from other agri. Tk.	% of total income	Income from other agri. Tk.	% of total income	Income from other agri. Tk.	% of total income
Upto-1000	168	27.1	83	8.8	33	3.8	137	19.6	-	-	182	20.0	182	20.3	33	3.7	27	2.9
1001-1500	109	8.6	214	18.1	80	5.8	130	10.3	250	19.0	89	6.8	124	9.0	21	1.6	59	5.1
1501-2000	158	9.4	488	26.9	10	0.4	223	12.0	218	12.9	149	8.6	178	10.4	128	7.3	156	9.0
2001-2500	93	4.3	435	20.2	264	11.9	296	13.7	313	14.7	-	-	203	9.4	33	1.6	119	5.1
2501-3000	740	27.0	383	14.4	204	7.8	395	14.8	260	9.8	500	11.9	313	10.5	150	5.7	16	0.6
3001 +	440	8.4	730	17.8	540	12.2	557	11.8	233	6.3	147	2.2	190	3.7	112	2.8	199	4.2
Total:	264	10.5	475	18.4	242	8.9	323	12.5	245	10.0	146	5.7	188	7.5	90	3.7	109	4.1

Note: Other Agricultural Products Include Vegetables, Poultry, Fish, etc.

APPENDIX 5.1.A

Level and Distribution of Income Estimated from  
Expenditure Account Present and Before ( BRIB  
Female Loanee)

Level of Income (Tk. Per Capita)	Present (1986)				Before (1982)			
	% of Loanee H/H	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.	% of Loanee H/H	Average family Income/Tk.	average family Size	Per Capita Income/Tk.
Upto 1,000	-	-	-	-	-	-	-	-
1001-1,500	-	-	-	-	50.0	15,318 (11,205)	8.0	1,415 (1,401)
1501-2,000	40.0	16,557	9.5	1,743	20.0	18,038 (13,194)	7.0	2,577 (1,885)
2001-2,500	-	-	-	-	20.0	9,082 (6,643)	3.0	3,027 (2,214)
2501-3,000	-	-	-	-	-	-	-	-
3001-4,000	40.0	21,529	6.0	3,588	-	-	-	-
4001 and above	20.0	12,634	3.0	4,211	-	-	-	-
Total:	100.0	17,761	6.8	2,612	100.0	14,616 (10,691)	6.8	2,149 (1,572)

Note: Figures in parentheses are in 1982 prices and others are in 1986 prices.

APPENDIX - 5.2.A

Level and Distribution of Income Estimated from  
Expenditure Account Present and Before (Proshika  
Male Loanee)

Level of Income (Tk. Per Capita)	Present (1986)				Before (1985)			
	% of Loanee H/H	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.	% of Loanee H/H	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.
Unto 1,000	-	-	-	-	-	-	-	-
1,001-1,500	3.10	12,245	9.0	1,361	4.6	11,273 (11,052)	8.3	1,353 (1,326)
1,501-2,000	9.2	13,264	7.5	1,768	21.6	12,539 (12,294)	6.9	1,320 (1,293)
2,001-2,500	24.6	17,286	7.5	2,305	30.8	15,981 (15,668)	7.0	2,283 (2,258)
2,501-3,000	24.6	18,983	6.9	2,736	16.9	20,071 (19,677)	7.1	2,831 (2,775)
3,001-4,000	21.6	22,569	6.6	3,397	16.9	24,066 (23,594)	7.1	3,393 (3,327)
4,001 & above	16.9	23,504	5.1	4,617	9.2	19,734 (19,347)	4.3	4,554 (4,465)
Total :	100.0	19,368	6.8	2,842	100.0	17,429 (17,088)	6.8	2,557 (2,507)

Note: Figures in parentheses are in 1985 prices and others are in 1986 prices.

APPENDIX 5.3.A

Level and Distribution of Income Estimated from  
Expenditure Account Present and Before (Proshika  
Female Loanee)

Level of Income (Tk. Per Capita)	Present (1986)				Before (1985)			
	% of Loanee H/H	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.	% of Loanee H/H	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.
Upto 1,000	-	-	-	-	-	-	-	-
1,001-1,500	-	-	-	-	-	-	-	-
1,501-2,000	-	-	-	-	20.0	13,084 (12,716)	7.0	1,870 (1,817)
2,001-2,500	40.0	14,222	6.5	2,188	60.0	13,700 (13,315)	5.7	2,413 (2,350)
2,501-3,000	40.0	16,374	6.0	2,229	-	-	-	-
3,001-4,000	20.0	16,654	5.0	3,351	20.0	18,949 (18,416)	6.0	3,158 (3,069)
4,001 and above	-	-	-	-	-	-	-	-
Total:	100.0	15,589	6.0	2,589	100.0	14,628 (14,216)	6.0	2,438 (2,369)

Note: Figures in parentheses are in 1985 prices and others are in 1986 prices.

APPENDIX 5.4.A

Level and Distribution of Income Estimated from  
Expenditure Account Present and Before (BRDB &  
Proshika Loanee - Both Sex)

Level of Income (Tk. Per Capita)	Present (1986)				Before (1982)			
	% of Loanee H/H	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.	% of Loanee H/H	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.
Upto 1,000	-	-	-	-	20.0	8,190 (5,991)	6.0	1,028 (999)
1,001-1,500	-	-	-	-	40.0	9,429 (6,897)	5.5	1,290 (1,254)
1,501-2,000	-	-	-	-	20.0	9,236 (6,756)	4.0	1,738 (1,689)
2,001-2,500	20.0	14,330	6.0	2,388	20.0	8,806 (6,441)	3.0	2,209 (2,147)
2,501-3,000	-	-	-	-	-	-	-	-
3,001-4,000	60.0	16,390	5.0	3,278	-	-	-	-
4,001 and above	20.0	18,101	3.0	6,000	-	-	-	-
Total :	100.0	16,300	4.8	3,396	100.0	9,018 (6,596)	4.8	1,414 (1,374)

Note: Figures in parentheses are in 1982 prices and others are in 1986 prices.

APPENDIX 5.5.A

Level and Distribution of Income Estimated  
from Expenditure Account (1986) Proshika  
Member-Non-Loanee(Male)

Level of Income (Tk. Per Capita)	% of H/H	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.
Upto 1,000	-	-	-	-
1,001-1,500	5.3	13,841	9.5	1,457
1,501-2,000	18.4	14,746	8.9	1,665
2,001-2,500	18.4	12,239	5.4	2,255
2,501-3,000	18.4	15,881	5.4	2,925
3,001-4,000	28.4	20,303	6.2	3,284
4,001 and above	10.5	16,627	3.8	4,434
Total :	100.0	16,252	6.3	2,573

APPENDIX 5 .6.A

Level and Distribution of Income Estimated from  
Expenditure Account (1986): Non-Member Non-Loanee  
(Male) in Study Area

Level of Income (Tk. Per Capita)	% of H/H	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.
Upto 1,000	-	-	-	-
1,001-1,500	10.6	10,112	7.5	1,348
1,501-2,000	10.6	15,101	8.5	1,777
2,001-2,500	31.6	13,754	5.8	2,358
2,501-3,000	10.5	19,427	7.0	2,775
3,001-4,000	21.0	15,929	5.0	3,186
4,001 and above	15.7	26,143	3.3	7,843
<b>Total :</b>	<b>100.0</b>	<b>16,524</b>	<b>5.8</b>	<b>2,828</b>

APPENDIX

Level and Distribution of Income Estimated from  
Expenditure Account (1986): Non-Member Non-Loanee  
(Male) Outside the Study Area

Level of Income (Tk. Per Capita)	% of H/H	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.
Upto 1,000	-	-	-	-
1,001-1,500	-	-	-	-
1,501-2,000	47.4	10,653	6.2	1,728
2,001-2,500	5.3	15,889	7.0	2,270
2,501-3,000	21.0	14,272	5.5	2,595
3,001-4,000	15.8	19,792	5.7	3,494
4,001 and above	10.5	25,803	5.5	4,691
Total :	100.0	14,776	5.9	2,484

APPENDIX 5.1.B

Level and Distribution of Income Estimated from  
Expenditure Account Present and Before ( BRDB  
Male-Loanee)

Level of Income (Tk. Per Capita)	Present 1986				Before 1982			
	% of Loanee N = 36	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.	% of Loanee N=36	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.
Upto 1,000	-	-	-	-	-	-	-	-
1,001-1,500	5.6	10,281	7.5	1,371	5.6	9,088 (7,100)	6.5	1,398 (1,092)
1,501-2,000	8.3	14,447	8.7	1,661	22.3	11,300 (8,828)	6.4	1,766 (1,379)
2,001-2,500	30.6	14,528	6.4	2,270	19.4	11,338 (8,858)	5.0	2,268 (1,772)
2,501-3,000	16.6	12,092	4.3	2,812	19.4	15,498 (12,108)	5.7	2,719 (2,124)
3,001-4,000	30.6	17,211	4.9	3,512	33.3	17,608 (13,756)	5.3	3,322 (2,596)
4,001 and above	8.3	21,473	4.7	4,569	-	-	-	-

Note: Figures in parentheses are in 1982 prices and others are in 1986 prices.

APPENDIX 5.2.B

Level and Distribution of Income Estimated from  
Expenditure Account Present and Before (BRDB  
Female Loanee)

Level of Income (Tk. Per Capita)	Present (1986)				Before (1984)			
	% of Loanee N=22	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.	% of Loanee N=22	Average Family Income/Tk.	Average Family Size	Per Capi Income/Tk.
Upto 1,000	-	-	-	-	-	-	-	-
1,001-1,500	-	-	-	-	9.1	7,409 (6,332)	6.0	1,235 (1,055)
1,501-2,000	22.7	9,916	5.8	1,709	27.3	10,563 (9,028)	5.8	1,821 (1,557)
2,001-2,500	31.8	13,725	6.0	2,287	31.8	13,222 (11,301)	5.9	2,241 (1,915)
2,501-3,000	27.3	15,817	5.8	2,727	22.8	14,887 (12,724)	5.6	2,658 (2,272)
3,001-4,000	18.2	17,189	5.3	3,243	4.5	18,176 (15,535)	6.0	3,029 (2,584)
4,001 and above	-	-	-	-	4.5	20,584 (17,594)	5.0	3,431 (2,932)

Note: Figures in parentheses are in 1984 prices and others are in 1986 prices.

APPENDIX 5.3.B

Level and Distribution of Income Estimated from  
Expenditure Account Present and Before (Social  
Welfare Female, Loanee)

Level of Income (Tk. Per Capita)	Present(1986)				Before(1985)			
	% of Loanee N=17	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.	% of Loanee N=17	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.
Upto 1,000	-	-	-	-	-	-	-	-
1,001-1,500	-	-	-	-	23.5	8,767 (8,429)	6.5	1,349 (1,297)
1,501-2,000	29.4	12,089	6.4	1,889	11.8	10,826 (10,410)	6.0	1,804 (1,735)
2,001-2,500	23.5	13,515	6.0	2,252	17.6	13,562 (13,041)	6.0	2,260 (2,174)
2,501-3,000	11.8	14,762	5.5	2,684	11.8	11,391 (10,953)	4.5	2,531 (2,434)
3,001-4,000	29.4	13,545	4.0	3,386	35.3	12,993 (12,493)	4.0	3,248 (3,123)
4001 and above	5.9	9,632	2.0	4,816	-	-	-	-

Note: Figures in parentheses are in 1985 prices and others are in 1986 prices.

APPENDIX 5.4.B

Level and Distribution of Income Estimated from  
Expenditure Account (BRDB Member Non-Loanee) in 1986

Level of Income (Tk. Per Capita)	% of H/H N=16	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.
Upto 1,000	-	-	-	-
1,001-1,500	-	-	-	-
1,501-2,000	25.0	8,809	4.8	1,835
2,001-2,500	37.5	12,583	5.2	2,419
2,501-3,000	25.0	17,275	6.0	2,879
3,001-4,000	12.5	11,114	3.0	3,705
4,001 and above	-	-	-	-

APPENDIX 5.5.B

Level and Distribution of Income Estimated from  
Expenditure Account (Social Welfare Member Non-  
Loanee) in 1986

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Level of Income (Tk. Per Capita)	% of H/H N=22	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.
Upto 1,000	-	-	-	-
1,001-1,500	-	-	-	-
1,501-2,000	18.2	9,401	5.0	1,880
2,001-2,500	40.9	11,279	5.2	2,169
2,501-3,000	27.3	14,172	5.0	2,834
3,001-4,000	13.6	15,489	4.7	3,296
4,001 and above	-	-	-	-

APPENDIX 5.6.B

Level and Distribution of Income Estimated from  
Expenditure Account (Non-Member Non-Loanee in-  
side) in 1986

Level of Income (Tk. Per Capita)	% of H/H N=19	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.
Upto 1,000	5.3	4,708	5.0	942
1,001-1,500	10.5	10,248	7.0	1,464
1,501-2,000	10.5	9,200	5.5	1,673
2,001-2,500	31.6	11,552	5.0	2,310
2,501-3,000	26.3	12,208	4.4	2,774
3,001-4,000	10.5	21,788	7.0	3,113
4,001 and above	5.3	11,769	2.0	5,884

APPENDIX 5.7.B

Level and Distribution of Income Estimated from  
Expenditure Account (Non-Member Non-Loanee Out-  
side) in 1986

Level of Income (Tk. Per Capita)	% of H/H N=19	Average Family Income/Tk.	Average Family Size	Per Capita Income/Tk.
Upto 1,000	-	-	-	-
1,001-1,500	-	-	-	-
1,501-2,000	21.1	12,807	7.0	1,829
2,001-2,500	15.8	14,372	6.3	2,281
2,501-3,000	36.8	14,139	5.3	2,668
3,001-4,000	15.8	13,629	4.3	3,170
4,001 and above	10.5	16,020	3.5	4,577

APPENDIX 5.A.1

Per Capita Income by Size of Loan Taken.  
(BRDB Female)

Size of Loan/Tk.	% of Loanee H/H N = 5	Average Family Size	Present (1986)		Before (1982)	
			Average H/H Income/Tk.	Per Capita Income/Tk.	Average H/H Income/Tk.	Per Capita Income/Tk.
Upto 250	-	-	-	-	-	-
251-500	-	-	-	-	-	-
501-1,000	20.0	8.0	9,990	1,249	9,496 (6,982)	1,187 (873)
1,001-2,000	60.0	6.3	18,496	2,920	12,255 (9,011)	1,935 (1,423)
2001-4,000	20.0	7.0	24,940	3,563	21,529 (15,830)	3,075 (2,261)
4,001 +	-	-	-	-	-	-

Note: Figures in parentheses are in 1982 prices and others are in 1986 prices.

APPENDIX 5.A.2.

Per Capita Income by Size of Loan Taken  
Proshika (Male)

Size of Loan/Tk.	% of Loanes H/H N = 65	Average Family Size	Present (1986)		Before (1985)	
			Average H/H Income/Tk.	Per Capita Income/Tk.	Average H/H Income/Tk.	Per Capita Income/Tk.
Upto 250	-	-	-	-	-	-
250-500	16.9	5.5	12,803	2,347	10,926 (10,608)	2,003 (1,945)
501-1,000	16.9	7.0	21,027	3,004	18,941 (18,389)	2,706 (2,627)
1,001-2,000	43.1	7.1	19,914	2,788	19,895 (19,316)	2,785 (2,704)
2,001-4,000	21.5	6.9	24,064	3,473	16,884 (16,392)	4,823 (4,683)
4001 +	1.5	9.0	18,550	2,061	19,797 (19,220)	2,200 (2,136)

Note: Figures in parentheses are in 1985 prices and others are in 1986 prices.

APPENDIX 5.A.3.

Per Capita Income of by Size of Loan Taken  
(Proshika Female)

Size of Loan/Tk.	% of Loanee H/H N=5	Average Family Size	Present (1986)		Before (1985)	
			Average H/H Income/Tk.	Per Capita Income/Tk.	Average H/H Income/Tk.	Per Capita Income/Tk.
Upto 250	-	-	-	-	-	-
250-500	-	-	-	-	-	-
501-1,000	40.0	6.0	14,263	3,377	12,016 (11,780)	2,002 (1,963)
1001-2,000	20.0	6.0	18,000	3,000	10,557 (10,350)	1,759 (1,725)
2,001-4,000	40.0	6.0	20,099	3,350	13,683 (13,415)	2,281 (2,236)
4,001 +	-	-	-	-	-	-

Note: Figures in parentheses are in 1985 prices and others are in 1986 prices.

APPENDIX 5.A.4.

Per Capita Income by Size of Loan Taken (BRDB  
and Proshika - Both Sex)

Size of Loan/Tk.	% of Loanee H/H N=5	Average Family Size	Present (1986)		Before (1982)	
			Average H/H Income/Tk.	Per Capita Income/Tk.	Average H/H Income/Tk.	Per Capita Income/Tk.
Upto 250	-	-	-	-	-	-
251-500	-	-	-	-	-	-
501-1,000	-	-	-	-	-	-
1,001-2,000	80.0	4.6	16,394	3,451	8,280 (6,088)	1,743 (1,282)
2,001-4,000	20.0	5.0	7,100	1,420	9,112 (6,700)	1,822 (1,340)
4,001 +	-	-	-	-	-	-

Note: Figures in parentheses are in 1982 prices and others are in 1986 prices.

APPENDIX 5.B.1.

Per Capita Income by Size of Loan Taken (BRDB  
Female Loanee )

Size of Loan/Tk.	% of Loanee, H/H N=36	Average Family Size	Present (1986)		Before (1982)	
			Average H/H Income/Tk.	Per Capita Income/Tk.	Average H/H Income/Tk.	Per Capita Income/Tk.
Upto 250	-	-	-	-	-	-
251-500	16.7	4.8	6,079.17	1,257.75	5,597.86 (4,373.33)	1,158.17 (904.82)
501-1,000	33.3	6.3	18,217.00	2,714.72	17,291.00 (13,508.75)	2,766.55 (2,161.40)
1,001-2,000	38.9	5.6	12,287.50	2,223.39	11,733.00 (9,166.43)	2,105.93 (1,645.26)
2,001-4,000	11.1	6.0	22,918.75	3,819.79	19,198.00 (14,998.75)	3,199.73 (2,499.79)
4,001 +	-	-	-	-	-	-

Note: Figures in parentheses are in 1982 prices and others are in 1986 prices.

APPENDIX 5.B.2.

Per Capita Income by Size of Loan Taken (BRDE  
Female Loanee)

Size of Loan/Tk.	% of Loanee N = '22 H/H	Average Family Size	Present (1986)		Before (1984)	
			Average H/H Income/Tk.	Per Capita Income/Tk.	Average H/H Income/Tk.	Per Capita Income/Tk.
Upto 250	4.5	6.0	12,400.00	2,066.67	7,254.00 (6,200.00)	1,208.99 (1,033.33)
251 - 500	63.6	5.8	14,784.64	2,557.89	15,940.00 (13,624.28)	2,755.11 (2,354.81)
501-1,000	18.2	5.5	16,962.25	3,084.04	18,138.04 (15,502.50)	3,297.79 (2,818.63)
1,001-2,000	9.2	6.0	17,600.00	2,933.33	18,427.50 (15,750.00)	3,071.25 (2,625.00)
2,001-4,000	4.5	6.0	5,710.00	951.67	4,176.90 (3,570.00)	696.15 ( 595.00)
4,001 +	-	-	-	-	-	-

Note: Figures in parentheses are in 1984 prices and others are in 1986 prices.

APPENDIX 5.B.3

Per Capita Income by Size of Loan Taken (Social Welfare Loanee)

Size of Loan/Tk.	% of Loanee H/H N=17	Average Family Size	Present (1985)		Before (1985)	
			Average H/H Income/Tk.	Per Capita Income/Tk.	Average H/H Income/Tk.	Per Capita Income/Tk.
Upto 250	100.0	5.24	12,652.99	2,414.62	11,761.88 (11,309.50)	2,244.63 (2,158.30)
251 - 500	-	-	-	-	-	-
501-1,000	-	-	-	-	-	-
1,001-2,000	-	-	-	-	-	-
2,001-4,000	-	-	-	-	-	-
4,001 +	-	-	-	-	-	-

Note: Figures in parentheses are in 1985 prices and others are in 1986 prices.



CHAPTER VI

DEMAND AND MARKETING ASPECTS

PATTERN OF EXPENDITURE BY LOANEES

BUDGET SHARE

ESTIMATES OF EXPENDITURE ELASTICITIES

EXPENDITURE ELASTICITIES AND MARGINAL  
PROPENSITIES TO CONSUME (MPC)

CHAPTER - VIDEMAND AND MARKETING ASPECTS.1 Pattern of Expenditure by LoaneesMethodology of estimates

We have by now seen that there has been some increase in the level of income of the survey households due to project intervention. To what extent these incremental income has gone into creating demand for goods and services of non-farm sector? The answer to this question can be obtained if we study the pattern of expenditure of the loanees. In order to understand this, we will use the methodology developed by Hossain\* elsewhere. Hossain makes the following classifications of the loanee households and commodities:

Classification of Households

- a. Extreme Poor : Households with per capita income upto Tk. 2,000.
- b. Poor : Households with per capita income between Tk. 2,000 to Tk. 3,000.
- c. Non-Poor : Households with per capita income over Tk. 3,000.

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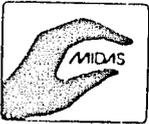
\* M. Hossain, 1984 : Credit for the Rural poor. The Experience of Grameen Bank in Bangladesh (mimeo), BIDS, October 1984, Chapter-VI.



### Classification of Commodities

The commodities have also been classified into a number of groups:

- i) Cereal: Rice, flour, bread, biscuits.
- ii) Non-Cereal food: Pulse, meat, potato, other root crops, vegetables, chillies, onion, fish, dried fish, egg, milk and milk products, and fruits.
- iii) Other daily necessities: Oils, biri, cigarettes, betel leaf, betelnuts, tobacco, kerosine, matches, fuel, soap, soda.
- iv) Clothing and households effects: Lungi, sari, piece of cloth, ready-made garments, hosiery goods, second-hand cloth, bedding materials, shoe, furniture, utensils, mats, blacksmith products, durable consumer goods.
- v) Construction and repairing: Rope, brick, tile, straw, bamboo, chatai, wooden fixtues, logs, cement , tins, nails, etc.
- vi) Health and education: School fees, books, pencils, ink, doctors fee, cost of medicine, etc.
- vii) Others: Transport, social and religious festivals, recreation, litigation, etc.
- viii) Investment: Draft animals, milch cows, agricultural implements, cow shades, stores, cart, boat, bi-cycles, rickshaw, industrial machines, tools and equipments fishing nets, etc.



## 6.2 Budget Share

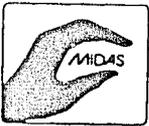
Budget share of different groups of commodities in different programmes over time (present and before) is given in tables 6.1.A and 6.1.B for the study areas.

From table 6.1.A it can be observed that in almost all the programmes, the share of expenditure in cereals has declined after project intervention. The expenditure has now been shifted either to non-cereal food or to other non-farm items. The level of investment has also increased substantially.

Table 6.1.B also indicates similar trend. In almost all programmes, the proportion of expenditure on cereal has declined and that on non-food items has increased.

We have also looked at the trend of changes in the expenditure pattern of the survey households programme by programme and amongst different categories of the loanees. The relevant data in this regard have been presented in Table 6.2.A through 6.8.A and 6.2.B through 6.8.B.

As we can see from the tables, food consumption still accounts for the bulk of the expenditure, although the proportion spent on cereal consumption appears to have fallen over time. It is also seen that as the level of income goes up the expenditure on cereal declines significantly. When we compare our findings with those before the programmes came in, the expenditure on non-food items is found to increase suggesting that these programmes



have induced increases in the demand for non-food items. Thus we can see that the expenditure on daily necessities, housing materials and investment items have increased over time. These results are further confirmed when we make a regression analysis of the expenditure pattern.

Table-6.1.A

Expenditure pattern of Loanee H/Hs & Non Loanee H/Hs  
by Programme and by heads of expenditure (Figures in  
percent of Total).

Heads of Expenditure	BRDB Female	Proshika		BRDB + Proshika (Both sex)	Proshika Non-Loanee (Male)	Non Member Non Loanee inside (Male)	Non Member Non Loanee outside (Male)	BRDB Female	Proshika		BRDB + Proshika
		Male	Female						Male	Female	
Cereal	42.57	44.75	48.30	43.32	48.39	44.23	58.31	55.13	51.44	48.36	53.15
Non Cereal	27.63	19.49	21.01	22.71	24.11	18.31	17.03	22.68	21.15	21.66	21.76
Other daily Necessities	8.31	10.32	13.74	6.38	9.41	9.60	10.49	11.28	10.30	15.73	9.14
Clothing & H/H effects	6.15	7.26	6.52	6.48	8.55	7.51	5.93	5.22	5.79	5.87	7.00
Construction & Repairing	3.96	2.47	.45	2.33	2.65	6.21	.55	1.48	.89	1.44	3.03
Health & education	2.45	3.42	5.41	1.72	4.56	4.33	2.30	2.04	2.52	2.60	2.38
Others	2.65	3.82	4.04	3.61	3.60	2.41	1.64	2.17	3.49	4.34	3.55
Investment	6.26	8.48	.51	13.45	3.53	7.39	3.75	-	4.42	-	-
<b>Total:</b>	99.98	100.01	99.92	100.00	100.00	99.99	100.00	100.00	100.00	100.00	100.00

Table-6.1.3

Expenditure pattern of loanee and Non loanee H/Hs by Programme and by heads of Expenditure

Expenditure Group	Loanee Household						Member Non Loanee		Non Member Non Loanee inside	Non Member Non Loanee controlled
	BRDB Male		BRDB Female		Social Welfare Female		BRDB Male 1986	Social Welfare Female		
	Present 1986	Before 1982	Present 1986	Before 1984	Present 1986	Before 1985				
Cereal	49.4	52.1	51.9	53.3	51.5	51.6	48.6	51.9	53	50.9
Non Cereal	18.3	23.2	20.4	24.9	23.9	27.9	17.1	23.2	22.6	19.1
Other daily Necessities	7.6	8.1	7.3	6.7	8.1	8.1	6.6	10.1	9.0	8.4
Clothing & H/H effect	10.2	9.5	7.5	6.8	9.4	7.5	8.4	6.0	7.8	8.4
Construction & Repairing	1.6	1.6	0.8	0.8	0.8	0.8	2.4	1.3	1.0	1.5
Health & education	3.2	2.1	2.0	1.8	1.5	1.5	1.8	1.7	1.2	2.9
Other	5.2	2.9	2.5	2.1	2.4	1.5	2.9	2.1	1.9	2.9
Investment	4.5	0.5	7.6	3.6	2.4	1.1	12.2	1.5	3.1	5.9
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table-6.2.A

Expenditure pattern of different groups of loanees  
( BMDB female) Present and Before by household  
Expenditure 1985 & 1982

Heads of Expenditure	(Present= 1985)				(Before= 1982)			
	Upto-2000 (Tk.) N=2	2001-3000 (Tk.)	3001 & above (Tk. N=3)	All H/Hs N=5	Upto-2000 (Tk.) N=4	2001-3000 (Tk.) N=1	3001 & above (Tk.)	All H/Hs N=5
Cereal	46.01	-	40.52	42.57	55.18	54.79	-	55.13
Non Cereal	24.50	-	29.51	27.63	21.78	28.18	-	22.68
Other daily Necessities	8.79	-	8.03	8.31	11.46	10.18	-	11.28
Clothing & H/Hs effects	4.84	-	6.93	6.15	5.46	3.76	-	5.22
Construction & Repairing	2.78	-	4.67	3.96	1.71	-	-	1.48
Health & education	4.53	-	1.22	2.45	2.25	.75	-	2.04
Others	4.02	-	1.84	2.65	2.14	2.33	-	2.17
Investment	4.53	-	7.28	6.26	-	-	-	-
Total:	100.0	-	100.0	99.98	99.98	99.98	-	100.0

Table- 6.2.B

Expenditure patterns of different income groups  
(BRDB Male programme) from expenditure account

Expenditure Groups	Upto 2000 Taka		2001 - 3000 (Tk.)		3001 +		All H/Hs	
	Present N=5	Before N=10	Present N=17	Before N=14	Present N=14	Before N=12	Present N=36	Before N=36
Creal	54.2	57.1	57.0	52.7	40.3	49.3	49.2	52.1
Non Creal	18.9	24.4	17.5	23.5	19.6	22.5	18.7	23.2
Others daily Necessities	6.2	4.9	7.4	9.5	8.1	7.1	7.6	8.1
Clothing & H/H effects	9.8	9.1	9.0	8.9	11.2	11.3	10.1	9.5
Construction Repairing	4.3	1.4	1.4	1.3	1.0	2.0	1.6	1.6
Health & Education	3.5	1.2	2.6	2.0	4.5	2.6	3.3	2.1
Others	2.3	1.9	2.5	2.1	8.3	4.0	5.1	2.9
Investment	0.8	-	2.6	-	7.0	1.2	4.4	0.5
<b>Total :</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

TABLE 6.3.A.

Expenditure Pattern of Different Groups of Loanees (Proshika Male) Present & Before by H/H Expenditure (1986 & 1985)  
(Figures in Percent of Total Expenditure)

Heads of Expenditure	Present (1986)				Before (1985)			
	Upto Tk. 2000 N=8	Tk. 2001- Tk. 3000 N=32	Tk. 3001 & above N=25	All H/H N=65	Upto Tk. 2000 N=19	Tk. 2001- Tk. 3000 N=29	Tk. 3001 & above N=17	All H/H N=65
1. Cereal	50.62	48.69	39.49	44.75	58.96	53.45	44.15	51.44
2. Non-cereal	16.14	17.39	22.33	19.49	19.98	19.58	23.98	21.15
3. Other daily necessities	11.90	11.13	9.16	10.32	10.62	11.91	7.92	10.30
4. Clothing and H/H effects	5.78	7.01	7.80	7.26	5.10	6.47	5.28	5.79
5. Construction & repairing	1.92	1.67	3.40	2.47	1.14	0.74	0.97	0.39
6. Health & education	3.27	3.19	3.70	3.42	2.12	2.25	3.12	2.52
7. Others	6.45	3.33	3.81	3.82	1.75	3.44	4.61	3.49
8. Investment	3.90	7.59	10.31	8.48	0.32	2.15	9.97	4.42
Total :	99.98	100.00	100.00	100.01	99.99	99.99	100.00	100.00

Table- 6.3.B

Expenditure pattern of different income groups  
(BRDE Female programme) from Expenditure account

Expenditure Groups	Upto 2000 Taka (Tk.)		2001 - 3000 (Tk.)		3001 & above		All H/Hs	
	Present N=5	Before N=8	Present N=13	Before N=12	Present N=4	Before N=2	Present N=22	Before N=22
Creal	52.3	51.8	53.2	55.6	48.3	46.5	51.5	53.3
Non Creal	20.2	25.4	20.6	23.4	19.2	30.3	20.1	24.9
Other daily Necessities	8.1	7.3	7.5	6.5	6.4	6.0	8.1	6.7
Clothing & H/H effect	9.5	8.3	7.3	6.5	6.5	5.2	7.5	6.8
Construction & Repairing	1.4	0.8	0.6	0.8	1.1	0.9	0.8	0.8
Health & education	3.6	2.9	1.8	1.4	1.8	1.6	2.0	1.8
Others	2.9	2.6	2.3	1.8	2.4	2.0	2.4	2.1
Investment	2.0	0.9	6.7	4.0	14.3	7.5	7.6	3.6
Total:	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

TABLE - 6.4.A

Expenditure Pattern of Different Groups of Loanees (Proshika Female) Present & Before by H/H Expenditure (1986 & 1985)

(Figures in Percent of Total Expenditure)

Heads of Expenditure	Present (1986)				Before (1985)			
	Upto Tk. 2000	Tk. 2001- Tk. 3000	Tk. 3001- & above	All H/H	Upto Tk. 2000	Tk. 2001- Tk. 3000	Tk. 3001- & above	All H/H
1. Cereal	-	N=4 52.18	N=3 34.14	N=5 48.30	N=1 52.34	N=3 48.56	N=1 45.18	N=5 48.26
2. Non-cereal	-	20.82	21.73	21.01	27.81	18.48	24.28	21.66
3. Other daily necessities	-	12.66	17.69	13.74	8.18	17.31	17.51	15.73
4. Clothing & H/H effects	-	6.30	7.34	6.52	4.00	6.42	5.97	5.87
5. Construction and Repairing	-	.57	-	.45	1.38	2.13	-	1.44
6. Health and Education	-	3.63	11.94	5.41	1.97	2.50	3.26	2.60
7. Others	-	3.19	7.16	4.04	4.32	4.59	3.80	4.34
8. Investment	-	0.65	-	0.51	-	-	-	-
TOTAL:	-	100.00	100.00	99.98	100.00	99.99	100.00	100.00

Table - 6.4.B

Expenditure pattern of different income groups  
(Social Welfare Female Programme) from expenditure  
account

Expenditure Groups	Upto - 2000 (Tk.)		2001 - 3000 (Tk.)		3001 & above		All H/Hs.	
	Present N=5	Before N=6	Present N=6	Before N=5	Present N=6	Before N=6	Present N=17	Before N=17
Cereal	54.4	50.7	52.4	52.3	41.3	46.3	49.1	51.6
Non Cereal	22.1	25.6	25.6	27.6	33.8	32.0	27.5	27.9
Other daily Necessities	7.8	9.6	6.9	6.3	8.5	9.7	7.7	8.1
Clothing & H/H effects	9.1	8.7	9.4	8.1	8.3	7.1	8.9	7.5
Construction & Repairing	0.2	0.4	0.7	1.2	1.3	0.9	0.8	0.8
Health & education	2.1	2.5	1.4	2.0	1.2	0.7	1.5	1.5
Others	2.6	2.5	3.0	1.8	1.6	1.0	2.4	1.5
Investment	1.7	-	0.6	0.7	4.0	2.3	2.1	1.1
<b>Total:</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

TABLE 6.5.A

Expenditure Pattern of Different Groups of Loanees (BRDB & Proshika Both Sex) Present & Before by H/H Expenditure  
(1986 & 1982)

(Figures in Percent of Total Expenditure)

Heads of Expenditure	Present(1986)				Before (1982)			
	Upto Tk. 2000	Tk.2001- Tk.3000	Tk.3001 & above	All H/Hs	Upto Tk.2000	Tk.2001- Tk. 3000	Tk. 3001 & above	All H/H
1. Cereal	-	N=1 42.46	N=4 43.51	N=5 43.32	N=4 51.92	N=1 58.13	-	N=5 53.13
2. Non-cereal	-	34.11	20.28	22.71	22.73	17.76	-	21.76
3. Other daily necessities	-	5.08	6.66	6.38	9.60	7.27	-	9.14
4. Clothing & H/H effects	-	10.33	5.65	6.48	7.06	6.75	-	7.00
5. Construction & repairing	-	-	2.83	2.33	2.64	4.65	-	3.03
6. Health & education	-	2.44	1.56	1.72	2.02	3.88	-	2.38
7. Others	-	5.58	3.19	3.61	4.03	1.55	-	3.55
8. Investment	-	-	16.32	13.45	-	-	-	-
Total:	-	100.00	100.00	100.00	99.99	100.00	Nil	99.99

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Table- 6.5.B

Expenditure pattern of different income group (BRDB  
Male Non Loanee) from Expenditure account

Expenditure Groups	Upto 2000 (Tk.)	2001 - 3000 (Tk.)	3001 & above	All H/Hs
	N=4	N=10	N=2	N=16
Creal	55.6	47.0	47.3	48.5
Non Creal	18.7	15.9	22.0	17.1
Other daily Necessities	4.7	6.7	8.7	6.5
Clothing & H/H effects	6.8	8.9	8.5	8.5
Construction & Repairing	3.3	2.4	2.1	2.6
Health & education	0.4	2.3	0.7	1.8
Others	1.2	3.6	0.9	2.9
Investment	9.3	13.2	9.8	12.1
Total:	100.0	100.0	100.0	100.0

TABLE 6.6.A

Expenditure Pattern of Different Income Groups  
(from expenditure account) by Heads of Expenditure (1986)

(Figures in Percent of Total Expenditure)

Heads of Expenditure	Upto Tk. 2000 N=9	Tk. 2001 to Tk. 3000 N=15	Tk. 3001 & above N=16	All H/Hs N=58
1. Cereal	50.78	49.10	47.00	48.39
2. Non-cereal	20.35	22.56	2.65	24.11
3. Other daily necessities	8.50	10.71	9.07	9.41
4. Clothing & H/Hs effects	8.77	6.69	9.48	8.55
5. Construction and Repairing	4.01	1.71	2.60	2.65
6. Health and Education	3.00	5.71	4.58	4.56
7. Others	4.59	2.48	3.81	3.60
8. Investment	-	1.02	6.39	3.53
Total:	100.00	99.98	99.98	100.00

Table - 6.6.B

Expenditure pattern of different income groups (Social Welfare Member Non Loanee) from expenditure account

Expenditure Groups	Upto-2000 (Tk.)	2001 - 3000 (Tk.)	3001 & above (Tk.)	All H/Hs
	N=4	N=15	N=3	N=22
Cereal	49.6	57.8	58.6	56.8
Non Cereal	25.9	25.1	18.6	24.0
Other daily Necessities	12.4	4.6	5.9	6.0
Clothing & H/H effects	5.4	6.0	8.2	6.3
Construction & Repairing	2.1	1.1	1.5	1.3
Health & education	1.6	1.8	1.7	1.8
Others	1.7	2.3	2.5	2.2
Investment	1.3	1.3	3.0	1.6
<b>Total:</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

TABLE 6.7.A.

Expenditure Pattern of Different Income Groups (from  
expenditure account) by Heads of Expenditure (1986).

(Figures in Percent of Total Expenditure)

Heads of Expenditure	Upto Tk. 2000 N=4	Tk. 2001 to Tk. 3000 N=8	Tk. 3001 & above N=7	All H/Hs N=19
1. Cereal	44.23	51.05	38.54	44.23
2. Non-Cereal	19.60	19.66	16.72	18.31
3. Other daily necessities	9.26	9.00	10.24	9.60
4. Clothing & H/H effects	8.01	6.35	8.30	7.51
5. Construction & repairing	0.73	1.94	11.72	6.21
6. Health & Education	10.50	3.92	2.48	4.33
7. Others	1.72	2.17	2.85	2.41
8. Investment	5.95	5.91	9.15	7.39
<b>Total:</b>	100.00	100.00	100.00	99.99

Table - 6.7.B

Expenditure pattern of different income group (Non  
Loanee inside) from Expenditure account

Expenditure Groups	Upto-2000 (Tk.)	2001 - 3000 (Tk.)	3001 & above (Tk.)	All H/Hs
	N=4	N=10	N=5	N=19
Creal	62.9	50.8	51.3	53.2
Non Creal	18.8	25.3	17.0	22.1
Other daily Necessities	7.3	10.1	7.7	9.0
Clothing & H/H effects	7.8	7.1	9.5	7.8
Construction & Repairing	0.9	0.8	1.6	1.0
Health & Education	1.0	1.3	0.8	1.1
Others	1.2	2.2	1.8	1.9
Investment	-	2.4	10.3	3.9
<b>Total:</b>	<b>99.90</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Expenditure Pattern of Different Income Groups (from Expenditure account) by Heads of Expenditure (1986)  
(Figures in Percent of Total Expenditure)

Heads of Expenditure	Upto Tk. 2000 N=9	Tk. 2001 to Tk. 3000 N=5	Tk. 3001 & above N=5	All H/Hs N=19
1. Cereal	69.60	55.65	50.28	58.31
2. Non-Cereal	9.83	15.11	2.45	17.03
3. Other daily necessities	10.53	12.11	9.38	10.49
4. Clothing & H/H effects	7.49	6.22	4.39	5.93
5. Construction & repairing	0.06	1.51	0.36	0.55
6. Health & Education	1.39	2.51	2.95	2.30
7. Others	1.02	2.10	1.89	1.64
8. Investment	0.03	4.79	6.29	3.75
<b>Total:</b>	100.00	100.00	99.99	100.00

Expenditure per household in different income groups  
(Non Loanee controlled) from expenditure account

Expenditure Groups	Upto-2000 (Tk.) N=5	2001-3000 (Tk.) N=11	3001 & above (Tk.) N=3	All H/Hs N=19
Creal	52.8	52.4	46.2	51.0
Non Creal	14.4	19.9	20.6	19.2
Other daily Necessities	5.6	9.3	8.8	8.4
Clothing & H/HS effect	8.7	9.1	6.9	8.4
Construction & Repairing	1.8	1.8	0.6	1.5
Health & Education	3.3	3.3	2.7	3.1
Others	3.3	2.8	2.5	2.5
Investment	10.1	1.4	11.7	5.9
Total:	100.0	100.0	100.0	100.0

### 6.3 Estimates of Expenditure Elasticities

We will make here an attempt to estimate expenditure elasticities and marginal propensities to consume by fitting expenditure functions. Expenditure elasticities will give us the percentage change in the demand for the commodity in response to a change in total expenditure and the marginal propensities to consume measures the proportion of incremental income spent on the commodity.

We fitted the following alternative regression equations to the consumption data for the loanee households to estimate the value of expenditure elasticities:

- i)  $C_i = a + b \log + CF + U$
- ii)  $\log C_i = a + b \log + CF + U$

Where,  $C_i$  = Expenditure on the 'i' th commodity by households.

$C$  = Mean of  $C_i$

$Y$  = Total expenditure (income) of the household

$F$  = Number of consumers in the household

$U$  = Statistical error term

$a$  and  $b$  are the parameters to be estimated from the data.

Since level of consumption of cereals depend on the number of household members, we have measured expenditures on these items in per capita terms. Expenditures on other groups of commodities have been taken on household basis as they may be independent of the size of the household.



In any case, the household size has been used to neutralize the effect of the variation in family size on consumption.

$$\text{We know, MPC} = \frac{dc}{dy}$$

$$\begin{aligned} \text{Expenditure Elasticity (Ei)} &= \frac{dc}{dy} / \frac{c}{y} \\ &= \frac{dc}{dy} \cdot \frac{y}{c} \end{aligned}$$

From Equation (i),

$$\text{MPC} = \frac{dc}{dy} = b \cdot \frac{1}{y} = b/y \quad (\text{for mean level of income})$$

$$\begin{aligned} \text{Expenditure Elasticity (Ei)} &= \frac{dc}{dy} \cdot \frac{y}{c} \\ &= \frac{b}{y} \cdot \frac{y}{c} \\ &= b/c \end{aligned}$$

From Equation (ii),

$$\begin{aligned} \text{MPC} &= \frac{dc}{dy} = b \cdot \left(\frac{c}{y}\right) \\ \text{Ei} &= \frac{d \log Ci}{d \log Yi} = \frac{dc}{dy} \cdot \frac{y}{c} = \frac{bc}{y} \cdot \frac{y}{c} = b \end{aligned}$$

Value of Ei in this functional form would thus vary depending on the level of consumption of the commodity.

The estimated values of the regression equations for the groups of commodities are presented in tables 6.9.A and 6.9.B. Table 6.9.A and 6.9.B give the regression estimates of expenditure functions (semi log equation), respectively



for Kachua (covering only 60 NGO loanees) and Sarsha (covering only 60 NGO loanees). As the value of R 2 indicates, the model gives a fairly good fit, given such a small sample size.

As the food items are measured in per capita terms, the negative sign of coefficients of the household size indicates that expenditure on these commodities increases less than proportionately with increase in the number of family members. The positive values indicate that expenditure on these items also increase with the increase in the number of family members.

As can be seen from table 6.10.A, as yet major portion of the expenditure still goes to cereal. And this is natural, given the low level of income of the respondents. All the figures under the column 'household size' are negative except in three cases - 'cereal', other daily necessities and health & education. This means as the number of family members grow, the expenditure on cereal, other daily necessities, health and education too go up. In the daily necessities we have included fuel, betel leaf, cigarettes, soda, soap and many other household items which are usually traded by petty-traders. This has a direct bearing on the volume of trade in the informal sector. As the figures under column 'Total expenditure' are all positive, there is no doubt that as the income of the respondents goes up, the expenditure on these items also goes up. And what is to be noted that, increased proportion of the incremental income is spent on the non-food items as



confirmed by the significant relationships.

Findings in table 6.10.B are more or less similar to 6.10.A except the fact that we notice positive relationships (under H/H size column) in three cases - clothing and household effects, construction and repairing and health. All these lead to the conclusion that as the income goes up expenditure on these non-food items also goes up giving a further push to the overall demand situation.

Regression Estimates of Expenditure  
Function:- Semilog Equations

Heads of Expenditure	N 1986 = 60			
	Constant Term	H/H Size	Total Expenditure	R <sup>2</sup>
Cereal	- 46446.52	397.30 * (112.55)	5354.63 * (659.16)	.72
Non Cereal	- 47807.32	-124.55 ** (92.05)	5360.34 * (539.12)	.67
Other daily Necessities	- 4965.99	24.80 ** (58.16)	698.91 * (340.63)	.11
Clothing & H/H effects	-16300.81	-117.02 ** (17.00)	1882.58 * (415.81)	.27
Construction & Repairing	- 6728.13	-93.35 * (27.52)	788.35 * (161.20)	.31
Health & education	- 7748.68	-16.07 ** (51.40)	871.06 * (301.06)	.15
Others	-21682.15	-156.41 ** (79.33)	2416.00 * (464.61)	.33
Investment	-15129.78	8.83 ** (106.86)	1688.66 * (625.84)	.15

Note: Figures within parentheses are standard errors of estimates.

- \* Denotes that coefficients are significant at less than 1 percent probability error.
- \*\* Denotes that coefficients are significant at less than 5 percent probability error.

Expenditure on cereals are in percapita terms, Rest are in household terms.

Regression Estimates of Expenditure  
Functions - Semilog Equations

Heads of Expenditure	N, 1986 = 60			
	Constant Term	H/H Size	Total Expenditure	R <sup>2</sup>
Cereal	- 27031.18	443.41 * (135.17)	3331.46 * (762.69)	.45
Non Cereal	- 15302.73	-185.81 * (73.12)	2014.76 * (412.59)	.30
Other daily Necessities	- 10242.48	-22.01 ** (41.23)	1200.88 * (232.62)	.34
Clothing & H/H effects	- 23510.52	58.48 ** (65.68)	2564.04 * (370.59)	.52
Construction & Repairing	41.03	65.94 *	-24.63 **	.11
Health & education	- 9546.50	- 5.74 ** (50.02)	1044.92 * (282.22)	.22
Others	- 27725.80	-78.12 ** (122.76)	3012.68 * (692.63)	.26
Investment	- 16467.17	-262.21 * (103.69)	1967.11 * (585.03)	.19

Note: Figures within parentheses are standard errors of estimates.

\* Denotes that coefficients are significant at less than 1 percent probability error.

\*\* Denotes that coefficients are significant at less than 5 percent probability error.

Expenditure on cereals are in percapita term. Rest are in household terms.

Regression Results of Expenditure  
Function;- Doublelog Equations

Heads of Expenditure	N. 1985 = 60			
	Constant Term	H/H Size	Total Expenditure	R <sup>2</sup>
Cereal	2.42	.57 * (.01)	.63 * (.09)	.69
Non Cereal	-5.82	-0.20 * (.02)	1.43 * (.14)	.68
Other daily Necessities	3.80	.84 * (.03)	.37 * (.17)	.11
Clothing & H/H effects	-4.56	-0.29 * (.03)	1.20 * (.18)	.48
Construction & Repairing	-22.88	-0.19 ** (.15)	2.91 * (.92)	.15
Health & education	-10.47	.12 ** (.08)	1.59 * (.46)	.32
Others	-12.95	-0.36 * (0.05)	1.98 * (.30)	.48
Investment	-13.08	-0.27 ** (.24)	1.82 ** (1.40)	.04

Notes: \* Values within parentheses are standard errors of estimate; denotes that the values of the coefficients are statistically significant at less than 1 percent of probability error.

\*\* denotes that the values of the coefficients are statistically significant at less than 5 percent probability error.

Expenditure (Income) on cereals are in per capita terms. Rest are in household terms.

Table - 6.10.B

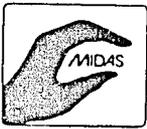
Regression Results of Expenditure  
Functions - Doublelog Equations

Heads of Expenditure	N 1986 = 60			
	Constant Term	H/H Size	Total Expenditure	R <sup>2</sup>
Cereal	3.54	.56 * (.02)	.52 * (.11)	.44
Non Cereal	1.12	-0.61 * (.03)	.75 * (.14)	.33
Other daily Necessities	- 4.84	-0.30 * (.04)	1.24 * (.24)	.33
Clothing & H/H effects	- 6.55	.61 * (.03)	1.38 * (.18)	.59
Construction & Repairing	- 2.79	.19 ** (.22)	.56 ** (1.26)	.02
Health & education	- 8.75	.17 ** (.11)	1.38 * (.61)	.17
Others	- 15.84	-0.12 ** (.08)	2.27 * (.47)	.32
Investment	- 52.28	-1.02 ** (.27)	6.49 * (1.50)	.30

Notes: \* Values within parentheses are standard errors of estimate: denotes that the values of the coefficients are statistically significant at less than 1 percent of probability error.

\*\* denotes that the values of the coefficients are statistically significant at less than 5 percent probability error.

Expenditure (Income) on cereals are in percapita terms. Rest are in household terms.



#### 6.4 Expenditure Elasticities and Marginal Propensities to Consume (MPC)

Values of expenditure elasticities and the marginal propensities to consume for different commodity bundles estimated from the equations presented earlier are given in Tables 6.11 and 6.12. Table 6.11 gives the elasticities and MPC for NGO loanees and Table 6.12 gives those for GO loanees.

Let us start with MPCs.

It is seen from Table 6.11 that MPCs of the commodities produced by non-farm sector are quite high. According to our estimate, MPC for food items (cereal + non-cereal) for the NGO loanees is 0.56. The corresponding figure for GO loanees (as shown in Table 6.12) is 0.49; slightly lower than that of the NGO sector, but still quite high. The MPC for non-cereal for both the areas is not insignificant either. Using double-log equations we find that MPC for non-cereal food for the first set of loanees is 0.29 and that for the second set is even higher (0.47).

Using semilog equation, we see that 44% of the incremental income is spent on non-food items in the case of set one and 63% in the case of set two loanees. Using double-log equations, the corresponding figures are found to be 43% and 27% respectively. Marginal saving rate (MPCs of investment + construction & repairing) is 13% (semilog)/21% (Double-log equ.) in case of set one and 13%/30% for set two loanees.



Tables 6.11 and 6.12 also tell us that demand for the non-farm products is highly elastic. We will use only the double-log equation to confirm this statement. From Table 6.11 we see that 10% increase in income will lead to 14% increase in the demand for non-cereal (livestock + poultry). For GO loanees 10% increase in income will lead to 7% increase in demand for non-cereal. Similarly from Table 6.11, we find that 10% increase in income will lead to 12% increase in the demand for clothing and household effects (13% in case of sets two loanees).

The figure for productive fixed assets (investment) is even more encouraging (for 10% rise in income, 18% increase in demand).

Even for cereals, we find that a 10% increase in income will lead to 6.3% (set-I)/5.2% (set-II) increase in demand for cereals.

The regression analysis of the expenditure pattern also confirms our earlier statement that the market for products and services of the non-farm sector is not very small and there is indeed good potential for the expansion of the market. As the income of the target group increases, the demand for both food and non-food (the latter increasing at a greater rate) will increase, providing an overall stimuli to the economy. Since the food is not exactly produced by the target group, they will have to buy the food from the market, creating scope for higher volume of trading and shop-keeping activities. The question of cottage industry product being ousted by manufactures of the formal sector does not become important at this level of income.

TABLE - 6.11

Values of Expenditure Elasticities and Marginal Propensities  
to consume, 1986 for non-govt. programme.

Commodity groups: (N=60)	Expenditure Elasticity		Marginal Propensities	
	Seni log	Double log	Seni log	Double log
Cereal	.62	.63	.28	.28
Non-Cereal	1.40	1.43	.28	.29
Other daily necessities	.34	.37	.04	.04
Clothing & households effects	1.41	1.20	.10	.08
Construction & Repairing	2.20	2.91	.04	.06
Health & Education	1.30	1.59	.05	.05
Others	2.66	1.98	.13	.10
Investment	1.16	1.82	.09	.15

TABLE - 6.12

Values of Expenditure Elasticities and Marginal Propensities  
to consume, 1986 for Govt. programme

Commodity groups: (N=60)	Expenditure Elasticity		Marginal Propensities	
	Semi log	Double log	Semi log	Double log
Cereal	.46	.52	.23	.26
Non-cereal	.71	.75	.14	.47
Other daily necessities	1.09	1.24	.08	.10
Clothing & household effects	1.94	1.38	.18	.12
Construction & Repairing	-0.13	.56	-0.002	.006
Health & Education	2.55	1.38	.07	.04
Others	5.03	2.27	.21	.09
Investment	2.53	6.49	.13	.32



CHAPTER VII

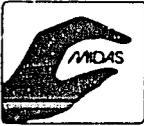
MARKET SATURATION: OPINION SURVEY

MARKET PROSPECTS

MARKET ADJUSTMENTS

INCREASE IN THE WAGE LEVEL

OTHER IMPACTS OF THE PROGRAMMES

CHAPTER - VIIMARKET SATURATION: OPINION SURVEY7.1 Market Prospects

We have by now seen that there is enough potential demand for many of the goods and services produced/traded in the rural areas and financed by various credit programmes. Increase in the income of a group of rural poor has in fact snow-ball effects not only on their consumption behaviour but also on others' consumption behaviour. Multiplier effect sets in due to this initial increase in income and this process accelerates with the passage of time. From our regression analysis also we have seen that the demand for some of items are quite elastic. In fact there is a buoyant demand for goods produced in the cottage industry sector.

In order to reconfirm these findings we also conducted a qualitative opinion survey on the market saturation. We wanted to know from the producer/trader loanees if they have ever faced a situation of inadequate demand for their products. Related to this issue, we also wanted to know if the volume of trade has increased after project intervention. The results of our investigation are presented in tables 7.1.A and 7.1.B.



Out of 80 respondents in Kachua only 41 (of which 14 were cottage industrialist and the rest traders) were found relevant for our market survey. Of these 41, only 6 (i.e. 14.6%) said that they were faced with demand constraints. The rest said that demand question did not bother them. In Sarsha, the problem was slightly different. Here more people are engaged in trading rather than in cottage industry. Trading too is clandestine, as is usually the case in any border area. Out of 75 respondents, we found only 26 (one-third) of them relevant for this survey. Out of 26, only 3 were involved in cottage industry. Of these respondents, only 11.5% expressed their worry about the demand constraint. The rest said that they did not face any demand problem (see tables 7.1.A and 7.1.B). Those who said that they were faced with demand constraint, mostly reduced the prices of their commodities in order to increase the demand situation. However, nearly cent percent of them said that they could realise that the demand was falling. This therefore reflects that the general situation portrayed is not much of a problem in demand for goods and services which they produce/trade.

Majority of the buyers do actually come from the programmes. The non-member poor too are also buyers of their goods. Even a small section of the rich buy goods from the poor. Infact major portion of the respondents (15 out of 26 in Sarsha and 34 out of 41 in Kachua) have said that the number of buyers have increased after these programmes have started their operation. The interprogramme differences in the opinion is adequately reflected in table-7.1.A and 7.1.B.

TABLE-7.1.A

## Extent of Demand Constraints

Programme	No. of House-holds	No. of House-holds (looking for any business)	Whether he/she faced problem with his/her selling commodities		If faced, is the problem		If there is no demand of commodities what he/she		Whether he/she can realize that the demand of commodities is gradually increasing?		Who are the purchasers of their commodities (code)?				Comparison of price of commodities of respective respondents with that of mills/urban centres		Whether the no. of purchases increase, if not after joining at programme	
			Yes	No	Frequent	Occasional	Sells at a reduced price	Tries to do any alternative work	Yes	No	1	2	3	4	Low	High	More	Not increased
			ERDB - Female	5	4	1	3	-	1	1	-	-	4	4	4	4	-	4
Freshika - Male	5	30	5	25	-	5	4	1	-	30	15	10	20	5	30	-	25	5
Freshika - Female	5	2	-	2	-	-	-	-	-	2	2	2	2	-	2	-	2	-
ERDB & Freshika	5	5	-	5	-	-	-	-	-	5	4	3	5	2	5	-	4	1
ALL	20	41	6	35	-	6	5	1	-	41	25	19	31	7	41	-	34	7

Code: (Purchasers)

1. Members of the programmes
2. Non-members - poor.
3. Rich
4. Somebody else.

TABLE - 7.1.B

Extent of Demand Constraints

Programme	No. of households	No. of households (cottage industry & business)	Whether he/she faced problem with his/her selling commodities.		It faced, is the problem		If there is no demand of commodities what he/she		Whether he/she can realise that the demand of commodities is gradually falling?		Who are the purchasers of their commodities (code)?				Comparison of price of commodities of respective respondents with that of mills/urban centres		Whether the no. of purchases increased or not after joining at programme	
			Yes	No	frequent	occasional	Sells at a reduced price	Tries to do any alternative work	Yes	No	1	2	3	4	Low	High	Increased	Not increased
BRDB- Male	35	7	1	6	-	1	1	-	-	7	6	4	2	1	7	-	4	3
BRDB- Female	22	12	2	10	-	2	2	-	-	11	9	8	3	2	11	-	7	4
Social Welfare Female	17	7	-	7	-	-	-	-	-	6	6	5	1	1	6	-	4	2
Total:	75	26	3	23	-	3	3	-	-	24	21	17	6	4	24	-	15	9

Code: (Purchasers)

1. Member of the programme
2. Non-members - poor.
3. Rich
4. Somebody else.



## 7.2 Market Adjustments

Expansion in the volume of marketing operations depends on the flexibility the participants enjoy in choosing/ changing their trade/occupation. Question of this nature becomes relevant only when the producers/traders can read the market signal before hand.

We have not, however, received much of a response on this question. This may be because of the buoyant demand situation prevailing in these areas. Respondents have not yet faced a 'Glut' and not many of them have been pushed to make hard choice - whether to continue or leave the profession in which they were in. Only four respondents (in Kachua) from Proshika male programme and ten from Sarsha informed us that they were in fact forced to change their occupation because of lack of demand. They did not face much of a problem in adjusting their occupations. The inter-programme comparisons in this regard are presented in table- 7.2.A and 7.2.B. From our field notes we see that those who changed their occupations, could in fact read the market signal beforehand. But as we said earlier, it will not be wise to stretch this point too far as the sample of respondents was indeed very small.

TABLE - 7.2.A

Changing Pattern of Primary Occupation of Loanee Households

Programme	Total Households	Occupation changed (No. of households)	Present Occupation				
			Petty Trading	Cottage Industry	Teaching	Saw	Brick field
BRDB - Male	5	-	-	-	-	-	-
Proshika - Male	65	4	1 (Family)	-	1 (Student)	1 (Petty trading)	1 (Petty trading)
Proshika - Female	5	-	-	-	-	-	-
BRDB & Proshika Both sex	5	-	-	-	-	-	-
All Programme	80	4	1	-	1	1	1

Note: Figures in the parentheses indicate the previous occupation.

TABLE - 7.2.B

Changing pattern of primary occupation of loanee households

Programme	Total Households	Occupation changed (No. of households)	Present Occupation				
			Petty Trading	Cottage Industry	Teaching	Saw	Brick field
BRDB - Male	36	4	1 (Business)	2 (1 service 1 student)	1 (day labour)	-	-
BRDB - Female	22	1	-	-	-	-	1 (Business)
Social Welfare-Female	17	5	-	2 (1 family worker 1 day labour)	1 (Hotel boy)	2 (1 1)	- Housewife student)
All Programme	75	10	1	4	2	2	1

Note: Figures in the parentheses indicate the previous occupation.



### 7.3 Increase in the Wage Level

The programmes are seen to have some positive impact on the agricultural wage market. Not only the wages gone up, there has been some positive impact on the contractual arrangements of the wage labourers. As can be seen from Tables 7.3.A and 7.3.B, there is not much of inter-programme difference as regards the wage level. The difference in wage level in the inter-temporal sense in real terms may not be much. But in money terms there has been some improvement. In fact in one case, say for example, in case of BRDB male programme, the improvement is quite significant.

The situation is definitely much better in Kachua compared to Sarsha. In fact, the wage rate in Kachua is even higher than the minimum wage fixed by the government.

One reason for the improvement in the wage level may be due to withdrawal of some labourers from the wage market. These labourers have now engaged themselves in self-employment (petty-trading/cottage industry).

Increase in the wage level has definitely improved the demand situation of the area.

Of the causes of wage hike, a sizeable portion of the respondents identified the increased demand for labour.



Inflation, quite plausibly, has influenced a great deal in enhancing the wage level. But as the Tables 7.4.A and 7.4.B indicate, there has definitely been some improvement in the employment market in the area. Strictly speaking, it is difficult to relate the operation of the programme with the rise in wage level. However, our discussions with both the loanees and the wage labourers leave enough indications which point to the fact that the programmes, if not directly, at least indirectly have caused the wage rate to go up.

TABLE - 7.3.A

Wage rate of agricultural wage labourers (Tk. per day without food)

Time	BRDB Female	Proshika Male	Proshika Female	Proshika BRDB Both sex	Non-loanee Proshika Male	Non-Programme	
						Inside	Outside
Present	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Before	25.0	38.0	38.0	25.0	N.A	N.A	N.A

Before year

BRDB - Female                      1982

Proshika - Male                    1985

Proshika - Female                 1985

BRDB & Proshika                 1982

TABLE - 7.3.B

Wage rates of Agricultural wage labourers

Time	Average Wage Rate						
	Loanee Households			Member non loanee households		Non-member non-loanee inside	Non-member non-loanee controlled
	BRDB Male	BRDB Female	Social Welfare Female	BRDB Male	Social Welfare Female		
Present	22.00	21.50	21.50	22.00	21.50	21.50	21.50
Before	15.36	19.31	20.80	N.A	N.A	N.A	N.A

BRDB-Male : Before period - 1982

BRDB-Female: Before period - 1984

Social Welfare : Before period - 1985

TABLE - 7.4.A

Factors contributing to the rise in wage level

Programme	No. of Households	Code						
		1	2	3	4	5	6	7
BRDB Male Loanee	5	3	1	-	-	-	-	1
Proshika - Male	65	31	11	2	5	6	3	2
Proshika - Female	5	2	1	1	1	-	-	-
BRDB & Proshika Both Sex	5	1	2	1	-	1	-	-
ALL:	80	37	15	4	6	7	3	3

Code:

1. Due to increase the price of commodities.
2. Due to increase in demand of labour.
3. Due to want of Agricultural labour.
4. Due to creat employment opportunities in non-agricultural sectors.
5. Due to increase the volume of Govt. development works.
6. Due to alternative opportunities.
7. Wage of day labourer has not gone up.

TABLE - 7.4.B

Factor contributing to the rise in wage level

Programme	No. of Households	Code						
		1	2	3	4	5	6	7
BRDB Male loanee	36	17	5	1	5	-	-	8
BRDB Female Loanee	22	8	8	5	-	-	1	4
Social Welfare Female Loanee	17	6	4	1	1	1	1	3
ALL:	75	31	17	7	6	1	2	15

Code:

1. Due to increase the price of commodities.
2. Due to increase in demand of day labour.
3. Due to scarcity of day labour.
4. Due to creation of employment opportunities in non-agricultural sectors.
5. Due to increase the volume of govt. development works.
6. Due to alternative opportunities.
7. Wage of day labour has not gone up.



#### 7.4 Other impacts of the programmes

Besides rise in the wage level, loanees pointed out a number of other positive impacts which these programmes have created. Majority of the loanees have the perception that their economic condition has improved. This is true for both governmental and non-governmental programmes. Quite a large number of the respondents have said that the volume of the trade/business has expanded since these programmes have started their operation.

While the result is mixed in the study areas, the performance of Proshika Male Programme is found to be noteworthy in Kachua.

Not only the target people, some of the benefits have spilled over to other groups as well. Nearly 23 out of 80 respondents in Kachua and 24 out of 75 in Sarsha have said that the level of agricultural production in the area has gone up. This may be a very important indirect impact. The respondents' opinions in this regard are presented in detail in Table 7.5.A and 7.5.B. Agricultural producers may have felt that the demand for their goods will not be saturated and hence increased their production. That agricultural wage has gone up is also confirmed by the loanees (see Table 7.5.A and Table 7.5.B for further details).

TABLE - 7.5.A

Opinions of Loanees about the impact of these programmes  
on the locality

Programme	No. of Households	Opinion Code						
		1	2	3	4	5	6	7
BRDB - Female	5	4	-	1	-	3	1	2
Proshika - Male	65	63	17	10	17	34	8	4
Proshika - Female	5	5	1	2	2	5	2	2
BRDB & Proshika Both Sex	5	5	-	-	-	5	-	-

Note: One respondent has made more than one comment

Code

1. Economic condition of the Loanee Households has improved.
2. Economic condition of the poor out side the project area has improved.
3. Volume of Business/Trade of outsider has expanded.
4. Level of Agricultural production of Loanee Households and outsider non loanee households has increased.
5. Wage of Agricultural labourers has gone up.
6. Outsiders purchased more commodities from the project area.
7. Outside Business/Traders are coming frequently in the project area in greater number.

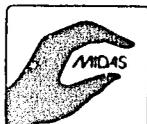
TABLE - 7.5.B

Opinion of the Loanees about the impact of these programmes  
on the locality

Programme	No. of Households	Opinion Code						
		1	2	3	4	5	6	7
BRDB - Male	36	32	18	12	12	29	10	14
BRDB - Female	22	21	11	11	6	18	5	12
Social Welfare	17	14	1	10	6	14	8	8

Code

1. Economic condition of the loanee households has improved.
2. Economic condition of the pocr out side the project area has improved.
3. Volume of Business/Trade of outsider has expanded.
4. Level of Agricultural Production of loanee households and outsiders non loanee households is increased.
5. Wage level of Agricultural labourers has gone up.
6. Outsiders purchasing more commodities from the project area.
7. Cut side Businessmen/Traders are coming in the project area in greater number.



Members of the programmes themselves have the feeling that their income has gone up. Some of them have been able to identify the reasons for the rise in income. The details in this regard are presented in Tables 7.6.A and 7.6.B.

Majority of the respondents (32 out of 80 in Kachua and 15 out of 75 in Sarsha) have the feeling that the source of their increased income is in the volume of capital and other factors which are noted below in Tables 7.6.A and 7.6.B.

TABLE 7.6.A

Opinions of Loanees on Changing Pattern of  
Income

Programme	No. of H/H	Changing Pattern of Income			Causes of Income Raising (Code)						
		Increased	Decreased	Constant	(1)	(2)	(3)	(4)	(5)	(6)	(7)
BRDB Female	5	5	-	-	-	1	-	-	1	2	1
Proshika Male	65	61	-	4	3	27	-	2	2	28	3
Proshika Female	5	5	-	-	1	2	-	-	1	1	-
BRDB & Proshika Both Sex	5	4	-	1	-	2	-	-	-	-	3

Causes of Income Raising

1. due to increase in wage of day labour
2. due to increase the amount of capital in business
3. due to purchase rickshaw van
4. due to cattle fattening
5. increase the number of earning members
6. increase the price of commodities
7. due to increase income from cottage industry.

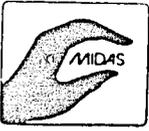
TABLE 7.6.B

Opinions of Loanees on the Changing Pattern of Income

Programme	No. of H/H	Changing Pattern of Income				Causes of Income Raising						
		Increased	Decreased	Constant	No. of Response	(1)	(2)	(3)	(4)	(5)	(6)	(7)
BRDB Male	36	31	1	4	13	4	7	1	2	2	2	-
BRDB Female	22	20	-	2	7	4	5	1	1	-	1	1
Social Welfare Female	17	16	-	1	3	6	3	1	1	-	1	1

Causes of Income Raising

1. due to increase in the wage rate of day labour
2. due to increase the amount of capital in business
3. due to purchase of rickshaw, van
4. due to cattle fattening
5. increase in the number of earning members
6. increase the price of commodities
7. due to increase income from cottage industry.



Not only the loanees, even non-loanees have said the socio-economic condition of most of them has also improved due to project intervention. Most of them however said that the condition of the loanee households has improved more significantly than theirs. They have also pointed out that agricultural wage has gone up, the agricultural productivity has increased and the general environment is quite buoyant. The details regarding the opinions of the relevant respondents in these aspects are presented in Tables 7.7.A and 7.7.B.

TABLE 7.7.A

Opinions of Persons other than loanees  
on the Impact of the Programme

Programme	No. of H/H	Opinion Code						
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Member Non-Loanee Male	38	20	-	5	1	10	2	10
Non-Member Non-Loanee Male (inside)	19	10	2	5	1	5	2	2
Non-Member Non-Loanee Male (outside)	19	9	1	3	-	2	3	2

- Code: 1. Economic condition of the loanee H/Hs has improved.
2. Economic condition of the poors of outside the project area has improved.
3. Volume of business/trade of outsiders has expanded.
4. Level of agricultural production of loanee H/Hs and outsider non-loanee H/Hs has increased.
5. Wage of agricultural labourers has gone up.
6. Outsiders purchased more commodities from the project area.
7. Outside businessmen/traders are coming frequently in the project area in greater number.

TABLE 7.7.B

Opinions of Persons other than Loanees  
on the Impact of Programmes

Programme Areas	No. of H/Hs	Opinion Code						
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Proshika Male Member Non-Loanee	38	18	-	4	2	8	1	8
Non-Member Non-Loanee (inside)	19	8	2	6	1	6	2	4
Non-Member Non-Loanee (outside)	19	10	2	2	-	2	2	3

- Code: 1. Economic condition of the loanee H/Hs has improved.
2. Economic condition of the poor outside the project area has improved.
3. Volume of business/trade of outsiders has expanded.
4. Level of agricultural production of loanee H/Hs and outside non-loanee H/Hs has increased.
5. Wage of agricultural labourers has gone up.
6. Outsiders purchased more commodities from the project area.
7. Outside businessmen/traders are coming frequently in the project area in greater number.



Quality of living is very important for improvement in productivity of an individual. A well made house does not only give a poorman psychological satisfaction, it infact protects him from sun and rain and allows him to work undisturbed. Samething is true for health expenditure. Health expenditure keeps a man fit for works and in that sense an investment. Similarly expenditure in clothing does not only enhance the level of living but also ensures a sizeable increase in the demand for cloths from within. These expenditures are therefore long term investment and hence create extra demand in the economy.

The findings on satisfaction of these basic needs are given in Table 7.8.A and 7.8.B. As can be seen from the tables, the improvements have not only been in terms of coverage, the amount spent on each items has also improved. These tables give us comparative information between the present situation and the pre-programme situation. As we can see, in general, the amount spent per household has improved quite substantially. This is true for all indicators of social development.

Tables 7.9.A and 7.9.B provide information on these **social** indicators of both the loanees and non-loanees.

As we can see from the tables, except in one or two cases, the loanees spend much more than the respondents from the control areas. This is true for both the areas.

TABLE 7.8.A

Expenditure on Health and Education, Clothing and H/Hs  
Effects and Housing of Loanee Households

Indicators	BRDB		PROSHIKA				BRDB & PROSHIKA (Both Sex)		ALL GROUPS	
	Female		Male		Female		Present (1986)	Before (1982)	Present (1986)	Before (1982 & 1985)
	Present (1986)	Before (1982)	Present (1986)	Before (1985)	Present (1986)	Before (1985)				
<b>1. Health &amp; Education</b>										
- Percent of loanee H/Hs incurring expenses on health and education	100	100	95.4	96.9	100	100	100	100	96.3	97.5
- Average expenditure per H/Hs (Tk./Annum)	396	263.8 (194.0)	663	438.8 (430.2)	840	377.4 (370.0)	280	213.5 (157.0)	782.7	409.9 (-)
<b>2. Housing</b>										
- Percent of loanee H/Hs incurring expenditure on housing	80	60	73.8	72.3	60	80	80	80	73.6	72.5
- Average expenditure per H/Hs (Tk/annum)	704	190.4 (140.0)	447.6	156.9 (153.8)	70	209.1 (205.0)	380	272 (200)	460	169.4 (-)
<b>3. Clothing &amp; H/Hs Effects</b>										
Average expenditure on clothing and H/H effect (Tk/annum)	1092	673.7 (495.4)	1405.3	1008.7 (988.9)	1017	851.5 (834.8)	1055.4	625.6 (460.0)	1339.5	954. (-)

Note: Figures in the parentheses indicate the expenditure of before years.

TABLE 7.8.B

Expenditure on Health and Education, Clothing and H/Hs  
Effects and Housing of Loanee Households

Indicators	BRDB				SOCIAL WELFARE		ALL GROUPS	
	Male		Female		Female		Present	Before
	Present (1986)	Before (1982)	Present (1986)	Before (1984)	Present (1986)	Before (1985)		
<u>1. Health &amp; Education</u>								
- Percent of loanee H/Hs incurring expenses on health and education	94.4	85.11	100	100	100	100	97.3	93.3
- Average expenditure per H/H (Tk/annum)	486.94	292.26 (228.33)	287.27	239.32 (204.55)	192.94	70.07 (163.53)	361.73	249.04
<u>2. Housing</u>								
- Percent of loanee H/Hs incurring expenditure on housing	66.7	69.4	72.7	77.3	64.7	58.8	68.0	69.3
- Average expenditure per H/H (Tk./annum)	234.58	219.20 (171.25)	115.68	101.85 (87.05)	101.18	93.30 (89.71)	169.47	156.24
<u>3. Clothing &amp; H/H Effects</u>								
Average expenditure on clothing and H/H effect (Tk/annum)	1528.11	1357.40 (1060.47)	1048.27	875.85 (748.59)	1162.94	913.06 (877.94)	1304.59	1115.43

Note: Figures in the parentheses indicate the expenditure of before year.

TABLE 7.9.A

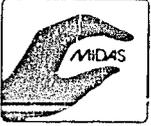
Expenditure on Health and Education, Clothing and H/H  
Effects and Housing by Programme and Non-Programmes

Indicators	LOANEE HOUSEHOLDS					Member Non-Loanee Proshika Male	Non-Member Non-Loanee	
	ERDB Female	PROSHIKA		BRDB & PROSHIKA	ALL GROUPS		Inside	Outside
		Male	Female					
<b>1. Health and Education</b>								
- Percent of loanee H/Hs incurring expenses on health and education	100	95.4	100	100	96.3	97.4	100	100
- Average expenditure per H/Hs (Tk/annum)	396	663	840	280	782.7	692.4	709.5	339.5
<b>2. Housing</b>								
- Percent of loanee H/Hs incurring expenditure on housing	80	73.8	60	80	73.6	81.6	63.2	52.6
- Average expenditure per H/Hs (Tk/annum)	704	447.6	70	380	460	402.8	1017.1	140
<b>3. Clothing and H/H Effects</b>								
Average expenditure on clothing and H/Hs Effect (Tk/annum)	1092	1405	1017	1055.4	1339.5	1298.1	1229.5	876.3

TABLE 7.9.B

Expenditure on Health and Education, Clothing and H/H effects and Housing by Programme and Non-Programmes

Indicators	Loanee Households				Member Non-Loanee Households			Non-Member Non-Loanee	Non-Member Non-Loanee
	BRDB		Social Welfare	All Groups	BRDB	Social Welfare	All Groups	Inside	Controlled
	Male	Female	Female		Male	Female			
<b>1. Health and Education</b>									
- Percent of H/Hs incurring expenses on health and education	94.4	100	100	97.3	93.7	100	97.4	89.5	100
- Average expenditure on health and education per H/Hs (Tk/annum)	486.94	287.27	192.94	361.73	228.13	205.91	215.26	134.75	398.42
<b>2. Housing</b>									
- Percent of H/Hs incurring expenditure on housing	66.7	72.7	64.7	86.0	93.7	90.9	92.1	73.7	78.9
- Average expenditure per H/H (Tk/annum)	234.58	115.68	101.18	169.47	306.56	157.05	220.00	123.42	205.00
<b>3. Clothing and H/H Effects</b>									
Average expenditure on clothing and H/H effects	1528.11	1048.27	1162.94	1304.59	1053.00	739.32	871.39	945.89	1182.16



Besides these direct indicators, we have also used some indirect indicators to assess how well the loanees have been after project intervention. We wanted to know how they tackle the recession, if there be any.

Do they, infact, rely on relief or try themselves to come out of that crisis? The details in this regard can be seen from Table 7.10.A and 7.10.B. As can be seen from the tables a great number of them have said that the situation is now much better and they could some how tackle the 'slack periods'.

A significant portion of them said that they are not exactly dependent on relief. Also they are not starving as before.

So we see from this section that they have now gained some economic strength due to the operation of these programmes, they are confident in tackling the crisis periods. This is indeed quite heartening. They are optimistic people and can plan future activities in accordance with the demand situation prevailing in the area.

TABLE 7.10.A

How Do They Face Economic Crisis

Programme Area	No. of H/H	whether Tackling of Slack Period is Difficult or Not			Whether the Members of the Programs can Survive or not without taking any relief		Whether the No. of People without two meals decreased or not after joining at programs	
		Diffi-cult	Less Diffi-cult	Same as Before	Yes	No	Yes	No
BRDB Female	5	-	5	-	5	-	-	5
Proshika Male	65	1	51	13	53	12	1	64
Proshika Female	5	1	3	1	2	3	1	4
BRDB & Proshika Both Sex	5	-	5	-	5	-	-	5

TABLE 7.10.B

How Do They Face Economic Crisis

Programme Area	No. of H/H	Whether the tackling of slack period difficult or not as before			Whether the Members of programmes can survive or not without taking any relief		Whether the No. of People without two meals decreased or not after joining at programmes	
		Difficult	Less Difficult	Same as Before	Yes	No.	Yes	No
BRDB Male	36	5	27	4	24	12	4	32
BRDB Female	22	1	18	3	14	8	2	20
Social Welfare Female	17	-	14	3	11	6	4	13



CHAPTER VIII

COMPREHENSIVE STUDY

JUSTIFICATION

METHODOLOGY

WORK PLAN

BUDGET



CHAPTER - VIII

COMPREHENSIVE STUDY

8.1 Justification

8.1.1 The present exercise has been a pilot study aimed at assessing the economic and financial benefits accrued to the target groups from operation of the non-farm income generating target group oriented programmes and also examining the likelihood of market saturation facing the activities promoted through such programmes. The study covers the status of one union in each of two upazilas, namely Kachua under Chandpur district and Sarsha under Jessore district. While the main thrust of the study is on examining the market saturation possibilities, an equally important task assigned has been to examine, based on the findings of the pilot study, whether a further comprehensive study is needed to investigate the involved issues more fully with a view to providing a solid basis for replication of the target group oriented income generating programmes over wider geographical regions.

8.1.2 The study team strongly feels that there is a need for carrying out a comprehensive study along the similar line for the following reasons:

- a. Since the study was carried out in only in one union each of two upazilas covering a total of only 347 respondents, the findings would not permit any generalization on the relevant issues for the country as a whole particularly when there is wide variations from one region to another in terms of most socio-



economic parameters. As has been indicated, a fairly large number of geographical regions have been brought under various target group oriented programmes and a wide variety of non-farm activities have been promoted under such programmes. Hence, drawing firm generalizations as regards future market prospects for various types of income-generating activities and services in order to provide an effective basis for deciding on their replication on wider geographic regions, require comprehensive studies covering wider areas and greater number and types of activities.

- b. One of the important TOR of the present assignment was to identify and rank, by degree of intensity, geographic regions in which the effects of market saturation are likely to be felt. Attaining such an objective through a pilot study seems beyond comprehension for at least two reasons. First, the coverage has been too insignificant both in terms of areas and types of activities. In order to be able to rank geographic regions and activities by degree of intensity of market saturation, an in-depth study representing all regions of the country and major types of non-farm activities needs to be carried out. Second, and more important, a one short study particularly in the absence of any base line information existing for the programme areas will not be ideal to capture the demand and market prospects from a dynamic point of view. Hence, a comprehensive study is imperative and needs to be



undertaken in order to capture the dynamic elements of the demand and market prospects.

- c. The TOR of this pilot study will appear to be somewhat narrow as several important aspects (i.e. institutions and organizations and management) which are expected to exert significant influence on the efficacy of the programmes in producing desired results have been ignored. For example, an important activity or a product having good market prospects may not be promoted properly due to organizational and managerial deficiencies and thus will fail to exploit the potential market. All such and other related issues need to be addressed in the proposed comprehensive study.
  
- d. The conclusions derived from the present study will also support a more wider and introspective investigation of the key related issues of demand and market covering representative geographical regions so as to determine the market saturation status of non-farm goods and services in rural Bangladesh.



## 8.2 Methodology

### 8.2.1 General

While suitable terms of reference (TOR) will be drafted in due course incorporating detailed background, objective, scope and outline of the study, the methodology proposed to be applied for the comprehensive study may be somewhat unstructured in nature, in view of the divergent range and characteristics of both the respondents and information that the study is apt to be involved with.

The reason for such a mixed approach has emanated from the present study experience and the work plan being contemplated for the proposed future one. The involved respondents to be addressed are going to be mostly illiterate and poor. They have neither the conceptuality nor the comprehension to appreciate the depth and intricacy of the series of queries that they will be made to answer. Nor are they in a position to afford that length of time that will be required to administer the structured questionnaire.

Having this inevitable constraint in mind, it is proposed that the methodology must provide for, in addition to the structured questionnaire, the technique of informal discussions to be applied in significant scale to secure the real view of the involved issues.



### 8.2.2 Selection of geographic regions

Given the objective of the proposed comprehensive study, the question before us is: what size and type of geographical regions should yield nationally representative results and for that matter how to select such sample areas. There are as many as 495 upazilas in 64 administrative districts and that Government agencies and NGOs are operating/pursuing income generating activities in some 430 (or so) upazilas with considerable overlapping.

In order to capture a geographically representative characteristics of survey areas, it is proposed to select on random basis:

- 2 upazilas from each of 64 districts where target group programme (TGP) is present,
- 2 unions from each selected upazila where TGP is present, and
- again, from each designated union
  - ∅ 2 villages having TGP activities; and
  - ∅ 1 village apparently having similar characteristics but without TGP activities.

The ultimate shape of geographical sample size coverage will thus be as follows:

District	Upazila	Union	Village		
			TGP	Non-TGP	Total
64	128	256	512	256	768



8.2.3 Selection of respondents

Total survey audience may be stratified into three broad groups viz.,

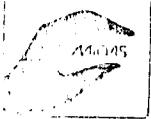
- a. Programme implementation workers
- b. Households
- c. Money lender, marchants, etc.

Exhaustive interview will be made for programme implementation field workers.

Household selection will be the most critical as well as focal part of this survey for without that representative character of the survey areas cannot be captured.

It is proposed for a preliminary census of each selected village with and without programme activities be carried out. The aim of this census will be to gather information about occupation, land ownership pattern, characteristics of households of respective villages. From this census in case of TGP areas, given the basis for selection developed beforehand, three separate lists will be developed; one representing households who are members and received loan, the other who are members but did not receive loan and, non members who do not enroll with any TGP. In the control village (non-TGP) random selection will be done but without any list developed beforehand.

Money lenders, marchants, shopkeepers, etc., will be identified and interviewed in the course of field work in all the villages under survey.



The size of respondents is worked out as under:

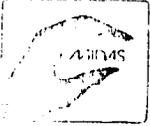
Stratification (Respondent)  Geographical Locations	Programme Implemen- tation workers	Households*		Money Len- ders	Total
		TGP	Non-TGP		
Programme Headquarter	20	-	-	-	20
District	64	-	-	-	64
Upazila	256	-	-	-	256
Union	256	-	-	256	512
Village level	-	25,600	12,800	768	39,168
<b>TOTAL:</b>					<b>40,020</b>

\* Basis: more or less 50 persons from each village.

#### 8.2.4 Resource Personnel

Resource personnel will include:

- a core team consisting of
  - a team leader with outstanding socio-economic study background
  - an economic expert with advanced university degree and proven experience of rural development economics
  - a rural sociologist with advanced university degree with experience of social development



- ∅ a market specialist with NGO activity background and experience of rural products marketing and market mechanism
- ∅ a computer programmer with background of large scale socio-economic data analysing
- ∅ a study coordinator of proven field study management experience;
- a field team consisting of
  - ∅ 2 field managers to be posted to 4 geographical regions
  - ∅ 20 experienced field supervisors - each incharge of 8 enumerators, and
  - ∅ 160 field enumerators to be drafted from outside and with previous experience in data collection; and
- a data analysing/processing team consisting of
  - ∅ a statistician with previous experience in data processing/analysing; and
  - ∅ 10 data analysts to analyze process, and tabulate the field statistics/information.

#### 8.2.5 Manpower requirement

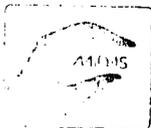
Manpower requirement with individual manmonths to be employed is estimated as under:



Position	No	Manmonths to be engaged	Total manmonth
Team Leader	1	9	9
Economist	1	6	6
Rural Sociologist	1	6	6
Market Specialist	1	6	6
Computer programmer	1	2	2
Statistician	1	2	2
Study Coordinator	1	9	9
Data Analysts	10	2	20
Field managers	2	4	8
Field Supervisors	20	3	60
Field Enumerators	160	3	480
TOTAL:	199	-	608

#### 8.2.6 Training

- a. All field staff recruited from outside and those detailed from inhouse will be trained/oriented about the
- objective of the survey
  - designed survey instrument
  - range and nature of information
  - whom and how to approach
  - informal discussion technique, and
  - other field aspects usually encountered during a study of this nature.



8.2.7 Data Processing

The filled in questionnaire schedules will be properly edited by a group of trained editors. After completion of editing, the data will be coded and the coding will be verified. Then the coded data will be entered into a computer. The final data processing will be done mostly by computer (including preparation of summary tables) with some of the tables prepared manually.

8.2.8 Data Analysis

Analysis of the data will follow the pattern developed and modified in this pilot study.

8.2.9 Reporting

A detailed action plan will be prepared at the outset of the study and will be submitted to USAID for comments. The team leader will provide two progress reports to USAID on the team's activities and plans. In addition, there will be oral progress reports on a bi-weekly basis to USAID.

The sample design, selection of sample sites/respondents' survey instrument design and 'dummy' summary table design will be made in agreement with USAID.

The field survey preliminary findings will be thoroughly discussed in a workshop. The objective of the workshop will be to exchange views and elicit constructive comments from persons familiar with and/or involved in TGP activities.

Three copies of the draft final report will be submitted to USAID for comments. The final report will be in 20 copies.



8.3 Work Plan

8.3.1 The proposed comprehensive study will involve:

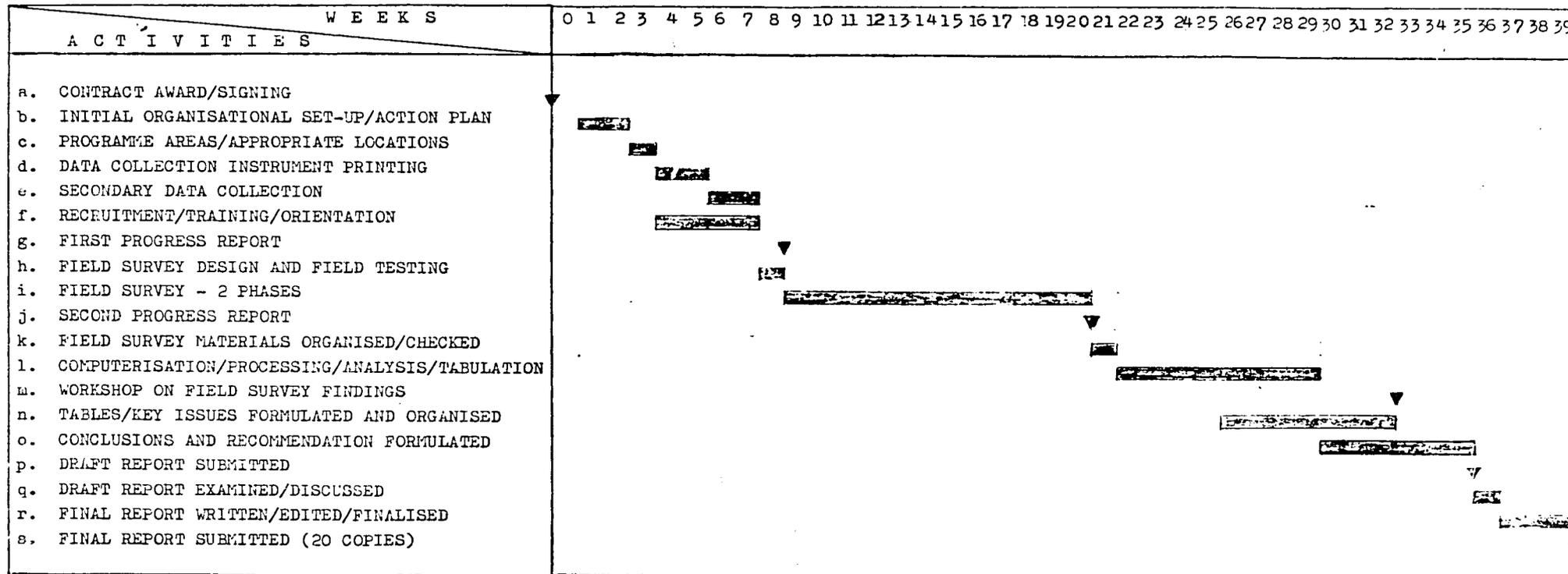
- training and orientation of field task force
- collection (updating) of secondary sources of information
- intense discussion with concerned officials, social workers, public leaders, traders, businessmen, artisans and others
- sustained desk research
- major field survey
- computer programming and entailed analytical exercises, compilation, tabulation, etc.
- workshop and follow up sessions to review the progress of the work, and
- writing and editing of the report.

8.3.2 It is estimated that the assignment will take 9 months time to complete. An estimated time-table is worked out as under:



<u>Activity</u>	<u>Timeframe/weeks</u>
a. Contract award/signing	-
b. Initial preparation/organisational set-up/action plan/fact finding tour	2
c. Programme areas/appropriate locations selection	1
d. Data collection instrument and other field stationery printing	2
e. Secondary data collection and visits to institutional agencies/NGOs	2
f. Recruitment/training/orientation	Simultaneously
g. First progress report	-
h. Field survey design and field testing	1
i. Field survey - 2 phases	12
j. Second progress report	-
k. Field survey materials organised/checked	1
l. Computerisation/processing/analysis/tabulation	8
m. Workshop on field survey findings	-
n. Tables/key issues formulated and organised	Simultaneously
o. Conclusions and recommendation formulated in the form of draft report	6
p. Draft report submitted	-
q. Draft report examined/discussed	1
r. Final report written/edited/finalised	3
s. Final report submitted (20 copies)	-
	<hr/>
	Total Weeks: 39
	=====

8.3.3 An activity barchart is shown on the next page.



8.4 Budget

8.4.1 Based on the methodology and workplan developed, a detailed cost estimate for the proposed comprehensive survey is presented in this section.

8.4.2 The summary is presented below and the breakdown is shown on the following sheets.

BUDGET SUMMARY		
Proposal Title : Design & Implementation of a Comprehensive Study of the Saturation of Markets for Traditional Goods and Services		
Prepared For : Economic Office, USAID, Dhaka		
Sl.No.	Items	Amount/Tk.
1.	Personnel Cost	3,805,116
2.	Per Diem Cost	1,883,500
3.	Other Expenses	1,007,550
ESTIMATED TOTAL COST:		6,696,166



Table - I : Detail of Personnel Monthly Rates

Proposal Title : Design &amp; Implementation of a Comprehensive Study of the Saturation of Markets for Traditional Goods and Services

Prepared For : Economic Office, USAID, Dhaka

Sl. No.	Position	1	2	3	4	5	6
		Monthly Salary	Social charges 20% of 1	Over-head 20% of 1	Sub-Total	Fee 10% of 4	Monthly fixed rate/Tk.
1.	Team Leader	15,240	3,048	3,048	21,336	2,133	23,469
2.	Economist	20,000	4,000	4,000	28,000	2,800	30,800
3.	Rural Sociologist	20,000	4,000	4,000	28,000	2,800	30,800
4.	Market Specialist	14,580	2,916	2,916	20,412	2,041	22,453
5.	Computer Programmer	30,000	6,000	6,000	42,000	4,200	46,200
6.	Statistician	7,500	1,500	1,500	10,500	1,050	11,550
7.	Study Coordinator	14,580	2,916	2,916	20,412	2,041	22,453
8.	Field Managers	7,500	1,500	1,500	10,500	1,050	11,550
9.	Field Supervisors	5,000	-	1,000	6,000	600	6,600
10.	Field Enumerators	3,400	-	680	4,080	408	4,488
11.	Data Analysts	4,200	840	840	5,880	588	6,468



Table - II : Budget for Personnel &amp; Per Diem Costs

Proposal Title : Design &amp; Implementation of a Comprehensive Study of the Saturation of markets for Traditional Goods and Services

Prepared For : Economic Office, USAID, Dhaka

Sl. No.	Position	Nos	Person months	Monthly rate/Tk	Total Tk.	Field days	Per diem	Total per diem/Tk.
1.	Team Leader	1	9	23,469	211,221	20	350	7,000
2.	Economist	1	6	30,800	184,800	-	-	-
3.	Rural Sociologist	1	6	30,800	184,800	10	350	3,500
4.	Market Specialist	1	6	22,453	134,718	20	350	7,000
5.	Computer Programmer	1	2	46,200	92,400	-	-	-
6.	Statistician	1	2	11,550	23,100	-	-	-
7.	Study Coordinator	1	9	22,453	202,077	20	300	6,000
	Field Managers	2	8	11,550	92,400	120	300	36,000
9.	Field Supervisors	20	60	6,600	396,000	1200	240	288,000
10.	Field Enumerators	160	480	4,488	2,154,240	9600	160	1,536,000
11.	Data Analysts	10	20	6,468	129,360	-	-	-
TOTAL:		-	-	-	3,805,116	-	-	1,883,500



Table - III : Budget for Other Expenses

Proposal Title : Design & Implementation of a Comprehensive Study of the  
Saturation of Markets for Traditional Goods and Services

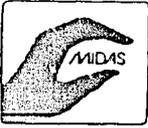
Prepared For : Economic Office, USAID, Dhaka

Sl. No.	Description	Rate	Amount/Tk.
1.	Field travels - 364 return trips	240	87,360
2.	Supervisory Field Travels - 20 return trips	400	8,000
3.	Field Conveyance - 10,920 mandays	30	327,600
4.	Urban Travels/Conveyance - 125 trips	40	5,000
5.	Computer time/Services/Charges	Lump	400,000
6.	Stationery/Printing/Typing/Secretarial/Binding, etc.	Lump	45,000
7.	Logistics/Utilities/Physical facilities, etc.	20%	134,590
TOTAL:			1,007,550



MICRO INDUSTRIES DEVELOPMENT ASSISTANCE SOCIETY

A P P E N D I C E S

APPENDIX-APLACES VISITED AND PERSONS CONTACTEDAT EXPLORATORY STAGE

Sl No.	Person Contacted	Organization	Designation
1.	Adhikari, Babul	Swanirvar Bangladesh	Divisional Coordinator
2.	Ahmed, Alauddin	Grameen Bank	General Manager
3.	Ahmed, Rahatuddin	Comilla Proshika	Executive Director
4.	Akunji, S.H.	BRDB	Joint Director
5.	Akhtar, Dr. Shamim	CCDB	Project Coordinator
6.	Alam, N.	SCF-USA	Deputy Director
7.	Anderson, Dave	MCC	Job Creation Administrative
8.	Bailey, Dr. Charles, R.	The Ford Foundation	Representative
9.	Cavanaugh, Karen	CARE	Senior Executive
10.	Chatman, Malvin	USAID	Programme Officer
11.	Dewan, S.A.	BRDB	Asstt. Director
12.	Francis, Julian	CUSO	Executive
13.	Fuller, Dr. Rechard, H.	Asia Foundation	Representative
14.	Hafiz, Khandaker, A.	UNCDF/UNDP	Programme Officer
15.	Hossain, Masud	UNICEF	Coordinator
16.	Huda, Md. Nurul	Bangladesh Krishi Bank	Asstt. General Manager



MICRO INDUSTRIES DEVELOPMENT ASSISTANCE SOCIETY

17.	Huq, Wahida	IBRD	Programme Officer
18.	Islam, Mahbubul	UNICEF	Information Officer
19.	Islam, Farida	CIDA	Project Officer
20.	Khan, Nurul Huda	BASWAP	Project Manager
21.	Khan, Nurun Nabi	ILO	Programme Officer
22.	Khanum, Rashida	BSCIC/WEDP	Project Director
23.	Marshall, Ken	BRAC	Advisor
24.	Nelsen, Finn	DANIDA	Counsellor
25.	Nymoan, Lasse	NORAD	Assistant Res. Representative
26.	Patwary, W.	IUCW	Chief Field Coordinator
27.	Rahman, Dr. Atiar	BIDS	Senior Research Fellow
28.	Rahman, J.	UNICEF	Coordinator
29.	Rahman, Mafizur	DRR	Director
30.	Rahman, Mahbubur	CIRDAP	Action Research Fellow
31.	Rahman, Mukhlesur	BRAC	Project Manager
32.	Rahman, Saidur	OXFAM	Executive
33.	Rebouleau, A. Tonti	SDC	Dev. Counsellor
34.	Ryden, Per	LGEB/IRWP	Sr. Programme Advisor
35.	Shalia, S.C.	CARITAS	Project Coordinator
36.	Srivastava, B.C.	BSCIC	Technical Advisor (ILO)
37.	Woodbridge, Anne	CIDA	Project Advisor (Proshika)



AT FIELD STAGE

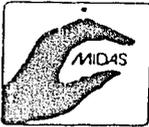
a. Kachua

Sl. No.	Name	Address
1.	Akbar, Ali	President, LPDS, Vill. Nasirpur, Karaya Union, Kachua Upazila
2.	Ali, Ansar	President, LPDS, Vill. Kohalthuri, Karaya Union, Kachua Upazila
3.	Ali, Mohar	U.P. Member, Karaya Union, Kachua
4.	Ali, Sikandar	- do -
5.	Amin, Ruhul	Secretary, LPDC, Vill. Akiara, Karaya Union, Kachua Upazila
6.	Ara, Swakat	U.P. Member, Karaya Union, Kachua Upazila
7.	Bhuiyan, Abdul Majid	Magistrate, Kachua Upazila
8.	Bhuiyan, Jainal Abedin	U.P. Member, Karaya Union Kachua Upazila
9.	Faizullah, Mohammed	Upazila Nirbahi Officer, Kachua
10.	Hanif, Abdul	President, LPDS, Vill. Tulatali, Karaya Union, Kachua Upazila
11.	Hanif, Mohammed	Secretary, LPDS, Vill. Monaharpur, Kachua Upazila
12.	Hasnat, Abul	Principal, Kachua College, Kachua.



MICRO INDUSTRIES DEVELOPMENT ASSISTANCE SOCIETY

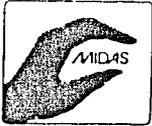
Sl. No.	Name	Address
13.	Iqbal, Md.	Programme Organizer, Comilla Proshika, Kachua Branch
14.	Kader, Abdul	President, LPDS, Vill. Nalua Kachua Upazila
15.	Majumder, Shishu Bala	U.P. Member, Karaya Union, Kachua
16.	Mannan, Abdul	Secretary, LPDS, Vill. Kohalthuri, Kachua Upazila
17.	Mia, Ali Ashraf	U.P. Member, Karaya Union, Kachua
18.	Mia, Hedayet Ullah	- do -
19.	Mia, Julfa Ali	- do -
20.	Mia, Shamsul Hoque	- do -
21.	Mirza, Abul Hussain	- do -
22.	Mollah, Nasiruddin	Chairman, BRDB, Kachua Upazila
23.	Mujib, Abdul	Secretary, LPDS, Vill. Paranpur, Karaya Union, Kachua Upazila
24.	Patikar, Chaia Rani	Secretary, Patikar Mahila Samabaya Samity, BRDB, Kachua.
25.	Patikar, Kanailal	Secretary, LPDS, Vill. Karaya, Kachua Upazila



MICRO INDUSTRIES DEVELOPMENT ASSISTANCE SOCIETY

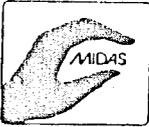
b. Sarsha

Sl. No.	Name	Address
1.	Ali, Arshad	Project Officer, Directorate of Women Affairs, Sarsha, Jessore
2.	Ara, Roushan	Field Inspector, Ullashi, Departt. of Women Affairs Sarsha, Jessore.
3.	Arshad, Selina	Field Inspector, Departt. of Women Affairs, Sarsha Jessore
4.	Gazi, Abdul Majid	Project Director, BRDB, Jessore.
5.	Habib, A.Z.M. Ahsan	Manager, Agrani Bank, Benapol Branch, Sarsha Jessore
6.	Hoque, Mozammel	Coordinator, I.U.C.W., Sarsha, Jessore
7.	Hussain, Golam	Asstt. Settlement Officer, Upazila Parishad, Sarsha, Jessore
8.	Kaderuzzaman, Md.	Manager, Rupali Bank, Navaroon, Jessore
9.	Majid, Abdul	Inspector, BRDB, Sarsha, Jessore
10.	Muniruzzaman, Md.	Project Implementation Officer, Sarsha.
11.	Rashid, Abdur	Manager, Sonali Bank, Ullashi Branch, Sarsha.
12.	Rahman, Mahbubur	Manager, Bangladesh Krishi Bank, Sarsna, Jessore.



MICRO INDUSTRIES DEVELOPMENT ASSISTANCE SOCIETY

Sl. No.	Name	Address
13.	Nabi, Daud	Upazila Statistical Officer, Sarsha, Jessore.
14.	Rahman, Zillur	Social Welfare Officer, Sarsha, Jessore.
15.	Razzak, Abdur	Chief Inspector, UCCA, Sarsha, Jessore.
16.	Shikdar, Abdul Latif	Project Director, BRDB, Jessore
17.	Ullah, Wazi	Rural Dev. Officer, BRDB, Sarsha, Jessore
18.	Vashkar, Anjali	M.C.C. Manager, Uttar Buruj Bagan, Sarsha, Jessore.
19.	Zahangir, Mustaf	Inspector, Central Cooperative, Sarsha, Jessore.
20.	Zoardar, Nurul Islam	Subject Matter Officer, Sarsha Upazila, Jessore.



## MICRO INDUSTRIES DEVELOPMENT ASSISTANCE SOCIETY

Sl. No.	Name	Address
26.	Rahman, Wahidur	Secretary, LPDS, Vill. Srirampur, Karaya Union, Kachua Upazila
27.	Rob, Abdur	President, LPDS Vill. Akania, Karaya Union, Kachua Upazila
28.	Rouf, Abdur	Secretary, Karaya Union Parishad, Kachua
29.	Sarkar, Niranjana	Secretary, LPDS, Vill. Nalua, Karaya Union, Kachua
30.	Satter, Abdus	Chairman, Karaya Union Parishad, Kachua
31.	Shamsuzzaman, Md.	Rural Dev. Officer, Kachua Upazila
32.	Taher, Abu	Programme Organizer, Comilla Proshika, Kachua Branch
33.	Taher, Abu	President, LPDS, Vill. Noagaon, Karaya Union, Kachua Upazila
34.	Talukder, Md. Edris Mia	U.P. Member, Karaya Union, Kachua
35.	Yunus, Md.	Branch Manager, Comilla Proshika, Kachua Branch



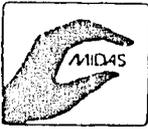
APPENDIX-B

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Socio-economic Indicators of Kachua & Sarsha

Parameters	Locations	District	Chandpur	Jessore
		Upazila	Kachua	Sarsha
Total area/Km <sup>2</sup>			234.94	363.3
Number of Unions			12	11
Number of Villages			241	173
Number of households			42,567	30,208
Household size			5.7	6.2
Total Population			240,396	192,795
Sex Ratio			95	104
Population per Km <sup>2</sup>			1,023	573
Percentage of Urban population			2.1	0.9
Per capita land			0.24	0.44
Per capita arable land (Acre)			0.21	0.33
Rate of literacy/percentage			23.5(17.9 female)	19.2 (10.8 female)
Number of Primary Schools			104	69
Number of Secondary Schools			22	13
Number of Madrashes			n.a.	12
Number of Colleges			2	1
Degree level graduates			495	399
Number of Clubs/Libraries/etc.			Clubs- 68 Libraries-	Clubs- 5 Libraries-10
Electricity households			523	325
Number of hospital beds			31	31
Number of Tube-wells			1552	4000
Economically active Population (10 Yrs - 64 Yrs)			145,097(60%)	117,669(61%)
Number of Handlooms			113	134
Number of Cottage industries			4,356	2,095
Number of small industries			-	-
Number of Bank branches			8	7
Number of cooperatives			314	307
Number of godowns (capacity/ton)			4 (1237)	8 (4000)
Metalled road/Km			16	20
Railway/Km			-	-
Kutcha road/Km			113	252
Number of Truck			3	12
Bus			21	15
Number of boats			28	-
Number of rickshaws			68	160
Number of bullock carts			-	3,500

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MARKET SATURATION PILOT STUDY (MSPS)

QUESTIONNAIRE SCHEDULE

1. Date of Interview . . . . .
2. Name of the head of household . . . . .  
 Name of father/husband . . . . .  
 Village . . . . .  
 Name of the project belongs to . . . . .  
 Date of joining the project . . . . .  
 Whether took loan from the project Yes  No ; If yes,  
 Date of taking the loan . . . . . and amount of loan  
 taken Tk. . . . .

3.a. Identification of members of the household:

Name	Whether Member of the	Relation with the head of household	Age	Educa- tion	Marital status	Whether income earner	Prin- cipal occu- pation	Secon- dary occupa- tion
------	-----------------------	-------------------------------------	-----	-------------	----------------	-----------------------	--------------------------	--------------------------

3.b. Whether any of the members changed their occupation after joining the project?

Yes  No

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If yes,

Past Occupation

- a. Primary occupation
- b. Secondary occupation

Present Occupation

- a. Primary occupation
- b. Secondary occupation

4.a. Description of immovable assets (decimal)

	Before Project	After Project
i) Homestead	.....	.....
ii) Self-cultivated own land	.....	.....
iii) Share cropping (Barga) taking mortgage	.....	.....
iv) Barga/giving mortgage	.....	.....
v) Ponds, orchard, bamboo garden	.....	.....
vi) Own land used in other purpose	.....	.....
Total :		

4.b. Other Assets

Name of Asset	Before Project		After Project Inter- vention	
	Total Asset		Total Asset	
	Number	Market Price	Number	Market Price
Ox/Buffalo for ploughing				
Milch cow				
Calf				
Cart				
Boat				
Plough/yoke				
Modern agricultural Imp.				
Other agricultural imp.				
Industrial Imp.				
Other				

Description of Income

5.a. Income from agriculture: (Present one year)

Crops	From own cultivated land	Total Production		Share Obtained		Share Given		Total Income
		Main crops	By Pro-ducts	Main crop	By Pro-ducts	Main crops	By Pro-ducts	
		Maund	Taka	Maund	Taka	Maund	Taka	
Paddy								
Wheat								
Jute								
Pulse								
Oil Seed								
Sugarcane								
Others								
Total								

5.b. Income from agriculture: (Previous year)

Crops	From own cultivated land	Total Production		Share Obtained		Share Given		Total Income
		Main crops	By Pro-ducts	Main crop	By Pro-ducts	Main crops	By Pro-ducts	
		Maund	Taka	Maund	Taka	Maund	Taka	
Paddy								
Wheat								
Jute								
Pulse								
Oil Seed								
Sugarcane								
Others								
Total :								

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6. Income from agriculture other than crops:

Source of Income	Present One Year			Previous One Year		
	Total Production	Consumption of the family	Sale	Total Production	Consumption of the family	Sale

Vegetables

Fruits

Milk and Milk products

Duck, Hens & eggs

Fishes of ponds/ditches

Others

Total :

7. Income from Livestock (last one year)

Name of Animals	Price at the time of purchase		Price at the time of selling		Present Market price (if it is not sold)
	Time	Price	Time	Price	

Total :

8.a. Income from industry (if any, for one year)

Particulars	Present Getting Loan/Tk.	After Getting Loan/Tk.
Average monthly production (selling price)		
Average monthly expenditure (cost price):		
- raw materials		
- labour (excluding family member)		
- change		
- others		

8.b. Do you buy inputs from the merchant on credit?

Yes  No

If yes, what percentage of inputs is bought on credit? .....%

What percentage of price you have to pay more, due to credit purchase other than cash purchase? .....%

Do you have to sell the products to the merchant?

Yes  No

If yes, at what percent less than the market? .....%

9. Income from shop or business.

a. Before getting loan (one year) Tk. ....

b. After getting loan (one year) Tk. ....

2/3

10. Income from stored products  
 a. Before getting loan Tk. ....  
 b. After getting loan Tk. ....

11. Annual income from other sources

Particulars	Before Getting Loan/Tk.	After Getting Loan/Tk.
Construction		
Earth digging		
Day Labour		
Rickshaw Pulling		
Car driving		
Boat rowing		
Service		
Paddy Husking		
Others		
<hr/>		
Total:		

12. What changes in income of this household have occurred after joining the project?

Increased  Decreased  Same as before

If increased, then what is the percentage of increase .....%

The reason for this increase .....

.....

If decreased, then what is the percentage of decrease .....%

The reason for this decrease .....

.....

13. What changes have you noticed in agricultural and non-agricultural wages after joining project?

Agricultural Wages

Increased  Decreased  Same as before

If increased/decreased, what is the percentage .....%

Mention the reasons for increase/decrease .....

.....

Non-agricultural Wages

Increased  Decreased  Same as before

If increased/decreased, what is the percentage .....%

Reasons for increase/decreased .....

.....

14. Present and Past Daily Wages:

Particulars	Before joining the project	Present
With food	Tk.	Tk.
Without food	Tk.	Tk.

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15.a Mention the sources where you have spent the loan amount

<u>Sources of Expenses</u>	<u>Amount in Taka</u>
Agriculture (crops)	
Agriculture (others)	
Rural industry	
Business	
Beef fattening	
Others	

15.b Loan obtained in the preceeding year (after getting the loan)

<u>Source of Obtaining Loan</u>	<u>Amount of Loan</u>	<u>Rate of Interest</u>
Nationalized bank/ co-operative		
Local money-lender (with interest)		
Relatives (without interest)		
Others		

5.c Have you taken any loan from rural money-lender/merchant before obtaining the project loan?

Yes

No

If yes, what is the amount of loan?

- before obtaining project loan Tk.
- after obtaining project loan Tk.
- rate of interest (annual) Tk. ....%

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15.d. Loan Repayment

- i) How many instalments of loan are you supposed to repay by now?
- ii) How many instalments have you repaid till now?
- iii) If more than two instalments are get to repay, mention the reason for non-repayment, please
- iv) What are your comments about the project that extended loan to you?

Positive side :

Negative side :

15.e Description of your investment folio in the preceeding year

Areas	Before Obtaining Loan				After Obtaining Loan			
	Purchase		Sales		Purchase		Sales	
	Qty	Tk.	Qty	Tk.	Qty	Tk.	Qty	Tk.
Land								
Ox/buffalos for ploughing								
Agricultural implements								
Other implements								
Car, boat, cycle								
<u>Others</u>								
Increase in business capital								
Increase in bank account								
Lending								

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Areas	Before Obtaining Loan				After Obtaining Loan			
	Purchase		Sales		Purchase		Sales	
	Qty	Tk.	Qty	Tk.	Qty	Tk.	Qty	Tk.

Others

Increase of investments in the business

Savings in the bank

Credit/borrowings

Other sectors

Investments

15.f Savings (monthly)

- before commencement of the project Tk.
- after implementation of the project Tk.

16. Is any member(s) of the household engaged in any rural industries?

Yes

No

If yes,

Capital	Before receiving loan/Tk	after receiving loan/Tk
a. Fixed capital invested in industry		
b. Working capital invested in industry		

17. Expenditure

a. How much food is cooked in the household in a week?

Rice' .....maund/seer/chattak

Flower .....maund/seer/chattak

Pulse .....maund/seer/chattak

b. Average weekly shopping expenditure

Goods	Expenditure before obtaining loan/Tk.	Expenditure after obtaining loan/Tk.
Vegetable		
Oil, spices		
Fish, meat		
Egg, milk		
Fire wood/fuel		
Kerosene		
Soap/soda		
Biri/cigarette		
Betelleaf/tobacco		
Betelnut		
Total :		

c. How much did you spend last year in the following heads:

Heads	Before receiving loan/Tk.	After receiving loan/Tk.
Clothing		
Potteries		
Dala, Kula, Busket etc.		
Blacksmith's goods		
Mats		
Furniture		
House Building/ Repairing		
Sanitation		
Education		
Health		
Conveyance		
Social/Religious Festivals		
Suits		
Household Utensils		
Others		

18.a Have you ever faced any difficulty in selling your product in the market?

Yes

No

If yes,

Frequently

Sometime

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18.b What do you do if there is no demand?

- keep on producing and selling at lower price
- stop producing and try to do something else

Is it easily possible to change occupation?

Yes

No

18.c. Do you realise that the demand for your products is failing?

Yes

No

If yes, what do you do? .....

18.d What fraction of the products do you sell in the local market?

.....%

Who are the Buyers

Percentage

- |  |       |
|--|-------|
| 1. Those who are within the project area           | ..... |
| 2. Those who are outside the project area but poor | ..... |
| 3. Rice people                                     | ..... |
| 4. Others  | ..... |

19. Is the price of your product lower/higher than that produced in mills/cities?

Equal

Lower

Higher

20. Has the number of buyers of your products increased since you joined this project?

Yes

No

If yes, are they members of this project?

Yes

No

21. Do you want to stick to your present occupation?

Yes

No

If no, what kind of occupation do you intend to take up?

22. Are you involved in any joined venture business?

Yes

No

If yes, what are the benefits of joint efforts? What problems do you face?

23. Did the following matters happen to the people of this locality after commencement of this project?

- Economic condition of the people under the project has improved
- The condition of the poor outside the project has improved
- Volume of business of the business man outside the project has increased

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- Agricultural production of those outside and within the project has increased
- The wage of farm labourers has increased
- People outside the project are buying more goods
- Visit by the outside businessman has increased.

24. Are you ever worried that the demand for your product might come down

Yes

No

If yes, when are you worried?

25.a The time during which you used to remain unemployed, does it happen now after coming under this project?

Yes

No

b. Is it difficult/less difficult/same as before to manage the depression/hunger?

c. Can the people under the project survive without taking relief during the flood/drought?

Yes

No

d. Whether the number of people starving twice a day has increased or decreased after joining the project?

Decreased

Increased

2/8

26. Your opinion regarding improvement of operation of this project:

.....  
.....  
.....

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GEOGRAPHICAL COVERAGE OF CURRENT PROGRAMMES

APPENDIX- E

ORGANISATION/DONOR	TYPES OF ASSISTANCE/ LINKAGE	IMPLEMENTING AGENCY	ACTIVITIES	GEOGRAPHICAL COVERAGE		
				Vill.	Upazila	Dist.
a) International Labour Organisation (ILO)	a) Technical	a) Bureau of Manpower Development and Training	a) Chira, Muri & Sweet Production b) Handloom products Manufacturing		Dhamrai Joydebpur	Manikgonj Gazipur Noakhali Potuakhali Bandarbar
ICEF	a) Seed Money distribution	a) Women's Affairs Department under the Ministry of Social Welfare & Women's Affairs	a) Distribution of seed money/credit to poor women for income earning activities. Present programme is for 26,000 women & 14,000 children through 26 local level Women's NGOs			Comilla Bogra Chittagong Hill Trac
	b) Technical	a) Grameen Bank under the Ministry of Finance	a) Trainers Training and other usual activities	500 branches in 5 Grameen Bank operational zones all over the country.		
c) CIRDAP	a) Technical	a) Bangladesh Academy for Rural Development (BARC)	a) Vegetable Growing b) Fruit Growing and processing c) Drying of Food & Vegetable (Low level technology) d) Cow Fattening & Beef fattening e) Paddy Husking	Nishchintapur  Panch Kinta		Bogra Comilla (CIPS) Comilla
d) SDC	a) Financial	a) Micro Industries Development Assistance Society (MIDAS)	a) Production of Yarn & Weaving			Mymensingh Chapai-Nawabgonj
	b) Financial	b) Saptagram Hari Swanirvar Parishad	) Silk Weaving			Faridpur
	c) Technical	c) Bangladesh Sericulture Board (Rajshahi)	a) Development of Silk growing & silk weaving			Rajshahi
	d) Financial	d) IUCW	a) Small loan to poor rural families like Rickshaw puller, pan-shopkeepers, poor women etc. for - Basketry/handicrafts - Poultry - Goat raising - Shop keeping etc.			

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<u>DONOR</u>	<u>TYPES OF ASSISTANCE/ LINKAGE</u>	<u>IMPLEMENTING AGENCY</u>	<u>ACTIVITIES</u>	<u>GEOGRAPHICAL COVERAGE</u>
Swanirvar Bangladesh	i) Financial ii) Formation, organi- sation and control of group activities iii) Training of indivi- dual group members	i) Sonali Bank ii) Rupali Bank  iii) Janata Bank iv) Agrani Bank v) Bangladesh Krishi Bank	a) Rice husking through dhelli b) Manufacture of dhelli, c) Retail stationery business d) Driving of rickshaw van e) Cow raising, f) production of chira-muri, g) sewing, h) grocery business dealing in flour, etc. i) tea stall j) Cow selling and purchasing, k) Ornament selling (low quality/ clear). l) Pan shop, and repairing of rickshaw and cycle, m) Drug and medicine business, n) Fish selling, o) Boat manufac- ture and repair, p) Fishing, q) Restaurant, r) Fire wood busi- ness, s) Household poultry farming, t) Raw material dealing, u) Handcraft, v) Handloom (both low and high quality) etc.	29. Belabo 30. Arahazar 31. Munshigonj 32. Bajitpur 33. Nandail 34. Ealmakanda 35. Islampur 36. Kanoigonj 37. Habigonj 38. Janalgonj 39. Sandwip 40. Ranu
				Narsingdi Narayanganj Munshigonj Kishorigonj Myensinagh Netrokona Jamalpur Moulvibazar Habigonj Sunanganj Chittagong Cox's Bazar
				<u>Upazila</u> 1. Savar 2. Nawabgonj 3. Shibaleja 4. Ghior 5. Joydebpur 6. Sripur 7. Sonargaon 8. Kishoregonj 9. Bajitpur 10. Hussainpur 11. Pakundia 12. Kotiadi 13. Islampur 14. Dewanganj 15. Bakshigonj 16. Rajoir 17. Shibchar 18. Kalihati 19. Tangail 20. Basail 21. Ghatail 22. Naagorpur 23. Mirzapur 24. Shakhipur 25. Madhupur 26. Gopalgonj 27. Shuapur 28. Delduar
				<u>District</u> Dhaka  Manikgonj  Gazipur  Narayanganj Kishorigonj   Jamalpur  Madaripur  Tangail

ORGANISATION/DONOR	TYPES OF ASSISTANCE/ LINKAGE	IMPLEMENTING AGENCY	ACTIVITIES	GEOGRAPHICAL COVERAGE			
				Vill.	Upazila	District	
e) UNCTAD	a) Technical	a) BSCIC	a) Cane & Bamboo			Cemilla	
	b) Financial	b) BKB	b) Wood inlays and engraving c) Clay ceramics, improved glazes d) Leather e) Textile printing f) Shell g) Jute goods h) Food processing from locally available fruits			Noakhali Rangpur Dinajpur Barisal Rajshahi	
f) Govt. of Bangladesh, CIDA and World Bank	a) Financial	a) BRDB	a) Pond pisciculture, b) Milch cow c) Cow fattening, d) Rickshaw, e) Cane & Bamboo works, f) Pottery, g) Carpentry, h) Paddy husking, i) Petty trade, j) Chira & Muri making k) Poultry, l) Mustard oil making m) Bee keeping, n) Coir making o) Net making, p) Umbrella component making, q) Vegetable cultivation r) Mini Mechanic, s) Goat raising, t) Rickshaw van & Cycle van, u) Boat making & fishing v) Push cart, w) Shallow Tube well x) Hand loom, y) Betel leaf cultivation z) Repairing of Rickshaw, clock, pen, spectacles etc. and sewing				
	a) Financial	a) BKB	1. Garments/Sewing/Tailoring/Knitting/ Embroidery 2. Cane & Bamboo Products 3. Coir products 4. Pottery 5. Paddy Husking 6. Jute Handicrafts/Carpet products 7. Bee Keeping 8. Fish Net making 9. Boat making 10. Food processing 11. Tobacco processing & Biri making 12. Ghani Industry, 13. Spice processing 14. Fish Drying, 15. Sericulture & Ericulture, 16. Handloom products 17. Nakshi Kanthas, 18. Hand knotted Jute & Woolen carpets, 19. Jute ropes, 20. Broom making, 21. Mat making, 22. Hand Fans, 23. Block smithy, 24. Agriculture implements & tools, 25. Radio & Watch repairing 26. Furniture Making, 27. Candle making 28. Washing soap making, 29. Lime making 30. Chalk sticks & crayons, 31. Conch shell buttons and bangles, 32. Paper bag making, 33. Shoe making	Upazila	1. Charghat 2. Atrai 3. Lalpur 4. Shibgongj 5. Panchbibi & Joypurhat 6. Chat Mohar 7. Tarash 8. Khoksha 9. Alandanga 10. Gangni 11. Bagherpara 12. Jhenaidah 13. Mohammadpur 14. Kolia 15. Paikgacha 16. Sarankhola 17. Malchiti 18. Babugonj 19. Daulatkhan 20. Bauphal 21. Barguna 22. Palong 23. Madaripur 24. Madhukhali 25. Pangcha 26. Saturia 27. Kaligonj 28. Nawabgonj	District	Rajshahi Naogaon Natore Nawabgonj Joypurhat Fatna Sirajgonj Kushtia Chuadanga Meherpur Jessore Jhenaidah Magura Narail Khulna Bagerhat Jhalokathi Barisal Bhola Patuakhali Barguna Shariatpur Madaripur Faridpur Rajbari Manikgonj Gazipur Dhaka

ORGANISATION/DONOR TYPES OF ASSISTANCE/LINKAGE

IMPLEMENTING AGENCY

ACTIVITIES

GEOGRAPHICAL COVERAGE

Upazila

District

Chittagong Divisions

29. Rangunia,	30. Raizan	Chittagong
31. Mirer Sarai	31. Sitakund	
33. Patiya		Comilla
34. Lakshan,	35. Langalkot	
36. Shahrasti		Chandpur
37. Kulaura,	38. Kamolganj	Moulvi Bazar
39. Feni,	40. Sonagati	Feni
41. Forshuram,	42. Chhagalnagya	Lakshnipur
43. Dagon Shuiyan		
44. Rangati		

Raishahi Division

45. Boda,	46. Aatoari	Fanchagar
47. Fanchbibi		Joypurhat
48. Natore		Natore
49. Pabna,	50. Aatghoria	Pabna
51. Sadullahpur,	52. Gaibandha	Gaibandha
53. Fulchhari,	54. Sundarganj	Nilphamari
55. Nilphamari		
56. Roumari,	57. Rajibpur	
58. Ulipur,	59. Rajerhat	Kurigram

Khulna Division

60. Bagerhat,	61. Kachua	Bagerhat
62. Chitalmari		Salkhira
63. Tala		
64. Kuthalia		Jhalekathi
65. Moth baria		Firojpur
66. Agaljhara,	67. Gauranadi	Barisal
68. Bhola,	69. Lalmoan	Bhola
70. Betagi,	71. Bamona	Barguna
72. Magura,	73. Mohammadpur	Magura
74. Shalikha,	75. Sripur	Narail
76. Narail		
77. Mirpur,	78. Bherazara	
		Kushtia

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<u>ORGANISATION/DONOR</u>	<u>TYPES OF ASSISTANCE/ LINKAGE</u>	<u>IMPLEMENTING AGENCY</u>	<u>ACTIVITIES</u>	<u>GEOGRAPHICAL COVERAGE</u>
h) NORAD & SIDA	Technical & Financial Support in Rural Public Works	Local Government Engineering Bureau (LGEB)	Not yet Identified	Two upazilas of Kurigram Two upazilas of Faridpur and Two upazilas of Madaripur
i) Proshika, Comilla	Credit, Training, Organizing etc.		1) Credit program, 2) Consumer shop, 3) Agriculture, 4) Storage 5) Fish, 6) Poultry, 7) Vegetables, 8) Social forestry, 9) Rural industry, 10) New development activity, 11) Marketing.	1) Brahmanpara, 2) Rangati, 3) Laksham, 4) Kachua, 5) Barura 6) Choudagram, 7) Chandina, 8) Sarail 9) Nasirnagar, 10) Kulia: char, 11) Brahmanbaria 12) Sreenongal, 13) Nabinagar, 14) Bancharanpu 15) Kalia, 16) Kaczan, 17) Sarail, 18) Lonagara 19) Kalia, 20) Shibgonj 21) Patya

j) CIDA

<u>District</u>	<u>Upazilla</u>
Feridpur	Boalmari
Tangail Sadar	Enuapur
Mymensingh Sadar	Muktagesha
Jamalpur Sadar	Sharishabari
Feni	Feni thana
Moskhali Sadar	Senbagh
Chittagong Sadar	Fatiya
Chittagong	
H/T Sadar	Chandroghona
Sylhet Sadar	Biswanath
Dinajpur Sadar	Kaharol
Dinajpur Sadar	Birgonj
Rangpur Sadar	Kaligonj
Bogra Sadar	Shibgonj
Fabana Sadar	Bera
Kushtia Sadar	Daulatpur
Kushtia Sadar	Bheresara
Jessore Sadar	Sharsha
Khulna Sadar	Daulatpur
Barisal Sadar	Banaripara
Jatukhali Sadar	Mirzagonj

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<u>ORGANISATION/DONOR</u>	<u>TYPES OF ASSISTANCE/LINKAGE</u>	<u>IMPLEMENTING AGENCY</u>	<u>ACTIVITIES</u>	<u>GEOGRAPHICAL</u>	<u>COVERAGE</u>
k) WEDP/ESIC			1) Bamboo & Cane industry, 2) Chhobra based industry, 3) Garments manufacture, 4) Handloom industry, 5) Net making, 6) Dheki industry, 7) Ghani industry, 8) Pottery, 9) Tabacco processing, 10) Food Processing, 11) Spices processing, 12) Poultry farm, 13) Cattle raising, 14) Dry fish making, 15) Imitation ornaments, 16) Toy making, 17) Mat (shital pati etc.) making, 18) Khagra hogla, and Chhan type of products, 19) Chira Muri, Chanachur & sweets production, 20) Indigenous medicine production, 21) Leather industry, 22) Iron industry, 23) Small scale engineering workshop, 24) Ceramic factory 25) Paper bags making, 26) Cotton processing, 27) Coconut oil production, 28) Textile printing factory, 29) Salt & lime production.	Upazila	District
				1. Sherpur	Jamalpur
				2. Laksham	Comilla
				3. Kaunia	Rangpur
				4. Swarupkathi	Pirojpur
				5. Maksudpur	Gopalganj
				6. Tala	Satkhira
				7. Balagonj	Sylhet
				8. Begungonj	Noakhali
				9. Sarail	Bhaktanbaria

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