

# **An Evaluation of Rural Social Service Programme of the Government of Bangladesh**

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# Outline of the presentation

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# Introduction

- **The rural social service programme, which has been implementing since 1974, is based on the principle of holistic approach to development.**
- **For inclusive growth and faster alleviation of poverty, programmes like rural social service are very important.**
- **From 1974 to January 2017, 24,40,000 persons or households across the country received RSS loan suggesting 119 beneficiaries per year per upazila.**



## Features of Rural Social Services (RSS) programme

- A pilot scheme was established in 19 rural upazilas of 19 districts in 1974, which is now being implemented in 28,658 villages of 485 upazilas (out of 491 upazilas as of January 2017) of the country.
- The RSS programme is designed for the vast majority of by-passed groups to organize them and to build their capacity to fight against poverty by
  - creating self-employment and increase income by giving interest free micro-credit, motivation on savings and income generating activities.
  - providing informal education on health, nutrition, mother and child care, sanitation, use of safe drinking water, motivation on family planning, social afforestation, literacy etc. for the improvement of the living standard of the people.



## Who are the beneficiary?

- An indigent person, whose family is categorized as 'A' (annual income of Tk. 50,000 or less) or 'B' having annual average income below Tk. 60,000, is entitled to receive interest-free loan and other services.
- A person, whose family falls into 'C' category having annual average income above Tk. 60,000, is entitled to receive other services.
- A working group (*Karmadal*) is formed with all selected households through a consultative process.
- There would be 10 *Karmadal* with a woman *Karmadal* in a target village. Each group of both women and men consists of 10-20 members.
- The size of the loan varies between Tk. 5,000 to Tk. 30,000, which is payable within a year in 12 monthly installments. The rate of service charge on loan is 10%.



## Objectives

- **The current study undertakes an evaluation of the rural social service programme with following two major objectives:**
- **Reviewing the modus operandi of the programme by assessing the different players involved in the implementation at different stages.**
- **Evaluate whether the programme has been contributing to the improvement of the economic and social lives of the rural people, if yes, to what extent?**



# Methodology

- The study has made use of both primary and secondary information plus qualitative and quantitative data.
- Quantitative primary data are collected from randomly selected 1,008 beneficiary and 504 non-beneficiary households through structured questionnaire.
- Respondents are selected from 21 Upazilas of 21 Districts, where 3 districts are selected from 7 Divisions.
- Qualitative information are collected through 84 Key Informant Interviews (4 in each Upazila) and 42 FGDs (2 in each Upazila) of the programme related stakeholders.



## Analytical techniques

- One of the popular impact evaluation techniques PSM is applied to analyze the outcome of RSS micro-credit interventions. At the initial stage, a logit model is used to estimate the propensity score of programme participation.
- Then, the balancing properties are checked to ensure the identical distribution of propensity scores across the programme and non-programme participants. Control variables that do not satisfy this test were either dropped or replaced with other variables.
- Last, the quality of the matching would be improved by employing the common support technique following Heckman, Ichimura and Todd (1997, 1998).
- The impact of the micro-credit programme is estimated as the average difference in the outcomes of programme participants and the non-programme households from the matched sample based on Kernel matching employing the normal density function.



## **Socio-economic and demographic profile**

- The household size is about 4.8 for the programme and 4.58 for the non-programme respondents.
- 73.51% respondents covered by the programme are marginal land holders and 84.52% respondents from non-programme groups are marginal land holders (less than 0.5 acres of land).
- Average annual nominal per-capita income is almost the same between both the programme and non-programme groups (Tk. 3,814 for programme and Tk. 3,397 for non-programme).
- Both programme and non-programme group HHs are comparable in terms of the occupation of the HH head (major occupations: self employment in non-farm and farm sector, wage employment)



## Programme coverage

- In terms of Union, the programme coverage is almost universal (98.65%); out of 222 Unions of 21 Upazilas 219 are reportedly covered so far.
- In terms of villages, the coverage seems relatively poor; only 42 % of the villages are covered so far (out of 3,641 villages those covered so far are 1,522).
- Nearly three-fourth of the loan recipients received a loan less than Tk. 15,000 and remaining one-fourth received Tk. 15,000 or more with 6 percent receiving Tk. 25,000 or more.
- Average size of loan is found Tk. 11,273 during 2011-17.



## Utilization and repayment of RSS loan

- **Largest majority (46%) established ‘tea shop, other small shops or small businesses’, etc. using RSS loan. Their second preferred economic activity is ‘cow/goat rearing’ (24%) followed by ‘vegetable gardening and/or small scale agricultural activities.’**
- **90 percent loan recipients utilized the loan in activities for which they sought and availed it.**
- **More than three fourth (77%) paid back the RSS loan as per schedule. Around one fourth failed in this regard.**



## **Additional fund used for RSS activities**

- **More than half of the RSS loan recipients (56%) invested some additional fund for their economic activities and such external fund amounted on average Tk. 27,047.**
- **A common source of obtaining this additional fund has been the personal one viz., their own savings and/or own profit earned from other economic activities.**
- **Almost all the loan recipients (more than 95%) are found not satisfied with the present size of the loan.**



## **PSM Result**

- The programme participant monthly household income is significantly higher than that of non-programme households (Tk. 17,734 vs. Tk. 15,935).**
- The programme participant monthly household expenditure is also significantly higher than that of non-programme households (Tk. 16,081 vs. Tk. 14,007).**
- The programme participants have significantly higher non-food expenditure than that of non-programme participants.**
- The programme participants average savings is significantly higher than that of non-programme households (Tk. 9,289 vs. Tk. 7,359).**



## **Findings on non-loan aspects of the programme**

- 7.24% programme respondents and 2.78% non-programme respondents received any IGA related organized training.**
- 34.51% programme respondents and 4% non-programme respondents attended informal group discussion on IGA .**
- The programme participants in some of these matters (i.e. women empowerment, violence against women, child care etc.) are marginally ahead, and visibly ahead for parental care and restricted early marriage.**



## Perception on positive changes over the past 5 years

Various aspects	RSS loan Recipients	Non-prog. Respondents
Household Food situation	87.20	74.60
Earning situation in the household	86.61	72.82
Healthcare of the h'hold members	77.58	60.12
Education of the children in the h'hold	88.95	74.41
Quality of Living House	75.20	69.77
Cleanliness of homestead area	79.96	72.89
Following health and hygiene practices	77.18	64.88
Use of Iodized Salt in the h'hold	68.15	60.51
Awareness about dignity of self and members	71.43	52.77
Showing respect to women in the h'hold	68.45	46.0

\*The figures are reported in percentage form.



## **Policy recommendations**

- **The amount of loan distributed to rural people by RSS programme is deemed not sufficient almost by all these days to run most of the economic activities, it needs to be increased.**
- **Government allocation for RSS programme should be enhanced to increase coverage of the programme in terms of number of loan recipient.**
- **At present, RSS loan distribution in majority cases avoid poor people to ensure utilization of loan and loan repayment. Hence, some ways to be found out to serve the poor and very poor meaningfully.**
- **Distribution of loan should be made more rule based instead of patronization based.**



## **Policy recommendations (contd.)**

- Currently one Union Social Worker looks after on average 2.5 Unions. As learnt, it will be better if one Union Social Worker is given charge of at most, one union only. DSS implements more than 10 programmes at local level and for implementing all of them they are the major players.**
- The travel allowance for Union Social Worker who needs to move around a lot for implementing all DSS programmes should be increased.**
- Qualifications and position of the 'Karigori Proshikhak' need revision to correspond to the job description of them.**
- Developing skills of rural people to transform them into manpower and other awareness raising activities of RSS programme particularly those having a gender dimension should receive more attention and efforts.**

# Thank You



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