

# **Socio Economic Contribution of Microfinance towards its Borrowers:**

## **A study on the Jagoron Component**

**Prepared  
For**



## **National Development Programme-NDP**

**NDP Bhaban, Bagbari, Shahidnagar, Kamarkhand, Sirajganj**

**Prepared by**

**Molla Abdullah Al Mehdi (Manager- R&D)**

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## **Preface**

Bangladesh is one of the world's poorest countries and the population is predominantly rural with about 85 percent of its 160 million people. Mainly they depend on agriculture for livelihoods. It is estimated that rural poverty rates now stands at around 40 percent, and more than 25 percent of rural households live in extreme poverty. With this existing situation, chronically poor people, especially women suffer persistent food insecurity, own no cultivable land or assets, are often illiterate and may also suffer serious illnesses or disabilities. On the other hand, traditionally men consider 'heads of households', in charge of money investment in all sectors. But women stay at home and caring work is largely invisible, and they do not have the opportunity or support to realize their aspirations. When women (widows) are the heads of their households then they face discrimination more. In this context of poverty, the only option which is also a viable means to enhance the sustainable livelihoods of the rural communities is by addressing the needs of the most vulnerable women and men who are excluded from development assistance programmes for a number of economic, social, cultural and other reasons.

To address the above issues, NDP has been implementing micro finance programme since 1992 to empower women economically and socially and to create employment opportunities. NDP itself has commissioned the Study on microfinance in Sirajganj district of Bangladesh to identify the results and impacts of the member of NDP's Jagoron group. This report has made on primary data collected towards questionnaire survey. A number of issues has been found, I believe this study report would help us to design the potential interventions to promote women economic leadership and improve the livelihoods of poor women and men in the rural areas.

Further, I would like to give my thanks to microfinance colleagues who have given valuable time and provided insight information into the respective areas.

**Md. Alauddin Khan**

Executive Director

National Development Programme-NDP

## **Acknowledgement**

Study team would like to take the privilege to thank of NDP's microfinance staffs (area manager, branch managers, and field officers) and jagoron members under study areas at Sirajganj district. The team also acknowledges the support and cooperation of study areas other NGOs and all other local individuals, and thanks them for the valuable time and insight they provided in illuminating their respective perspectives and roles. Again thank to all the jagoron group leaders who provided crucial administrative and logistical support at every stage of administering the data collection in the field.

The team consists of Md. Alauddin Khan (Team Leader), Dr. ABM Shazzad Hossain (Technical Expert), Molla Abdullah Al Mehdi (Reporting and Data Analysis) and, last but not the least, a cordial team of study assistants.

## Acronyms

<b>ASA</b>	=	Association for Social Advancement
<b>BDT</b>	=	Bangladeshi Taka
<b>BRAC</b>	=	Building Resources across Communities
<b>BURO</b>	=	Basic Unit for Resources and Opportunities
<b>CDC</b>	=	Centers for Disease Control
<b>CDF</b>	=	Credit and Development Forum
<b>GUK</b>	=	Gana Unnayan Kendra
<b>IGA</b>	=	Income Generating Activities
<b>InM</b>	=	Institute of Microfinance
<b>MFI</b>	=	Microfinance Institution
<b>MRA</b>	=	Microcredit Regulatory Authority
<b>NDP</b>	=	National Development Programme
<b>NGO</b>	=	Non-Government Organization
<b>PKSF</b>	=	Palli Karma Sahayak Foundation
<b>SDF</b>	=	Social Development Foundation
<b>TMSS</b>	=	Thangamar Mohila Samobay Songtha

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## 1.0 Introduction

### 1.0.1 Background

NDP starts its business in 1992. Now it is 26 years organization. NDP has celebrated its silver jubilee in January 2017. NDP works for improving livelihoods and establish rights of the poor people thus contribute towards achieving National Development Goals. To achieve this goal NDP has 7 sectors and 9 departments. Micro-finance is one the major programme of them. Now it has 10 components to implement the programme. Total 85,456 members and 70,245 borrowers of 5,031 groups are in MFP. Loan outstanding is BDT 1,647,152,789, savings outstanding is BDT 440,283,234 and loan disbursement (principal amount) is BDT 2,924,111,000 in all components. Jagoron is the biggest component of NDP's micro-finance programme on the basis of members, borrowers and outstanding. In this regard, NDP commissioned a study of 8 micro-finance branches of 3 upazilas under Sirajganj district. This study addresses the impact, challenges, practices and livelihoods of jagoron members.

### 1.0.2 Objectives of the Study

The overall objective of the study is to produce a comprehensive document reflecting on the status of jagoron component. The report is also reflected on the evolution of micro-finance, sustainability of services, emerging issues and challenges. The specific objectives of this assignment are to:

1. Explore the nature of money use, terms and conditions of employment along the Jagoron component.
2. Identify constraints and opportunities in the Jagoron component in study areas.
3. Conduct socio-economic and household analysis at members' level.
4. Analysis to determine the different positions of men and women and issues reflected in the family.
5. Capture an overview of existing practices related to Jagoron component and provides analyses respective effectiveness.
6. Provide recommendations of practices, financial and social development.
7. Analyze the impact of financial and social change throughout the component.

### 1.0.3 Scope of the Study

The report focuses on some particular areas and branches of jagoron component of 3 upazila (Sirajganj Sadar, Kamarkhanda and Kazipur) of Sirajganj district. As such, the report does not necessarily reflect the overall Jagoron sector scenario in Bangladesh.

## 1.1 Methods and Methodology

The review is primarily based on secondary and published information. The major sources of information are published study reports and papers from reputable organizations such as Palli Karmo-Sohayak Foundation (PKSF), InM, Microcredit Regulatory Authority (MRA), Grameen Bank, BRAC etc. Limited number of interviews (72) has been conducted to develop a picture of the trends as well as challenges faced by the sector.

### 1.1.1 Reporting Area and Population

The target groups of this study are Jagoron component members in 8 branches of 3 upazila under Sirajganj district. Most of the members' of this component in study areas are economically marginalized, and live beneath poverty line. Some of the other members' -notably very few in numbers- are well off, and have hold of have access to a good deal of land and property. A total of 12,743 Jagoron members under 8 branches are included in study areas. The following table provides a breakdown of the number in June 2017 of Jagoron members' according to area basis:

**Table # 1 Branch wise Jagoron Member**

Branch Name	Upazila	Number of Member
Bagbari	Kamarkhanda	2,175
Katakhali	Kamarkhanda	1,256
ShialKol	Sirajganj Sadar	2,035
Shialkol	Sirajganj Sadar	2,035
Fulkocha	Sirajganj Sadar	1,660
Soydabad	Sirajganj Sadar	2,048
Masumpur	Sirajganj Sadar	1,369
Mesra	Kazipur	1,245
<b>Total</b>		<b>12,743</b>

### 1.1.2 Sample Designing

The sample population was constituted of directly related to the Jagoron Microfinance Members. The sample was designed following a random method. The area was selected to discuss with branch manager by considering older group (at least 5 years old of groups). Total 72 households' data have collected by one enumerator. The following table shows the details of sample distribution according to branch.

**Table # 2 Sampling Frame for Jagoron Members**

<b>District</b>	<b>Upazilla</b>	<b>Name of Branch</b>	<b># of Households</b>
Sirajganj	Kamarkhanda	Bagbari	9
Sirajganj	Kamarkhanda	Katakhali	8
Sirajganj	Sirajganj Sadar	Shialkol	9
Sirajganj	Sirajganj Sadar	Shialkol	8
Sirajganj	Sirajganj Sadar	Fulkocho	8
Sirajganj	Sirajganj Sadar	Soydabad	18
Sirajganj	Sirajganj Sadar	Masumpur	5
Sirajganj	Kazipur	Mesra	7
<b>Total</b>	<b>3</b>	<b>8</b>	<b>72</b>

### 1.1.3 Tools & Materials

Fixed question method has been applied during data collection. There were 20 fixed questions and many more related questions. Most of the answers were in numerical value. Descriptive answers have been converted into numerical value. To avoid major error, one enumerator collected the data and enumerator was also developed the questionnaire and prepared the report. 100% data have been collected directly to go to the households' resident. 95% data were provided by the beneficiaries directly or their husband or wife. And rest 5% data were provided by their youth son/daughter. Data can be error between 5%-10%.

### 1.1.4 Data Limitation

A major challenge faced during producing such a report was absence of comparable and up to date data sets. Credit and Development Forum (CDF) used to publish a consolidated report on the sector but the latest published report presents data of 2012. Microfinance institutions also do not follow same reporting dates: some follow financial year and others calendar year. Definitions also vary, e.g. 'microfinance' of one MF organization may be considered 'microcredit' in another MF organization. Again, some MF organizations had separate programs. Lack of time to collect data from the field was a big challenge. Information about outreach presented in this report should not be treated as exhaustive.



### **1.1.5 Data Collection and Analysis**

The report is articulated ex post facto based on the quantitative and qualitative data collected in the study. Mainly primary methods were used for data collection. The primary data was collected through surveying the aforesaid sample groups using the tools developed for this study. Survey methods included techniques of interviews and physical observations where need. The majority of the respondents of the surveys were chosen from village level and some were from the town for a basis of comparison through diversified data. The secondary data was sourced from publications and journals of various national organizations, such as the MFI, MRA, InM to capture a more comprehensive understanding of the scenario. The quantitative data was tabulated and analyzed using basic MS Excel formulae and programming. The qualitative data was subject to 'scaling' where required. The different types and number of IGA implementers are identified first, based on their respective roles relative to the product along the Jagoron Microfinance.

## **1.2 Challenges and Limitations**

First of all, this particular data collection was conducted for a very short time and during rainy season. As such, the accessibility to and availability of respondents were foremost challenges for the conduct of the survey and attainment of the results. Despite its successful completion, the accuracy of information collected is tainted by possibilities and instances of erroneous data streaming from a lack of cross-verification or data-validation, owing to time limitations.

Secondly, due to inconsistencies or lack of the respondents' written records or logs, in many cases, respondents tended to provide arbitrary answers particularly to historical questions (like previous years' income, price of their production over seasons, production volumes and other income) or generalized questions. In order to mitigate these inconsistencies, some series of clarifying questions were initiated to cross check vague responses, and some answers recorded may at times reflect generalizations or subjective judgment of the interviewers.

Finally, over the duration of the interview sessions, the attendance of the participants withered due to obligations on their farms, or other duties of their daily lives and livelihoods, and some ended up leaving the sessions or opting out over its course. However, to counter these inconsistencies as much as possible, the data has been cross-checked.

## 2.0 History of Microfinance in Bangladesh

The today use of the expression micro financing has its roots in the 1970s when organizations, such as Grameen Bank of Bangladesh with the microfinance pioneer where starting and shaping the modern industry of micro financing. At that time a new wave of microfinance initiatives introduced many new innovations into the sector. Many pioneering enterprises began experimenting with loaning to the underserved people. The main reason why microfinance is dated to the 1970s is that the programs could show that people can be relied on to repay their loans and that it's possible to provide financial services to poor people through market based enterprises without subsidy.

A study reveals that NGOs started credit program in mid-eighties and their activities increased noticeably higher after 1990 (CDF, 2000). With the increasing number of collateral free micro credit disbursement by MFIs have been encouraged to provide a considerable amount of their rural credit to the poor. However, the amount is much less compared to the deposit mobilization from the rural sector of the country.

All the non-government organizations are involved in micro-finance activity but they are not under the same regulatory authority / monitoring agency. Therefore, there is no single source of information about them till 2005. However Credit and Development Forum (CDF), who collects information of MF-NGOs.

Microfinance service is recognized as a tool to provide financial services to the unbanked people and continues to contribute toward enhancement of macroeconomic growth. Microfinance sector of Bangladesh is also influencing specially the rural financial system and contributing to the macro economy of the country. One of the most important departures has involved that shift from microcredit which refers especially small loans to microfinance. Microcredit was coined initially to institutions where focusing on getting loan to the very poor. The focus was especially on poverty reduction and social change. The push to "microfinance" comes with recognition that, households can be benefited from access to financial services more broadly and not just credit. In Microcredit Regulatory Authority Act 2006, section.2 (22), it is stated that "Microcredit" means loan facilities offered by microcredit organization certified under the Act for poverty alleviation, employment generation and facilitate a small entrepreneur and under the Act section no. 24(2) (a) microcredit institution shall have the authority to accept deposit from members of the institution. Infect the word microcredit has a historical meaning of credit, savings and other social services in Bangladesh. So, historically the word covers total microfinance services where main objective is to provide credit for poverty alleviation and employment generation.

### 3.0 Microfinance of NDP

NDP is currently operating 9 sectors of microfinance programme. They are Jagoron, Agrosor, Buniad, Sufolon, Sufolon-Kuwait Goodwill Fund (KGF), Income Generating Activities, Livelihood, Asset Creation, and Low Income Community Housing Support (LICHS). Among those NDP commissioned a study on Jagoron microfinance to identify changes of the Jagoron members economic and social status.

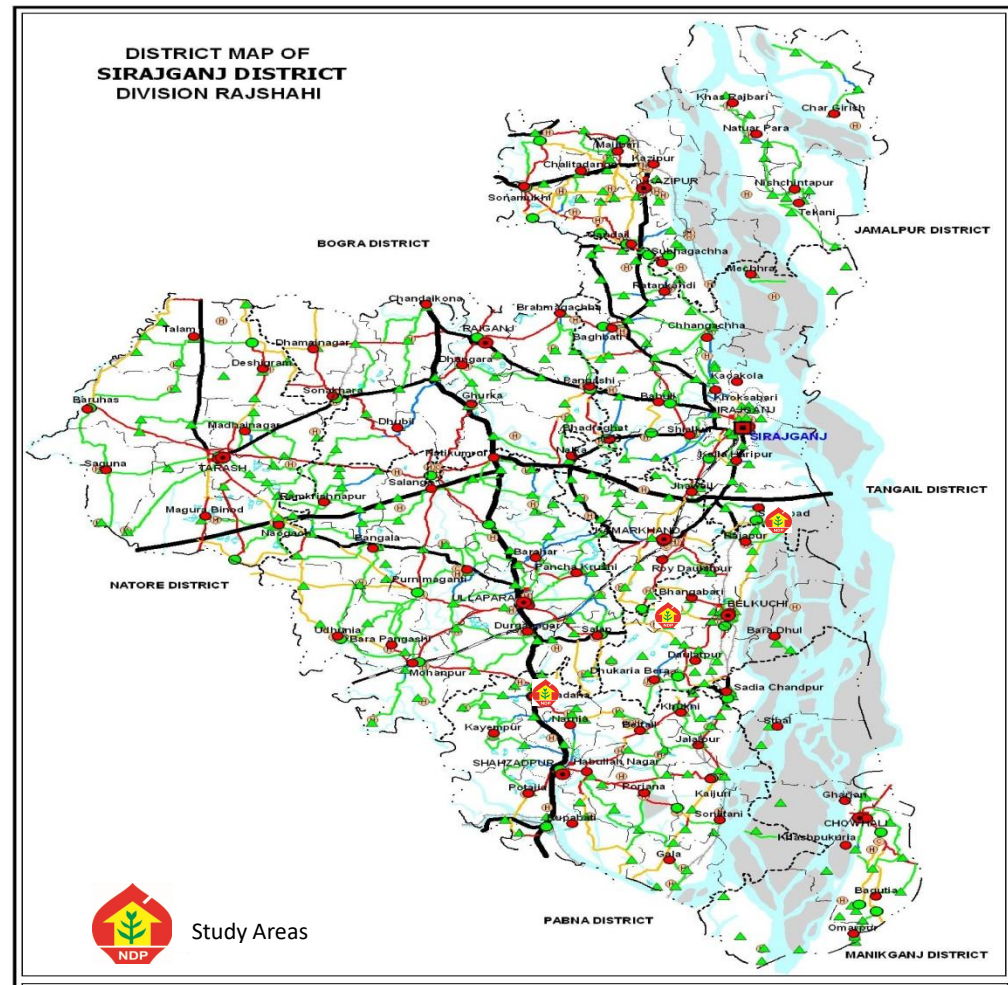
#### 3.1 NDP's Jagoron Sector Overview

##### 3.1.1 Objective of NDP's Jagoron

To increase income and improve livelihood of the poor households for rural and urban areas.

##### 3.1.3 Jagoron Members Status under Reporting Areas

A total 12,743 Jagoron members are in data collection areas of NDP's Microfinance Programme till June 2017. If NDP also works in Sirajganj, Pabna, Natore and Bogra districts but this report has been prepared only to collect data from 8 branches of Sirajganj district. There were 72 samples. These samples were selected those who are with NDP's at least 5 years. Some of the members are 20 years above.



## Criteria of Jagoron Members

The following characteristics people are generally included in Jagoron Activities:

1. Poor households in rural and urban areas.
2. Permanent poor residents and out of Pourashova.
3. Monthly family income is not above 5,000 taka.
4. Cultivable land is not above 1.5 acres.
5. Depend on hard labor for few times of year.

### 3.1.4 Jagoron Investment Sectors

The following IGAs are selected for Jagoron members:

1. Micro Enterprise
2. Agriculture (Field Crop, Cattle Rearing, Fish Cultivation, Duck-Chicken and Poultry Rearing etc)
3. Any kind of production activities
4. Other any legal financial activities

### 3.2 Households' and Business Analysis

The data had been collected to understand the main occupation of the Jagoron members. Present occupation has considered as their occupation. The below table shows the details occupation status of the members:

**Chart # 1 Current Occupation of the Jagoron Members**

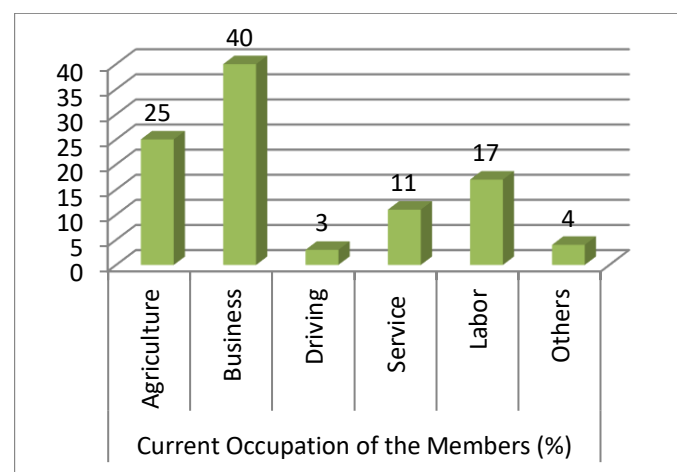
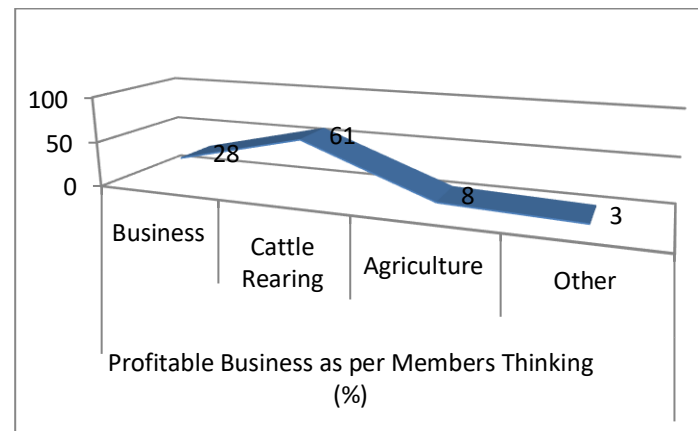


Chart 1 defines that highest occupation of the members are business and it is 40% and agriculture 25%. Rests of the 35% are driving, private service, labor and others. Agriculture means field crop, cattle rearing, poultry, fish cultivation, vegetable cultivation etc and business means shop business, vegetables business, fish business etc. Here service means private jobs and labor means those who earned daily basis. If the above mentioned table shown business is the highest occupation (40%) of them but 61% members thought that cattle rearing is the most profitable business. 28% members thought business is more profitable than any others. As researcher and enumerator, asked why do you think that cattle rearing is the most profitable business. 80% of them said that generally women involves in cattle rearing as extra works. So labor cost is zero and return is high.

### Chart # 2 Profitable Businesses as per Members Thinking

The chart 2 shows the details of profitable business as per members thinking. Data analysis expresses, 77 % members of Shialkol, Fulkocha and Shohor branches think that cattle rearing are the most profitable. Again, 71% members of Masumpur branch members think business is the most profitable business. It is very interesting that if we separate cattle rearing from agriculture, only 8% of the members think agriculture is more profitable than others. If we compare chart 1 and chart 2, we can see 61% thinks that cattle rearing is the most profitable but only 25%(including cattle rearing and field crops) occupations are agriculture.



### Chart # 3 Loan Invested Sectors by the Members'

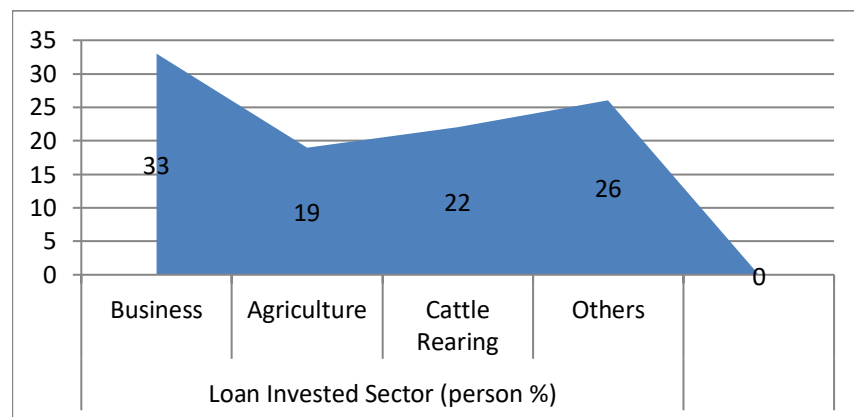
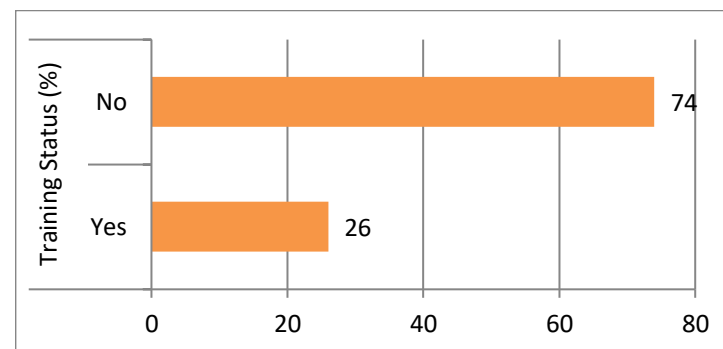


Chart 3 indicates that 33% members invested in business sector, 42% in agriculture (including field crop 20% and 22% in cattle rearing) and rest are in other sectors. This shows that, 25% members' occupation is agriculture (info from chart 1) and 69% members choose agriculture (including cattle rearing), especially cattle rearing (61%) but they invested their money to business or others due to lack of knowledge on cattle rearing.

#### Chart # 4 Training Received from NDP on IGA

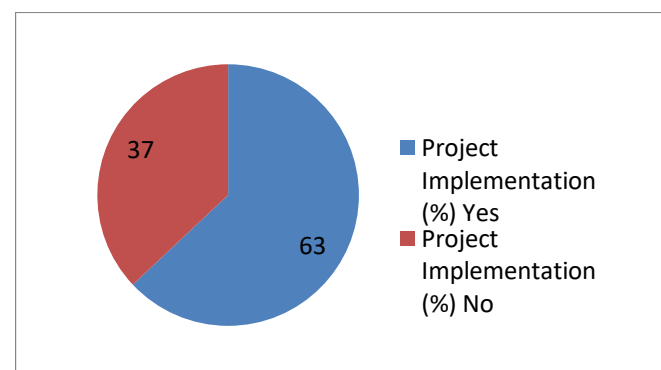
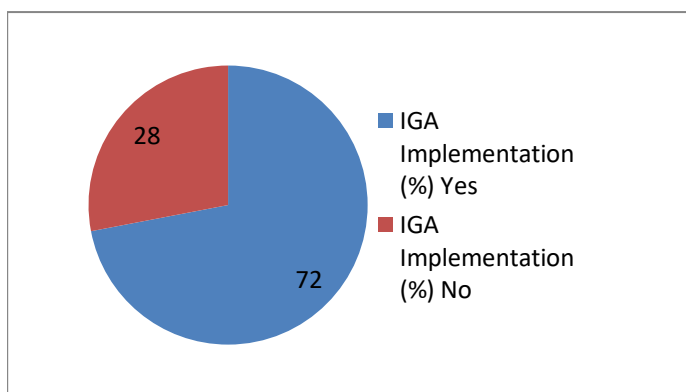
The other analysis states that only 26% of the members received Income Generating Activities (IGA) training and rest 74% did not receive any training but they are doing IGA. The chart 4 shows the details of the members' training status. Another analysis from data collection displays that only 7% members of Shohor, Masumpur and Soydabad branches received training from NDP. It indicates that, they have no proper knowledge on their IGA.



#### 3.2 Project and IGA Implementation Status 2017

According to NDP's Jagoron microfinance policy, all borrowers have to ensure their loan amount invest in IGA. But below chart 5 and 6 appearances that 63% of the members invested their money agreeing to loan contract and 72% of the members invested their money in IGA (including 63% of agreeing). Rest 28% did not implement any IGA. Here project means, member follows agreement 100%.

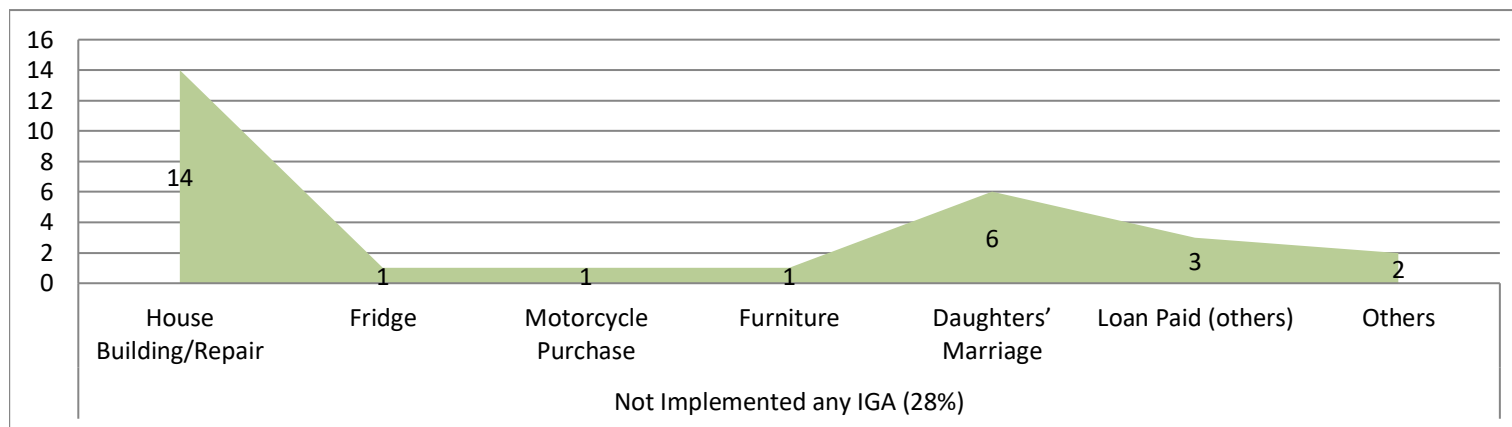
#### Chart # 5 & 6 Project Implementation and IGA Status



### 3.3.1 Other Sectors Invested by the Member

28% Jagoron members did not implement any IGA. They used the money for their personal expenses. Among this 28%, 50% members' were used in house repairing or building, 20% were used for daughters' marriage, and 10% were used in loan payment to other party. The below chart 7 describes the details.

**Chart # 7**



**Chart # 8 Loan Users' Status**

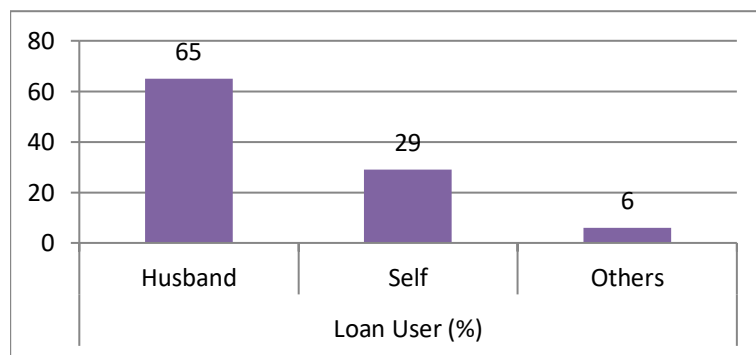


Chart 8 shows that 29% members used their money by self and 65% by their husband and rest 6% by others. It indicates that, 71% of the members invested their money either their husband or their relatives. Field data shows that 100% of the Jagoron members are women and they come to meeting in group or training but most of the cases, their husband use their money and take decision what will do? Only widow and divorced women can take their decision independently.

### 3.4 Loan Capacity Increase Status by the Members from Beginning to Present

**Table # 3 Loan Status**

Branch Name	# of Years as Member	Loan Increase from Starting to Present	
		Average Increase Amount (BDT)	Average Times
Fulkocha	13	35,000	2.60
Shohor	11	25,000	2.32
Mesra	7	13,000	1.80
Masumpur	11	25,000	2.81
Katakhali	10	16,000	1.59
Shialkol	10	18,000	1.67
Bagbari	14	8,000	0.47
Soydabad	9	18,000	2.41
<b>Total</b>	<b>11</b>	<b>20,000</b>	<b>1.98</b>

Table 3 displays that Jagoron average membership age with NDP is 11 years. It does not mean that all members are near to 11 but its range is from 5 to 21 years. By this time members' loan capacity increased in average BDT 20,000 and its range is BDT 8,000 to 35,000 i.e 1.98 times increased from the very beginning.

### 3.5 Financial Changes (Monthly-BDT)

Jagoron members' present average income is from 9,167 to 20,500 where their income was before receiving loan from 2,778 to 5,575. Their minimum average income increased 230% and maximum average income increased 268%.

**Table # 4 Income Status**

Branch Name	Present			Before Receiving Loan(10 years)			% Change of Income (Average)
	Min	Max	Avg	Min	Max	Avg.	
Fulkocha	5,000	25,000	13,033	2,200	3,300	2,778	369
Shohor	7,000	50,000	17,500	2,400	15,700	5,575	214
Mesra	6,000	20,000	11,967	1,900	6,400	2,911	311
Masumpur	5,000	35,000	20,500	2,200	9,000	4,575	348
Katakhali	7,000	20,000	12,500	2,300	3,600	2,975	320
Shialkol	4,000	15000	9,167	2,200	10,000	4,200	118
Bagbari	6,000	20,000	10,600	2,400	4,500	3,320	219
Soydabad	10,000	50,000	19,857	2,000	7,000	4,357	356
<b>Total</b>	<b>4,000</b>	<b>50,000</b>	<b>13,694</b>	<b>2,200</b>	<b>7,438</b>	<b>3,874</b>	<b>253</b>



Table 4 indicates that Jagoron members' income increased 253% compare to before receiving loan. It was just BDT 3,874 and increased to BDT 13,694 by 11 years. In figure their income increased is BDT 9,820. It is very positive sign of them. But on the other hand their expenses also have increased. The next description calls the details of their monthly expenses.

### 3.5.1 Expenses Capacity-Monthly (BDT)

These data have been collected to talk with Jagoron members directly. 5%-10% data may have error due to they had no any records or logs. Besides this, data almost were accurate because of cross checking with their income, expense, savings and assets. The following table and chart show the details of Jagoron members' monthly expense capacity which present their financial capacity:

**Table # 5 and Chart # 9 Expense Status**

Branch Name	Before Getting Loan	Present	Change (Increase %)
Fulkocha	2,778	8,889	214
Shohor	5,575	14,113	172
Mesra	2,911	7,544	155
Masumpur	4,575	14,200	224
Katakhali	2,975	11,188	283
Shialkol	4,200	6,583	79
Bagbari	3,320	8,600	159
Soydabad	4,357	13,286	232
<b>Total</b>	<b>3,874</b>	<b>9,978</b>	<b>175</b>

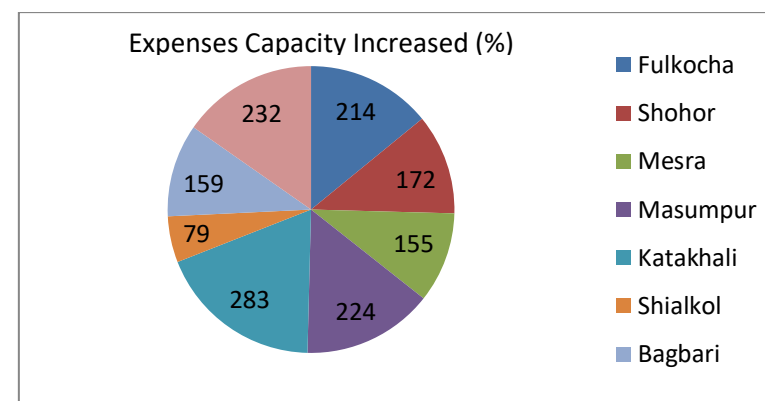


Table 5 and chart 9 terms the average monthly expenses capacity increased from before receiving loan to present. During the membership with NDP's, their expenses have increased in BDT 6,104 or 175%. On the other hand their incomes have increased 253% or 78% more than expenses. Note that, the member assets have increased 40% from the beginning to present. If we calculate their incomes and expenses, we can see that (income increased 253%-expense increase 175%) 38% of their incomes are spent with no records (like gift, ceremony, stolen etc.).

### 3.6 Assets Changes (Converted into BDT)

These data calculated manually. All assets (house, furniture, cattle, land and others) counted individually of the Jagoron members' according to present market rate. Here were some fixed questions for collecting data. Members changes were not only for the benefits of Jagoron facilities but also (+-) 10% changes made by others. The below table shows the members changes from before getting loan:

**Table # 6 Asset Status (Average Market Rate of a Borrower)**

Branch Name	Before Getting Loan	Present	Change (%)
Fulkocha	8,96,056	15,21,200	70
Shohor	25,57,500	28,24,438	10
Mesra	5,22,356	6,46,844	24
Masumpur	16,44,875	24,77,125	51
Katakhali	11,49,525	13,43,500	17
Shialkol	2,89,733	5,84,556	102
Bagbari	7,23,100	9,19,600	27
Soydabad	2,68,571	7,05,714	163
<b>Total</b>	<b>9,20,717</b>	<b>12,87,957</b>	<b>40</b>

Table 6 appearances that average assets of the Jagoron members before getting loan was BDT 9,20,000 and present assets are BDT 12,87,957. Changes are BDT 3,67,240 or 40% from before getting loan to present.

### 3.7 Social Practices

**Table # 7 Education Scenario**

Branch Name	TF	TM	AMF	Literate				Below Class V/ Class V				Below SSC/SSC				Above SSC			
				S	H	Son	D	S	H	Son	D	S	H	Son	D	S	H	Son	D
Fulkocha	9	29	3.2	2	4	2	0	2	3	2	1	3	1	4	1	1	0	1	2
Shohor	8	29	3.6	5	4	0	1	1	1	2	1	2	1	4	2	0	1	1	3
Mesra	9	31	3.4	5	3	1	0	2	3	3	5	2	3	2	0	0	0	1	1
Masumpur	8	24	3.0	3	0	0	1	2	1	2	1	3	3	2	1	0	1	2	2
Katakhali	8	27	3.4	2	0	1	0	4	1	5	0	2	3	1	5	0	1	2	0
Shialkol	18	68	3.8	8	9	1	1	8	4	11	7	2	4	6	7	0	0	0	0
Bagbari	5	20	4.0	2	1	1	0	1	1	2	1	1	1	1	1	2	1	1	3
Soydabad	7	28	4.0	2	3	0	0	4	3	1	0	1	1	5	5	0	0	2	1
<b>Total</b>	<b>72</b>	<b>256</b>	<b>3.56</b>	<b>29</b>	<b>24</b>	<b>6</b>	<b>3</b>	<b>24</b>	<b>17</b>	<b>28</b>	<b>16</b>	<b>16</b>	<b>17</b>	<b>25</b>	<b>22</b>	<b>3</b>	<b>4</b>	<b>10</b>	<b>12</b>

TF=Total Families, TM=Total Members, AMF=Average Members per Family, S=Self, H=Husband, D=Daughter

Table 7 pronounces that an average family member is 3.56. Total children of their family are 122. Out of this 122, 97 are married. 18% children education is above SSC, 39 % is either SSC or below SSC but above class V, 36% is class V or below and rest 7% are only literate. On the other hand, only 5 of the Jagoron members were educated above SSC.

### 3.7.1 Marriage & Dowry Status

The study focuses on the present scenario of early marriage in Jagoron Microfinance areas of Sirajganj district and also examines the factors that are associated with early marriage. This data includes face to face interview of 72 Jagoron Members. Logistic regression analysis was applied to find out the most significant factors of early marriage. It was found that respondent's education, husband's education, place of residence and respondent's work status have the significant effect on early marriage. Besides this, dowry is also a harmful practice. Dowry demands—in addition to exacting an intolerable financial toll on poor households—have in extreme cases led to gruesome crimes on women whose families could not meet escalating dowry costs. The Bangladesh penal code includes many sanctions against harmful marriage practices: The Child Marriage Restraint Act dates back to 1921; dowry payments were first banned in 1980, and sanctions were further strengthened in 1985. Men who ask for dowry at marriage can face fines and imprisonment. Yet because both age at marriage and dowry are related to competitive processes in the marriage market, the brute force approach of legal bans and sanctions has not proven sufficient to curtail these harmful practices. The current legal age at marriage in the country is 18 for women and 21 for men, yet age restrictions are difficult to enforce because Bangladesh lacks an official birth registration system that could be used to verify age. The following table and chart show the marriage and dowry status in Jagoron Microfinance members:

**Table # 8 and Chart # 10 Marriage and Dowry Status**

Branch Name	Total Marriage			Child Marriage			% of Child Marriage	# of Marriage with Dowry
	Boys	Girls	Total	Boys	Girls	Total		
Fulkocha	3	6	9	2	4	6	67	6
Shohor	8	13	21	4	9	13	62	16
Mesra	8	6	14	3	5	8	57	14
Masumpur	6	7	13	4	5	9	69	13
Katakhali	1	2	3	1	2	3	100	3
Shialkol	11	14	25	8	11	19	76	26
Bagbari	0	5	5	0	4	4	80	5
Soydabad	3	4	7	3	4	7	100	7
<b>Total</b>	<b>40</b>	<b>57</b>	<b>97</b>	<b>25</b>	<b>44</b>	<b>69</b>	<b>71</b>	<b>90</b>

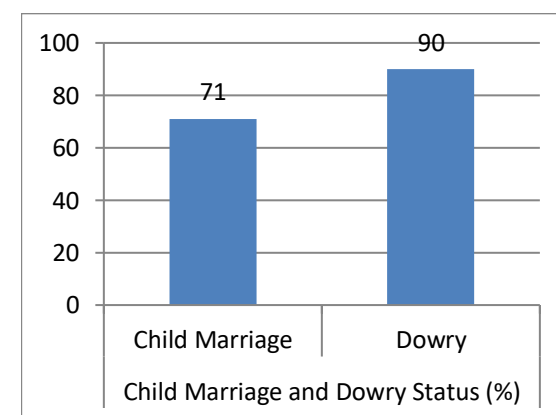


Table 8 and chart 10 display that about 90% marriage held by giving dowry and child marriage held about 71%. The ratio of the child marriage between girls and boys were 66:34. Again the table describes that about 63% boys were married before 21 years and about 77% girls were married before 18 years. These child marriages held mainly for financial problem, social awareness, lack of education of children and parents' education and weak age verification system etc. On the other hand, 90% of the marriages have been held by exchanging dowry.

### 3.8 Services

#### Health Service

Jagoron members get health and training service without any cost where those services are available. In data collection areas Besides they get awareness on sanitation and safe water. The following table 9 shows the details of service/training received from NDP:

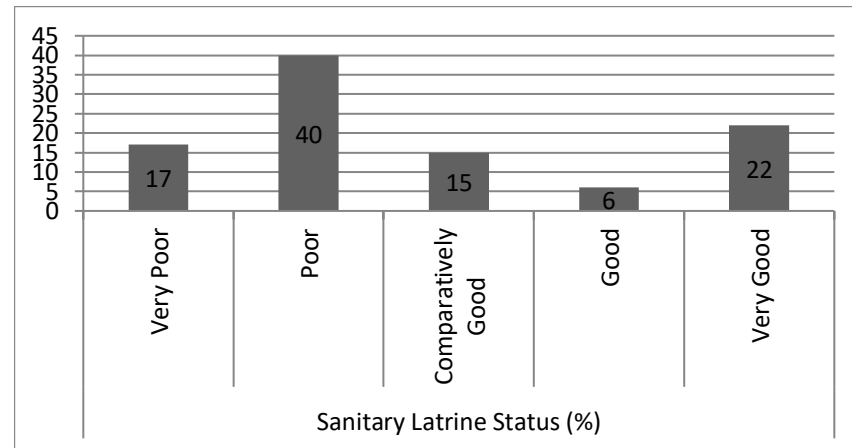
**Table # 9 Health Service**

Branch Name	Health Service Received From NDP		
	Yes	No	Total
Fulkocho	7	2	9
Shohor	0	8	8
Mesra	6	3	9
Masumpur	0	8	8
Katakhali	8	0	8
Shialkol	0	18	18
Bagbari	3	2	5
Soydabad	0	7	7
<b>Total</b>	<b>24</b>	<b>48</b>	<b>72</b>

The above table 9 indicates that about 33% of the members got health service and rest 67% did not get any service. Here health service included primary health care or NDP provided services. Note that, under health service coverage areas almost 77% members got health service and about 23% did not get any service.

### Chart # 11 Sanitary Latrine Statuses

Chart 11 defines that only 22% members used good latrine, 6% used a little good latrine and rest 72% members used very poor latrine. But it was very happy news from another analysis that 99% members used tube well water. If also, most of these tube wells were not tested by the respective department. It seemed from the field that latrine establishment was not only depending on finance but also they were not aware of about the merits of good latrine.



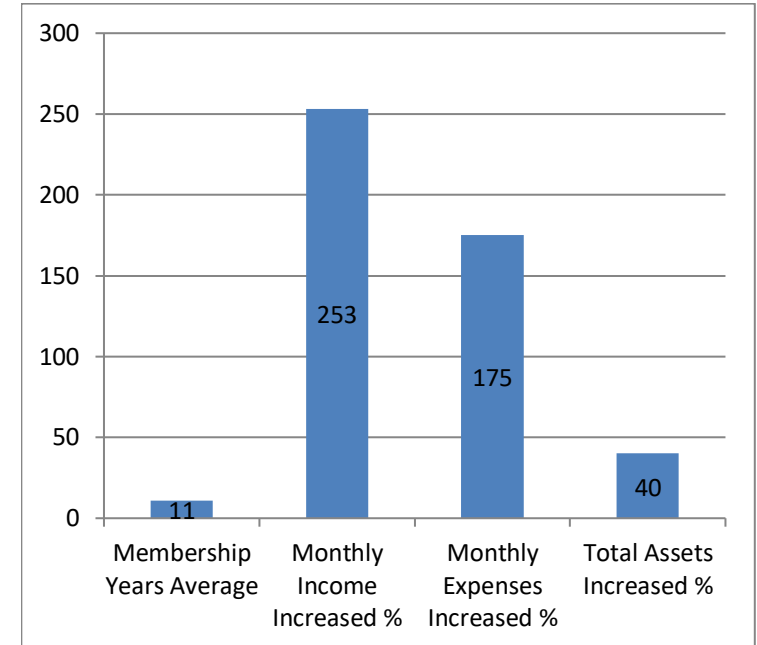
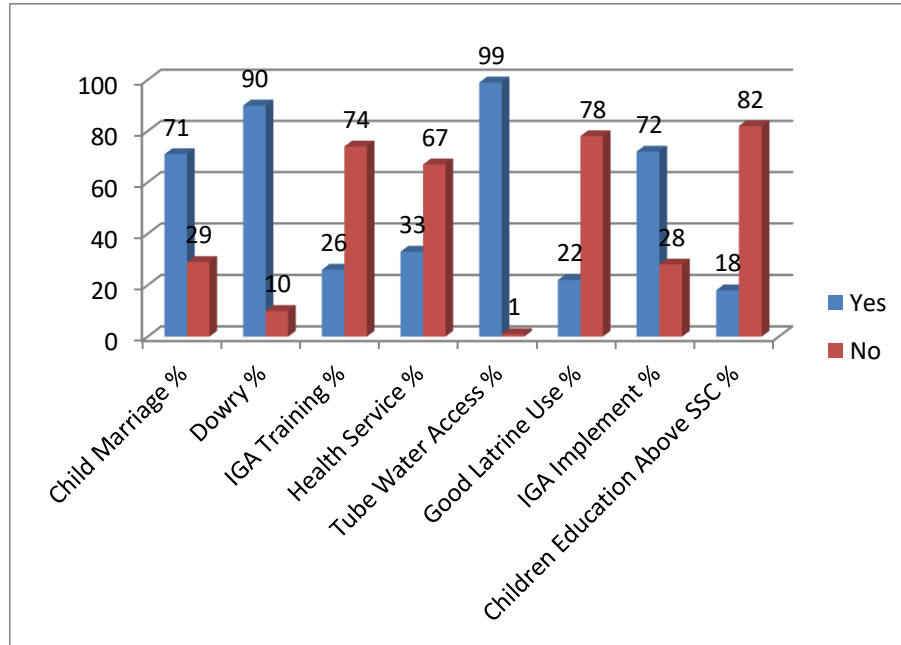
### 4.0 Effect and Impact

This report compiles only 72 Jagoron members in 8 branches under Sirajganj district. This report is not the full scenario of NDP's Jagoron microfinance but it has to say more or less 90% is similar to compare all other branches of MFP due to others branches members are also implemented their project NDP's same rules. The average membership years with NDP are 11. It does not mean that all of them are with NDP at a time 11 years. Some members were cut off membership from NDP and readmitted. Their income increased average 253%, if their expense also increased average 175%. Their assets increased average 40%. Due to income increased, their expenses capacity also increased for coping up with society as well as they tried to enhance their social status. On the other hand, child marriage (71%) and dowry (90%) indicate very dangerous signal.

### Key Findings

1. Average membership of the borrowers with NDP is 11 years and 30% of whom are more than 15 years.
2. Field data shows that average loan size of the borrower is BDT 21,000
3. It is found that 66% members have used the loan in the specific IGA according to project agreement and 6% utilized on other IGAs, whereas 28% did not implement any IGA and they invested the loan to others like house making, daughters' marriage, etc.
4. Members' income increased from membership with NDP to present is on an average 253%, i.e 23% per year
5. Members' expense increased from membership with NDP to present is on average 175%, i.e 16% per year
6. Members' asset increased from membership with NDP to present in total 40%
7. It is observed that only 26% members have received IGA training from NDP any training over the time and 74% did not get training since they became with NDP.
8. It is found that 99% members use tube well water in members
9. Field observation is that child marriage rate is 71% among the members
10. It is observed that till now dowry rate is very high in the borrowers and it is 90%
11. In members, poor latrine rate is too high and it is 78%
12. It is found that 26% members' and 29% of their husband are SSC or above
13. Observed that 29% of the borrowers use their loan by self. Note that out this 29%, 14 are either divorced or widow
14. Found that 33% members got health service from NDP but 67 did not received the service
15. In Jagoron members, 61% choose cattle rearing but implemented only 22%

**Chart # 12 & 13 At a Glance of Key Findings**



#### 4.0 Recommendations

1. Have to ensure 100% project implementation field officers can put signature and write short comments on their pass book during visit.
2. Have to ensure actual loan users. Sometimes borrowers given their money to relatives.
3. Loan distribution should be Jagoron rules, such as some Jagoron members got loan against house, furniture etc.
4. To arrange awareness program on health, education, sanitation, child marriage and dowry and its merits-demerits.
5. Provide and ensure capacity building training on cattle rearing management among the interested members to enhance their income and loan security.