



Report on Impact/influence of BRAC microfinance programme on fostering young entrepreneurship/rural women entrepreneurs: A focus/case study of "Progoti" programme One to one (Individual loan)-Microfinance of BRAC



Inspiring Excellence

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Syed Mahfujul Alam
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Subject: Submission of report titled “Report on One to one (Individual loan)-Microfinance of BRAC”.

Dear Sir,

I would like to submit you the report titled “Report on One to one (Individual loan)-Microfinance of BRAC”, as a requirement of the BRAC Business School.

I tried my level best to compile and complete the report as per your given instructions. I used primary and secondary data gathered from multiple sources in my report. I hope the report will provide an extensive insight about the workings of one to one (individual loan) of Microfinance and the business and e-business theories practiced by Microfinance of BRAC, largest Non-government organization which were also covered in class by our respected faculties.

Even though I have tried my best in maintaining quality and consistency in the report, there may have been some inadvertent mistakes, omissions or errors for which I apologize in advance. I express to you my deepest gratitude and thanks for giving me this opportunity to write a program and a company that gives me much insight into the real life challenges faced by Microfinance program in the competitive corporate sector of today.

Sincerely yours,
Tahrima Shahabuddin

Letter of Endorsement

The Internship Report entitled *“Impact/influence of BRAC Microfinance programme on fostering young entrepreneurship/rural women entrepreneurs”* has been submitted to the Office of Placement & Alumni, in partial fulfillment of the requirements for the degree of Bachelor of Business Administration, Major in Finance, Faculty of Business Administration on December 6, 2018 by Ms. Tahrima Shahabuddin, ID-14304121. The report has been accepted and may be presented to the Internship Defense Committee for evaluation.

(Any opinions, suggestions made in this report are entirely that of the author of the report. The University does not condone nor reject any of these opinions or suggestions).

A large, faint watermark of the BRAC logo is visible in the background of the page, centered horizontally and partially obscured by the signature text.

Syed Mahfujul Alam
Internship Supervisor

Acknowledgment

To begin with, I would like to thank the Almighty for giving me the opportunity of working in BRAC Non-Government Organization (the world's biggest family) and capability of gathering relevant information and compiling this report.

Secondly, I would like to express my greatest thanks to my Intern instructor and respected faculty, Mr. Syed Mahfujul Alam for helping me selecting the suitable program of the organization I completed my internship to base the report on and also for guiding me along in every step throughout the semester.

Thirdly, I would like to thank my supervisor Tanveer Hossain, Senior Manager, Tausif Ahmed Ishtiaque, Deputy Manager of BPD (BRAC Procurement Department) and all my senior colleagues who sincerely taught to work and gather knowledge about each and every step of Procurement Department specially Quotation Method of four of the methods of BPD, helped presenting the findings within the allotted time.

Lastly I would like to thank my peers and parents for being supportive of me and helping me in every step.

Thank you.

Executive Summary

The report is the reflection of a part name Progoti; One to one (individual loan) of Microfinance Program, BRAC. This is programme developed for serving the poor, disadvantaged and the underprivileged people of the country. BRAC works in many development sectors for serving all the poor and needy people and Microfinance is one of the programme. This organization also serves many countries and it also has donor countries for any kind of support. The organization started working since the liberation war time. They also provide facilities to the poor and needy people and also the recent alarming issues of the country and worldwide. The topic of the research is done about a group, deprived from the basic needs and rights of a society also the loan advantage of this programme though they serve the poor and needy people they could not reach the group with their service. The majority are females enjoying the microfinance loan and establishing themselves. The group which is deprived known as the subaltern group. In addition they did not even tried to reach that group due to security issues. A sample question was made to know how the creditors are being served and how much capable they are to pay back the loan with interest. Moreover, the newspaper articles of Harvard Business Review and Oxford academic articles says the same thing that the creditors of the Microfinance programme is mostly females. The men are also included but women mostly prefer taking loans and own their business. Although is an undoubtedly an excellent programme of developing sectors it completely avoiding a group which also deserves to be treated in the same way the others are. In addition, BRAC is always aware of health and education issues here also the third gender, physically handicapped group are deprived of. Furthermore, it is our duty to make the future secure and safe so that the group can come out from the darkness and lead a happy and healthy life like us. It is not only the responsibility of the organizations or development sectors nut also the general people living in the society to make the situation perfect.

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Organizational Overview

BRAC is the largest NGO (Non-Governmental Development Organization), also known as world's largest family to serve the people both nationally and internationally. Sir Fazle Hasan Abed is the founder of BRAC NGO. The predecessors of BRAC are -Building Resources Across Communities, Bangladesh Rehabilitation Assistance Committee and Bangladesh Rural Assistance Committee. This NGO was founded in the year of 1972. It is a nonprofit type organization. The purpose of BRAC is to develop internationally. The head quarter of this NGO is in Dhaka, Bangladesh. BRAC is currently present in 64 districts of Bangladesh and in 13 other countries of Asia, Africa and America. BRAC gives the opportunity to the women to get self-employed as mostly like 70 in percentage are female. BRAC partly fund itself by 14 of its enterprises are Aarong, BRAC Dairy, BRAC Chicken, BRAC seed, BRAC artificial insemination, BRAC Nursery, BRAC Sericulture, BRAC Fisheries, BRAC Recycled handmade paper, BRAC Cold storage, BRAC Salt, BRAC Printing pack, BRAC Sanitary napkin and Delivery Kit, and lastly Bhumi Bondhu. From the last research of 2016 it is found that the revenue of BRAC is 6053.7 crore BDT and expense is 4323.3 crore BDT.

History of BRAC

BRAC was first introduced itself as Bangladesh Rehabilitation Assistance Committee then as Bangladesh Rural Advancement Committee and later as Building Resources Across Communities. It first started with a very small scale as relief and rehabilitation project to help the returning liberation war refugees of 1971. BRAC opened medical centers for serving the people suffered in war time also rebuilding around 14 thousand the houses of the homeless people with hundreds of fishing boat and other essential services.

BRAC initially started working to develop the sectors are agriculture, fisheries, cooperatives, adult literacy as well as health and family planning, vocational training for women and construction of community centers. In the year of 1977 BRAC took the initiation by creating Village Organization to help the landless, farmers, artisans and vulnerable women. BRAC also formed a division to evaluate and direct these all the activities named RED (Research and Evaluation Division). To finance the activities of BRAC they set up a commercial printing press and Aarong was also formed and here the handicrafts were sold. After this in the year of 1979 BRAC launched a campaign about diarrhea and OTEP (Oral Therapy Extension Programme) nationally due to reduce child mortality. They also started non formal primary education in the year of 1985. After this year they started developing the rural sectors and established many programmes are income and employment generation and support service, Women's Health Development Programme, Dairy and Food project, Human Rights and Legal Service Programme, Information technology Institute, BRAC University and also developed a programme name Center for Development Management (CDM).

The BRAC NGO is not stopped here working nationally only they also work internationally as currently they are working on Myanmar Rohingya issue, Safe migration for Bangladeshi migrant workers, Safe immigration for Bangaldeshi workers, and **Establishment of re-integration and referral services for returnee migrant workers.**

Programmes

Economic Development

The oldest programme of BRAC is Microfinance. This programme is mainly formed to help the landless, poor, rural women and also developing their standard of life. Here mostly micro creditors are women which in percentage is 95%. According to this organization the repayment rate is more than 98%. BRAC also started community empowerment of women. Aarong is one of the popular enterprise of BRAC which has many branches in some of the foreign countries where hand loom, leather crafts and handicrafts are sold by giving the opportunity to the indigenous people.

Education

Education programme is the first programme of BRAC. BRAC Education Programme (BEP) started non-formal primary schools enrolled many children. They came up with this non-formal school thinking of the drop outs, disadvantaged children, poor children and rural children. The education is providing with care and in a systematic way with many other extra facilities like extra-curricular activities, food, extra hours of tuition, and personal guidance as well as health issues of the students.

Public Health

BRAC provides health care for rural people, poor people and disadvantaged people with a very little expense. The organization first went to the people's home who had first take step to make people learn about how to make ore saline at home with the things they have at home. They also serving in the places of Bangladesh as well as outside the country like Somalia where people can afford treatment when need. BRAC serves with a minimum cost for many long term diseases like TB and emergency delivery kit for both the baby and mother with trained worker for this issues.

Disaster Relief

For any kind of disaster sufferings BRAC supports the shelter less people with food, shelter and settling them professionally. At the time of Sidr cyclone this organization provided sufferer with emergency relief materials, food, cloth and shelter. They also ensured that the

victims can drink pure and safe water. BRAC is now have a long term plan of rehabilitation centers.

Partnership with the Nike Foundation

Recently Nike foundation has launched a programme about Nike's Girl Effect Campaign. This programme was mainly arranged to reach the target group of teenagers of Uganda and Tanzania where BRAC also have the collaboration with Nike about this new progoti.

BRAC Donors

There are some donors of BRAC from whom BRAC organization get financial support are:

DGIS (Directorate-General for International cooperation

EKN (Government of the Netherland or Embassy of the kingdom of the Netherlands)

DFID (Department of International Development

BMGF (Bill and Melinda Gates Foundation)

DFAT (Department of Foreign Affairs and Trade)

SPA (Australian Government)

These are all the enlisted donors of BRAC who aids BRAC time to time when needed.

Countries where BRAC operates

- Asian Countries: Bangladesh, Afghanistan, Sri Lanka, Pakistan, Philippines, Nepal, Myanmar
- African Countries: Uganda, Tanzania, South Sudan, Liberia, Sierra Leone
- Caribbean: Haiti

BRAC supports technical assistance to the organization of Haiti, Sudan and Indonesia. There are also many more organizations involved working with BRAC in the states of UK and US.



Research

1. Introduction to the Report/Study

▪ Rationale of the study: The rationale of the study is finding the gap among the people of our society as this is a programme for developing who want to do something of own to live still a group is deprived when others are getting priority. The “Progoti” of Microfinance program of BRAC organization mainly organized for the disadvantaged, poor and helpless people but 96% are female micro creditor of this Progoti program. Males have their own business or work place to work for which majority are the female creditor of this program. The group which are deprived of this advantage of getting loan to do something of own for living is SUBALTERN group. This group have many more like hermaphrodites, physically challenged people also others. These groups are getting involved in crimes, dying because of not having enough space to live and eat and also excluded from living a life with five basic needs even if they want.

▪ Statement of the problems: One to one loans is an individual loan provided someone to establish his/her life but no handicapped people with a creative idea, hermaphrodites are not included here which shows that society is still lacking behind as after having enough third gender we are able to make them work and go ahead with us all. It is also the same case for the handicapped people of our society as they have many ideas which are being collected but the group do not get enough value or recognition according to their performance. The third gender and physically handicapped people are not getting the floor to get express themselves. Moreover, this group are not being selected for any kind of development program of BRAC.

▪ Scope and delimitation of the study: Scope for me was I went to field to collect data and had conversations with the micro creditors of micro finance program and

delimitation is I couldn't reach the people who are not getting loan or got refused of getting loan from this "Progoti" program. This was also somewhat very important to know about the people and reason who has been rejected for credits and why.

Furthermore, the people who are getting loan we met is also okay but there are many cases that many creditors couldn't paid back the loan which was also uncovered by the program people

▪Objectives of the report: Working on the data of this "Progoti" programme to know and about how our society and around are being helped or got refused to get the loan and why. The main objective of the report is to show how much people are really being helped and how much are deprived because of the programme system.

▪Research Questions

There are several questions asked to the women of the Progoti program of BRAC Microfinance. The questions are formed in a pattern to get the answers sequentially from the creditors and it is also about how they reacted and responded according to the situation and questions. Those questions are:

- ✓ What is your name?
- ✓ How much amount you asked from this organization?
- ✓ Why you asked this amount of money? What was the purpose?
- ✓ After how many years you have to repay the loan?
- ✓ How much interest will be added when paying?
- ✓ What kind business you are doing? Is it enough profitable to repay the loan?
- ✓ Is the given time enough to repay the loan?

2. Review of Related Literature

According to Oxford Academic (2015) Microfinance Banks and Financial Inclusion, “The three main findings are Pro-credit new branch in the low-income households, locating new branch of pro-credit and increasing new branch makes strength among the low-income households, older households and household which depends on transfer income.”

From this academic journal we can see that every family of low income has the opportunity to do something new and earn to have better livelihood. Moreover, we can also relate that the lower living standard of people in the society. In addition, we can notice that they say this a development program where as a group of our society has not been counted even to make them prepare for the future as they are fighting to live in the present. It is also mentioned that increasing new branches will make strong bond among the lower income families and also to make the life better to live.

Similarly, in the journal of Harvard Business Review (2016); Making Microfinance More Effective, “The Grameen model of Microfinance gained a great deal of attention in the international development field after early data showed that it was associated with high repayment and low default. This model makes small loans, usually to women, without requiring collateral.”

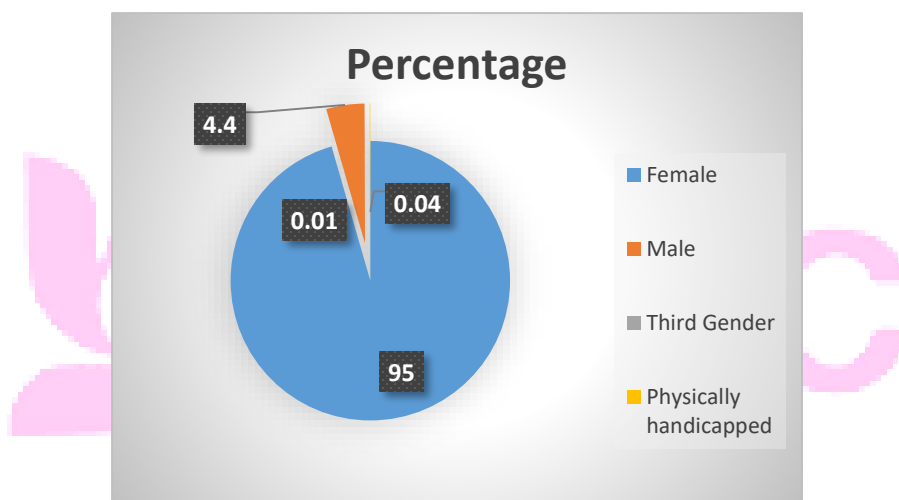
In particular, it is found that only women are benefitted through this microfinance program as they were considered as the deprived and disadvantaged part of the society where as there are handicapped with excellent talent people, Hermaphrodites or third gender who can do everything but still they do not get any recognition to live in a civil society.

While it may be true that many organizations are working for the poor and disadvantaged people to make them go with the society but there is no resource that can be used depending on the subaltern group as they are always being ignored and rejected by each and every point of the society. The place where we live together called society but it is not the real society where everyone promises living together and made each other support.

It is also mentioned in the academic news of Harvard Business Review that, “Only one study found after that microloans increased women’s decision making power” Now a day it is visible that women are choice entrepreneurship and doing good in this field. Though there are many

more ideas to collect from the subaltern group still no one dares to make the group introduce to this civil society.

3. Methodology of the Study



I have collected are the primary data through the questionnaire and surveys data collection method. This method shows that the responses from the creditors are collected in a quantitative method through numerical values and results are easy to analyze than the qualitative data. Here another advantage is if it is necessary pretest or posttest can be done to compare the results about the fluctuations.

In the graph it is seen that the majority of the creditors are female from the rural areas and of different places but now we find no members of subaltern group. A biased question arises that why all are female creditor survey but this is the truth that men have been doing well since the early stage of the development. On the contrary people who are capable of making decisions and work

but physically handicapped are also not given any credit to support them doing something of their own due to risky society issues as well as same with the third gender. The most fear of this Progoti program is what if the creditor could not pay back their loan for which they do not dare to provide loan to others groups except male and female.

Thus the quantity of data says that females are the main benefit receivers of this one to one loan (individual loan).

In a nutshell microfinance arranged a Progoti loan program for the poor, disadvantaged people but mostly creditors are female and males are busy with any kind of work they can. Women have to engage themselves with family as Bangladeshi children are mostly brought up by mothers at home in the rural areas. Another important issue is man already made them engaged in different works to lead their life for which they do not come out of that and think of starting of own business. But women are now more conscious and careful thinking and planning for future and their family. They are no more dependent to the laws or their father's income. They find the way to make their own identity and name.

4. Analysis and Interpretation of the Data

I was lucky enough to collect primary data from the field visit of Dhamrai where I visited 4 of the programs. I have seen in the programs how they plan and execute those within the given time. Though it is near Dhaka still that place Dhamrai lack of many facilities like Dhaka city. There is no enough treatment for the emergency patients, pregnant women and women cannot even think of doing something coming out of that place as they live with their family. Progoti of Microfinance program has opened a door to success and do something to become self-sufficient for the women of this area. The details of few collected data of those women are given below:

Table of the collected data:

<u>SI No.</u>	<u>Name</u>	<u>Type of Loan</u>	<u>Amount of Loan</u>	<u>Loan with Interest</u>	<u>Purpose of Loan</u>	<u>Duration</u>
1.	Sadia Jahan	Business	50000	70000	Tailoring	1 year
2.	Josna Begum	Business	120000	168000	Clothing	1 year
3.	Runa Akter	Business	70000	98000	Clothing	1 year
4.	Sakina Begum	Business	100000	140000	Hotel	2 years
5.	Shahida Kollyani	Business	80000	112000	Farming	1 year

6.	Durga Rani Das	Migration	850000	1190000	Migrated to Foreign country	5 years
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Sadia Jahan, 34 years old, housewife who used to suffer from poverty and could not think of doing anything as she was living with her family from hand to mouth. Afterward she got to know about the progoti program, one to one individual loan and applied for loan of taka 20,000 for starting something new to move on life but she was blank about the process. Then she met the customer care people of loan program and applied for loan of taka 50,000 submitting all her future plans and necessary documents for the trust issue. Later on she developed herself and made her family solvent by earning profit. She already paid 70% of her loan and rest of the payment will need more like 2/3 months to complete. She is very happy with the service and finds her own way to live rather than begging. Lastly she also suggests other people to connect with this program if they are interested to something and do not have enough.

Similarly, Josna Begum started with Progoti program and now she handles 9 workers with paid salary for her clothing business. First she found it a bit difficult as the total amount adding interest was very high. But gradually she felt assured that can pay the loan and do well in her business though she is still done with paying 45% of the loan only.

Another brave story of Runa Akter, only 21 years old Runa decided to support her family after getting divorced with two baby boy. Her dream was shattered into pieces when she gets back to his father's house and found her mother fighting with cancer. She was helpless and had no clue to manage money though she still fighting to live well and her business of clothing is going well, making a good amount of profit makes her life living fearlessly. She mentioned BRAC Microfinance programme is undoubtedly a good program to turn someone's life.

Sakina Begum is the name of another star who started from zero and now her hotel business makes her living a happy life. She is not done with paying loan back with interest but soon she can pay. Sakina says she sometimes cannot fulfill the demand of the customers of her hotel due to excessive demand.

In the same way Shahida Kollyani is cultivating her own farm and enough solvent to live a life. Moreover, she heard about this Progoti program earlier but she thought its completely fake but when she saw her neighbor Morsheda taking loan and doing well to extend her business that made her think twice and apply for the loan.

Lastly Durga rani Das said this her fourth time taking loan this way. She also added that she paid full amount of the previous loans and this loan she took to send her son to a European country which is known as the Migration loan. It is really big in amount but duration is also long, five years. Rani Das said she found BRAC microfinance programme very helpful and safe in transaction which made her feel safe to get involve here with Progoti programme.

All of the above service receivers are happy with getting the service from the Progoti Programme. They also mentioned this progoti program added value to their life to live long which is a great reward for this Microfinance programme also. The problem was the poverty, dependent people instead of having a good health and enough ideas and willingness to work. One to one loan (Individual loan) of Progoti program of BRAC Microfinance made their life secured and safe, managed to depend on self than others and most importantly establish thysself to come out of the problems and social barrier for financial crisis and all.

5. Findings of Study

The report shows that people of rural areas of Bangladesh are going ahead with many new ideas and work but still there is a big gap. Almost there is 10% physical disabled people, around 10000 third gender which is exactly 9,285 in number in Bangladesh. Women are now a days working together with men as they are able to come out of the barriers and backdated superstitions about women. Men accepted them working together with a warm heart welcome. There are also many more groups rather than man and women like third gender, physically challenged people which overall calls Subaltern group.

Men have been working out since the earth was formed. Everyone used to say it is the nature that men will work out and women will take care of the household and family. This thought was changed many years back as we can see the scenario and relate that nothing is like before. It is now the responsibility of both men and women. Now a day it is not really important to make money but to have a professional identity. Money is obviously important but it is also very important to have the existence which some of society people do not have. However, life for all the human being was supposed to be same but it is the fate and surroundings which makes us feel separated from all.

Third gender, Hijras or Hermaphrodites are being deprived since very early time till now. They even do not have the five basic needs to fulfill. There are many NGOs work for the development of the society, many organizations have their Corporate Social Responsibility even the world's largest and biggest family BRAC has many programmes, development sectors but sad is they also do not have any programme for this group. Microfinance programme arranged one to one loan for the disadvantaged, poor and underprivileged people. Till now this individual loan was reached by male and female only whereas the neediest and poor condition is facing the third gender of our society. Every day we all the hermaphrodites with a healthy human body begging, snatching money from the young men and couples, embarrasses others only for getting money from them. BRAC microfinance never tried to reach them but claims their programmes is for the

disadvantaged people of the society. Furthermore, individual loan was never for all the disadvantaged people but the selected male and female of the society.

Also the physically handicapped people of our society that we made them feel worthless as we do not engage them in works which do not need physical activity or support but the skill. This part of subaltern group is also lacking behind only because the development sectors are failed to reach them. Skills are brushes up by applying where needed. Everyone deserves a chance to grab this moment for going ahead.

Above all humanity matters. Every one of the subaltern group is not possible to move at the same time but those who are able to move they these organizations, non-government organizations can raise their supportive hand to them and make people aware that we are leaving this important part of our society at the back so no matter how much we move on once we have to come back in the previous outdated time to take them for the betterment of the future.



6. Recommendations

Suggestions- Suggestions I would like to prefer that it is never possible to move on without the any part of our society leaving behind so we must find scopes and facilities for them to have a better life. Education, food, shelter, clothe and health issues. We can offer them to take the basic education with other extra benefits with these.

Systems and Procedures- It will be a lengthy process because we already moved to an advance level of the society when the third gender and hermaphrodites are already in the dark. So frequent changes can make the things worst for which slow change like creating awareness of about the needs and make them feel they are the important part of our society will be better rather to change anything frequently. The system we can follow is we can approach formally to them through this kind of program like microfinance or skill development programme.

Possible revision of policies- It is seen in different registration form that male, female or others. But in reality when we work we find none of them as we expect male, female only to work. So make them feeling free as like as us by providing them the opportunity of doing something and working.

Relevant Suggestion- Treating human being can never be a good suggestion than anything else. Third gender are also human being, they deserve to have a life like us with all the basic needs and can help our society by contributing many ways.

7. Conclusion

The society we live in is the right of everyone to live with the same rights, benefits and facilities. The development sectors or projects working with can help in developing this subaltern group issues of not getting proper rights of living in a society. They can be served as a human being with all the needs and should be treat as a normal person we do. As a result, everyone in the society will come forward to save the society from any wrong other than the number of crimes will increase day by day.

Above all humanity matters so as a human being they deserve to be treated well and to have a good life to live. It is not possible for anyone alone to come forward and change everything in a day. It is a long term process and change in everyone can make the subaltern group come towards and for the betterment of the society.



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