

Improving Livelihoods of Rural School Dropouts Undertaking Small Entrepreneurship

M.I.K. Chowdhury¹, L. Mozumdar², M.W. Rahman³ and K.S. Farid⁴

Abstract

The study assesses the participation of dropout rural youth in different income generating activities and its impact on their socioeconomic development. It analyzes the contribution of small agricultural enterprises owned and operated by rural dropout youth in two selected villages of Dimla upazila under Nilphamari district of Bangladesh. Study finds the rate of under taking agricultural entrepreneurship by dropout youth was comparatively lower than agricultural labour and other services. The youths who involved agricultural entrepreneurship were able to increase their income and improve their livelihoods significantly. Average change in household income was 101 percent and household assets' value was increased by 211 per cent after involvement with different small enterprises. Results also show significant development in using different life sustaining articles by the entrepreneurs. There was 138 percent increase in working-days, which indicates self employment opportunities of rural youth. Participation of the rural dropout youth to small enterprises contributed significantly towards their socioeconomic development in general and reduced the poverty gap in particular. It is suggested to have coordinated and integrated efforts from government and development organization for developing and implementing an effective youth development programme.

Keywords: *Livelihoods, school dropout, entrepreneurship.*

Introduction

The global youth population is about 1.5 billion in which 1.3 billion reside in developing countries (Global Youth Microfinance Conference, 2008). About 150 million people live in Bangladesh in which 44 million youths (15-29 years old). Roughly half of them belong to less landed rural families and hardly have any employment opportunity to develop skill and access to educational facilities. They could not complete their education though there is a lot of initiatives (money for education, food for education, mid day meal etc.) have taken by the government, development partners and NGOs. Besides improving the situation, dropout increased from 33 to 47 percent during 2002 to 2006 and enrollment rate also decreased from 97

to 93 percent during 2002 to 2005 (IRIN, 2007). The dropout rate is higher in case of secondary school level education.

It is regarded that dropout youth demonstrated as a positive force as development catalyst and social transformation by mobilizing their own resources (human capital). According to United Nations (UN) organizations young people share a desire to harness the energies to become a dynamic force in the struggle to eliminate poverty, hunger, illiteracy and disease. Realizing the importance the Department of Youth Development (DYD) under the Ministry of Youth and Sports has taken several initiatives to incorporate youths as a development force. DYD have expanded its training and credit support to

¹Former MS student, ²Lecturer, ^{3&4}Assistant Professor, respectively, Dept. of Rural Sociology, Bangladesh Agricultural University, Mymensingh.

470 *upazilas* but there is lack of special programme for the dropout youth. Nongovernmental Organizations (NGOs) likewise government has yet not taken any initiative to address the rural youth as a potential client group. As a result, employment generations for the vast segment young have hardly been a success (Mia, 2002). The problems and frequent unemployment among the youth reflect disjointedness of a society. Youth bear the main brunt of economic crisis of unemployment (Huq, 1995). In fact, the ill situation of dropout youth is being aggravated day by day. The ineffective policy supports might be forced them to be

idle, inactive, frustrated, addicted and burden for the households as well as for the nation.

Foregoing discussion reveals that there is an urgent need of holistic approach to make the dropout rural youth employable and proper documentation at national and regional level. So far, very few systematic empirical study has been conducted on dropout youth development in rural Bangladesh. Therefore, present study attempts to provide some insights into promising practices of small agricultural entrepreneurship by the rural dropout youth in improving livelihood and socio-economic condition.

Methodology

A preliminary survey was conducted in six enterprises namely livestock and poultry, nursery, fish farming, homestead gardening, horticultural and stock business under Dimla upazila of Nilphamari district. On the basis of preliminary information, two villages West Satnai and East Satnai were selected for empirical investigation. The selected villages are agricultural based like wise other part of Bangladesh. The study included dropout rural youths between 15 to 30 years old. Two government primary schools and one secondary high school were purposively selected to identify the dropout youths during the period 2000 to 2008. The dropout youths were identified from the official documents of the selected schools. The dropout rate was categorized in three phases as Phase I (2000-2002); Phase II (2003-2005) and Phase III (2006-2008).

Total 1669 rural dropout youths were identified among three phases. Total 150 dropout rural youths were selected consisting 50 from each phase applying simple random sampling technique. The overall information was collected from 150 dropout youths in which 30 had taken small agricultural entrepreneurship in their self employment. Data were collected during February to March 2009 applying pre-tested interview schedule. The impacts of different enterprises were examined by making 'before' and 'after' comparison. Data were presented mostly in the tabular form, because it is simple in calculation, widely used and easy to understand. Some statistical measures like average, percentage and ratios were adopted to arrive at expected findings.

Findings and Discussion

Trends in Dropout of Rural Youth

Education is made compulsory for all up to primary level by the government of

Bangladesh and it is free of cost. To encourage the students for education special scholarship package is offered. "Food for

education” programme is one of the most promising programme undertaken by the government to popularizing student to study. On the other hand, education up to higher secondary level is made free for female and compensatory scholarship packages are offered to them up to this level. Thus dropout rate is decreasing overtime though it is not satisfactory level.

Table 1 Percentage of dropout rates in different years in the study area

Phases	Primary (%)	Secondary (%)	Total (%)
Phase I (2000-2002)	24.77	30.76	27.56
Phase II (2003-2005)	17.19	27.83	22.09
Phase III (2006-2008)	11.28	19.62	15.24

The information of the Table 1 reveals that the dropout rate in primary and secondary level was highest (about 25 and 31 % respectively) in phase I. Then dropout rate

gradually decreased over time in the study area. In phase III, it was about 15 percent considering both levels and it was lower at primary level than secondary level.

Agricultural Entrepreneurship and Dropout Rural Youth

Following Table 2 shows that the rate of under taking agricultural entrepreneurship was highest (26 percent) by the dropout rural youths who were dropped out in year 2000-2002. The rate of under taking agricultural entrepreneurship by dropout youth was 22 and 12 percent in the in next two phases (Phase II and III) respectively. On the other hand, the rate of under taking agricultural labour depicted highest in every phase. The percentage of taking agricultural labour was 54 percent followed by 26 percent in non-agricultural activities and 20 percent in agricultural entrepreneurship respectively (Table 2).

Table 2 Percentage of dropout youth undertaking different entrepreneurship

Year	Dropout rural youth (No.)	Percentage of dropout youth		
		Agricultural entrepreneurship	Agricultural labour	Non agricultural activities
2000-2002	50	26.00	64.00	10.00
2003-2005	50	22.00	52.00	26.00
2006-2008	50	12.00	46.00	42.00
Total	150	20.00	54.00	26.00

Socio-economic Profile of Rural Dropout Youth and Their Households

Following Table 3 presents the socio-economic characteristics of the sample. Age of the respondents ranged from 15 to 30 years. Table 3 reveals that highest proportion (36 %) of the dropout youth belonged to 19-22 years and the lowest (14 %) belonged to 27-30 years. The level of education of the respondent ranged from

class one to S.S.C. level. It is evident from the Table that the education level of most of the respondents was from class VI- X (54 %) category. About 31 percent of the respondents belonged to S.S.C. level and only 15 percent belonged to primary level education. Among six enterprises the entrepreneur of nursery belonged to 100 percent in S. S. C. level which was the highest.

Table 3 Socio-economic profile of rural youth

Socio-economic profile	Type of enterprises						
	Livestock & poultry (%)	Nursery (%)	Fish farming (%)	Vegetable gardening (%)	Horticulture (%)	Stock business (%)	All (%)
Age							
15-18	11	33	0	0	33	14	15
19-22	11	67	0	50	33	57	36
23-26	45	0	67	50	34	14	35
27-30	33	0	33	0	0	15	14
Education level							
I-V	11	0	33	50	0	0	15
VI-X	67	0	33	50	100	71	54
SSC	22	100	34	0	0	29	31
Family composition							
Family size (no.)	5.6	5	5.33	4.67	6.00	5.57	5.36
Male	55	60	59	66	57	56	58.8
Female	45	40	41	33	43	44	41.2
Earning member	44.64	40.00	41.28	44.97	33.34	39.50	40.6
Dependent	55.36	60.00	58.72	55.03	66.66	60.50	59.4
Landholding (Decimal)							
Homestead	4.5	3.1	3.3	2.0	3.3	3.4	3.26
Cultivated	132	166	216	210	123	180	171
Annual income (Taka)	62444	24333	40500	21000	34000	58571	34475

The average family size for all respondents was found 5.36. The average earning members was found 40.6 % and it was highest (about 45 %) for vegetables gardening and the lowest was about 33 % among horticultural enterprises. Land holding of the respondent households were classified into the categories of homestead land and own land. Average homestead land holding of the respondent family was 3.26 decimal and the cultivated land was 171 decimal (Table 3). Own income is the key to the economic empowerment. By establishing different enterprises rural dropout youth can earn and raise their income level for economic solvency.

Average yearly income from enterprise was Tk. 34475. The highest income-earning sector was livestock and poultry enterprise (Table 3). This sector was very gainful and suitable to the youth entrepreneurs.

Contribution of Agricultural Enterprises on Household Income

The family income of a respondent was measured on the basis of his and other family members' total yearly earnings from agriculture and other sources. Table 4 depicts that the major portion (57 %) of family income generated from selected enterprise and it was highest (67 %) from livestock raising category.

Table 4 Contribution of selected enterprises in annual household income

Name of the enterprise	Annual household income (Tk)	Annual income of enterprises (Tk.)	Share of enterprises to household income (%)
Livestock raising	93000	62444	67
Nursery	51333	24333	47
Fish farming	81500	40500	50
Horticultural	47000	21000	45
Homestead gardening	51333	34000	66
Stock business	97143	58571	60
All average	70218	40141	57

Socio-economic Changes

Table 5 shows the socio-economic changes of the entrepreneurs' household. It is revealed that overall income increased by 101 percent after being involved with different enterprises. Maximum (152%) income change was evident for stock business and minimum (52.47%) was for horticultural activities. Savings are seen as particularly important at the time of crises and when sum of money are required in short notice. Average yearly savings was 71 percent and 29 percent for Bank and NGOs

respectively. They received loan from national and local NGOs. The highest 30 percent of the livestock raisers received loan from NGOs (Table 5). Training experiences can play a vital role for rural dropout youths towards participating in income generating activities. About 47 percent respondents received training related to their enterprises. Majority (78%) of the livestock and poultry entrepreneurs got training whereas vegetable gardening entrepreneurs did not receive any training.

Table 5 Socio-economic change of the entrepreneurs' household

Indicators	Type of enterprises						
	Livestock raising	Nursery	Fish farming	Vegetable gardening	Horticultural	Stock business	All
% change of income	123	90	99	71	52	152	101
Saving (Tk.)	10407	1103	3597	1771	1655	5780	4052
Savings in Bank (%)	75	0	70	50	67	87	71
Saving in NGO (%)	25	100	30	50	33	13	29
NGOs loan (%)	30	10	20	5	9	25	100
Training received (%)	78	67	33	0	33	29	47

Development Indicators

Development level can be conceptualized in a variety of forms. However, no measure is complete and each has its own limitations and merits. Hence, present study considered seven facts as important components of development indicators of a respondent's family. These seven indicators including increased knowledge and skills, improved

food and nutritional condition, change in food habit, improved family health and sanitation, increased savings, increased social status and increased recreational facilities. Table 6 shows that 44 and 40 percent respondents reported 'medium' and 'high' development in different indicators respectively.

Table 6 The extent of change of different development indicators of respondents

Indicators	Extent of changes (%)		
	High	Medium	Low
Increased knowledge and skill	50	33	17
Improved food and nutritional condition	50	40	10
Change in food habit	53	44	3
Improved family health and sanitation	40	44	16
Increased savings	23	50	27
Increased social status	27	53	20
Increased recreational facility	33	47	20
All	40	44	16

Change in Basic Human Requirements

The findings imply that consumption of basic need items has increased in the sample households. In short, it may be noted that the profit of an enterprise has made crucial impact on having better food, medical and health facilities, which can ensure human resource development and economic growth through increasing productivity. Thirteen necessary assets were listed which contribute flow of income for the households. All assets reported to have increased after the respondents joined in the small enterprises. The change assets endowments value per household was 211 percent (Table 7).

Table 7 Changing scenario of basic human requirement of the sample households

Items	% change after involving with entrepreneurship
Food consumption	105
Use of cloths	106
Cost of Medicare	118
Assets endowments value	211

Changes in other Basic Necessities

There were two types of source of drinking water namely, neighbor's tube well and own tube well identified in this study. Table 8

depicts that there has been significant change in source of drinking water after involvement with enterprise. Where 77 percent households used water from neighbors tube-well before; now only 7 percent do so. There has been significant increase in the number of own tube-well (93 percent) after involvement with enterprises. That is, economic capability to buy own tube-well has been increased through involvement with small enterprise.

There were four types of housing in the study area, *kacha ghar* with straw roof, *kacha ghar* with tale roof, *kacha ghar* with tin roof and half building (*pacca* wall with tin roof). On an average 53, 27, 20 and 0 percent had straw, tale, tin and half building respectively before involvement with different small enterprises. Whereas, data 'after' involvement was quite opposite, i.e., 0, 17, 66 and 17 percent for straw, tale, tin and half building respectively. In case of sanitation condition of the respondents both 'before' and 'after' involvement with small enterprise, there were two types of toilet facilities found in the study area e.g. *kacha* latrine and sanitary latrine. There has been a sharp change in sanitation condition after involvement. Seventy percent of the respondents used *kacha* latrine before whereas after involvement 87 percent households used sanitary latrines.

Table 8 Changes in other basic necessities of the respondent households

Name of enterprises	Before (%)	After (%)	Change (%)
Drinking water			
Neighbors tube well	77	7	-
Own tube well	23	93	404
Housing condition			
Straw house	53	0	-
Tale house	27	17	-
Tin house	20	66	330
Half Building (Pacca wall with tin roof)	0	17	Infinite
Sanitation			
Kacha latrine	70	13	-
Sanitary latrine	30	87	290

Dropout Youth's Contribution to Family Expenditure

Following Table shows the drop out youth contribution to family expenditure. The drop out youth contribution on food items and clothing was increased by 327.24

percent and 89.32 percent respectively after involvement with different small enterprises. But contribution on education and health care had increased significantly and total contribution to family expenditure increased by 259.49 percent. The Table also shows that about 58 percent of total expenditure was spent on food items before involvement with small enterprises and about 69 percent of total expenditure spent on the same after involvement with different small enterprises. Therefore, expenditure on food items increased with youth's increased contribution to the family expenditure and expenditures on clothing, education and health care also increased remarkably. This expenditure pattern indicates a shift of attitude towards life and improvement in the standard of living due to youth contribution to family expenditure.

Table 9 Contribution of youths to yearly family expenditure

Heads of expenditure	Before involvement with small enterprises (Tk.)	After involvement with small enterprises (Tk.)	Change in percent
Basic food items	5167.50 (58.35)	22077.84 (69.35)	327.24
Health care	0	2356.00 (7.40)	∞
Housing	2871.68 (32.42)	4720.31 (14.82)	64.37
Clothing	815.85 (9.21)	1543.83 (4.84)	89.22
Education	0	1135.00 (3.56)	∞
Total contribution to family expenditure	8855.03 (100)	31832.98 (100)	259.49

Note: Figure with in the parentheses indicate percentage, ∞ = infinity

Employment Generation

Small entrepreneurs are free to select their income earning activities. The respondents chosen income-generating activities based on their knowledge and personal skill. They usually remained highly unemployed or underemployed before taking the income generating activities for self-employment. Table 10 depicts that the selected respondents on an average worked 135 days

in a year before involvement with small enterprises for self employment. But after involvement with different enterprises, they on an average worked for 326 working days to their self-employment activities. Thus, there was 141 percent increased in working days; this positive change indicates that the small enterprise has generated new self employment opportunities for the rural dropout youth.

Table 10 Average change in employment status

Time period	Average working days a year	Change in working days	Change in percent
Before involvement with different enterprise	136	188	138
After involvement with different enterprises	324		

Conclusion

Dropout youth plays an important role in economic development through participation in small agricultural enterprises in rural Bangladesh. Development of youth small entrepreneurship largely depends on support services from the government and development organizations. Present empirical study finds that the dropout rate of youth at primary and secondary level decreased overtime. The rate of under taking agricultural entrepreneurship was comparatively lower than agricultural labour and other services. However, the youths who undertook agricultural entrepreneurship were able to increase their income and improve their livelihoods significantly. The study revealed that the overall value of household assets increased

by 101 percent. It also found that significant development in using different life sustaining articles by the entrepreneur. Youth's contribution on food item and clothing increased significantly. There was change in working days of youth entrepreneur which indicated that small enterprises generated self employment opportunities for the rural youth. In reality, dropout youth contributes in respect to increase family income and create self-employment opportunity through participating in small enterprises. So, the policy makers and the development partners should take coordinated and necessary steps to implement integrated rural youth development programme so that the youths become self-dependent and can contribute in the national economy as well.

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