# **Internship Report On**

# **Brac: Role of Microfinance in Reducing Poverty in Rural Bangladesh**

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# **Prepared**

# Rokibul Islam Rubel

# Master’s 2nd Semester

# Reg. No: 2022225033

# Department of Political Studies

# Shahjalal University of Science and Technology, Sylhe -3114

# **PREFACE**

# I am presenting an internship report on BRAC. In this paper, I tried to highlights all the important points regarding to this agency or organization (BRAC). I am thankful to all who supported me to complete my internship report on time. Political Studies discipline concerns with both theoretical knowledge and practical experiences. It concerns with human nature, families, groups, nations at the local, national and international levels. As a student of Political Studies participating in this internship session was a practical experience to me to be skilled through practicing the theoretical knowledge in practical level. During the 30 working days at BRAC, I accomplished every task sincerely given by my faculty supervisor and agency supervisor. In this report, I tried to highlights all the experiences I attained during the internship session. This report is prepared on the basis of my new experience while I worked at the root level. I tried my best to keep the errors of the internship report at minimum level.

# Rokibul Islam Rubel

# Master’s 2nd Semester

# Reg. No: 2022225033

# Session: 2022-23

# Department of Political Studies,

# SUST.

# **Acknowledgement**

# As an academic discipline Political Studies concerns with both theoretical knowledge and practical experiences. It is required to apply the theoretical knowledge into practical experiences. Therefore, I was placed at BRAC, Sylhet Branch to accomplish my internship. I have worked there 30 working days. During the beginning of my internship session I have faced a few challenges but with the help of my faculty supervisor and agency supervisor and some earnest individuals it becomes very easy for me to complete my internship. So, it is my moral obligation to express gratitude towards them. At first, I am grateful to the Almighty Allah who keeps me safe and sound in the time of internship. I would like to express my sincere gratitude to my faculty supervisor and our respected teacher, Dr Md Shahabul Haque, Associate Professor, Department of Political Studies, SUST; who extended her maximum possible advice, appreciate, constructive criticism, directions and guidance through several supervisory meeting. At the same time, I remember with great respect our agency supervisor, Safikul, Branch Manager, Brac, Tukerbazar, Sylhet-2, without whose cooperation it would not be possible for me to conduct such an internship smoothly.

# **List of Abbreviation**

# BRAC: Bangladesh Rural Advancement Committee

# CIP: Chant Interaction Point

# DPS: Deposit Premium Scheme

# ERMG: Empowering the Ready-Made Garment

# GDP: Gross Domestic Product

# GNP: Gross National Product

# ILO: International Labor Organization

# MTL: Medical Treatment Loans

# NGO: Non-Governmental Organization

# NCPP: North-west Crop Diversification Project

# RMG: Ready-Made Garment

# SCDP: Second Crop Diversification Project

# SDG: Sustainable Development Goal

# UNDP: United Nations Development Programme

# USD: United States Dollar

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# **Chapter- 1**

# **Introduction**

**1.1 Introduction**

Almost all banks give lone with sufficient collateral from borrowers. So, there was no scope for the poor and landless people (especially rural women) to take loan from the bank though they have investment opportunity. BRAC Microfinance provides people who cannot access traditional financial banking services with access to a suite of financial services, including loans, savings and micro insurance. They provide an alternative to high-interest loans from informal lenders, supporting families to invest in income-generating activities, build assets, and reduce vulnerability to health shocks and natural disasters. Brac provides small credit to the poor people without any collateral. It basically gives loans to landless and asset less women in the rural area of Bangladesh. In this research, there will be analyzed the role and impact of microfinance program of Brac for poverty alleviation and women empowerment. Reducing their risk of market failures in the process. Their services include microloans (Dabi) ranging from USD 100-1,000, given exclusively to individual women who are served by the village organizations. They have successfully transitioned from a weekly to monthly loan repayment system for their Dabi clients in areas with better socioeconomic conditions. They have also scaled up our ‘top-up’ loan facility for the Dabi. In addition, they introduced a migration loan scheme in 2011 to facilitate overseas migration of Bangladeshi workers. Brac microfinance program is also available around the world countries like Pakistan, Srilanka, Liberia, Sierra Leone, Uganda and Tanzania.

**1.2. Background of the Study**

An internship is a period of work experience offered by an employer to give students and graduates exposure to the working environment, often within a specific industry, which relates to their field of study. It is also a session of work experience proposed by an organization or an agency for a limited period of time. It makes the students confident and valorous to face the challenges in professional life. According to S.C Brown and E.R Gloyne, "Internship refers to any kind of practical experience in social or public agency, and allow students to perform official activities in a professional discipline."

"An internship is technically a position of a student or trainee who works in an organization, sometimes without pay, in order to gain work experience or satisfy requirements for a qualification." (Marist College,2020). So, it can be said that an internship is an opportunity for students to enhance their knowledge in a particular phenomenon.

**1.3. Objectives of the Internship**

1. To gain knowledge about different social and economic phenomenon of the rural society.
2. To be able to perform appropriate client interviews and assessments as demonstrated by the identification of problems/needs and strengths, and the determination of interventions, plans, goals, and evaluations.
3. To develop the skills for solving problems at grassroots level.
4. To enhance understanding of organizational and group process.
5. To demonstrate ability to proficiently communicate oral and written information in a manner that reflects professional skills.

**1.4. Importance of Internship in Political Studies**

Internship enhance the knowledge of a student. As a student of Political Studies I can develop my personal and professional skill by internship. The importance of internship in Political Studies are given below:

1. The students can gather knowledge about the societal matter through internship.

2. Internship help every student to build professional network.

3. Internships makes candidates more competitive in the job market.

4. The students can understand the scopes, functions, and policies of any institution through internship.

5. It helps the students to identify problems and challenges of a issue.

6. It provide professional networking contacts.

7. It helps to develop students communication with others.

8. Internship enhance students ability to adapt with any situation.

**Chapter-2**

**Contextual Analysis**

**2.1. Contextual Analysis**

BRAC's microfinance activities work through a unique credit-plus' approach, addressing the special needs of various target populations such as rural women, youth and adolescents, landless poor, marginal farmers, migrant workers and small entrepreneurs. Brac recognize the heterogeneity among the poor and carefully target and develop customized financial products and services that best meet their varying needs. Their microfinance members have access to and can benefit from BRAC's other development interventions. Borrowers, most of whom are women, utilize their loans in various income generating activities, creating livelihoods for themselves and their families. They bring their collateral-free credit and savings services to the doorsteps of the landless poor, marginal farmers and small entrepreneurs overlooked by conventional banks. Through their 'credit-plus' approach, we work to strengthen the enterprises that borrowers invest in through an integrated set of services, provided by their social enterprises. This approach strengthens supply chains of the enterprises and gives clients access to quality supplies, proper training and support in marketing their products, while reducing their risk of market failures in the process. Their services include microloans (Dabi) ranging from USD 100-1,000, given exclusively to individual women who are served by the village organizations. They have successfully transitioned from a weekly to monthly loan repayment system for their Dabi clients in areas with better socioeconomic conditions. They have also scaled up our topup' loan facility for the Dabi. In addition, they introduced a migration loan scheme in 2011 to facilitate overseas migration of Bangladeshi workers. Brac microfinance program is also available around the world countries like Pakistan, Srilanka, Liberia, Sierra Leone, Uganda and Tanzania.

**2.2. Objectives of the Study**

1. To understand how poverty is alleviated through microfinance program.
2. To understand how women are empowered through microfinance program.
3. To learn how microfinance program works to improve the living conditions of poor rural women of Bangladesh.
4. To identify the main activities of micro-finance institutions in Bangladesh.
5. To learn how microfinance program is differentiated to conventional banking systems.

**2.3. Scope of the Study**

This study is mainly based on microfinance program of Brac and its role for poverty alleviation and women empowerment. There are also presented the differences between this kind of banking system and other conventional banking systems. Emphasis has been given on its operations in rural areas as Brac operates its activities in the rural area of Bangladesh. The main focus of this research is the poor women. In this study, special attention must be given on some important criteria such as loans, installments, interest rate, earnings & income distribution of borrowers, savings tendency of borrowers, health & nutrition conditions of the members, children’s education, maintaining healthy environment, health and sanitation system, medical expense, women influences in family etc. in the rural areas of Bangladesh

**2.4. Limitations of the Study**

Limitations which were faced while conducting this research are discussed below:

* As the survey was conducted on some of the villages of Bangladesh, it may fail to represent the actual scenario of the whole country.
* This study is based on both primary and secondary sources of data. There may be some level of inaccuracy in secondary data.
* It is hard to conduct a comprehensive research within a short period of time.
* Like all organizations, officials of Brac branch office do not always interest to give some confidential information about the bank.
* **Chapter-3**

**History of Brac Microfinance**

**3.1 History of Brac Microfinance**

In,1971, Bangladesh had just been born. The air was thick with patriotism, igniting people to come together to build the new country that lay before them. A country of fighters, faced with enormous challenges.

Infrastructure, homes and livelihoods were destroyed, famine and disease were rampant. 70 million people crowded into destitute villages. Dreams of a prosperous Bangladesh, however, burned stronger. Building this new country would not be an easy journey, but there was a sense of strength. People had their feet on the ground and their eyes on the future, imagining what Bangladesh could be.

Many initiatives emerged, including BRAC, led by Sir Fazle Hasan Abed. Abed bhai was a corporate executive who resigned from his job at Shell Pakistan to support the Liberation War, and then moved to Bangladesh to take the new country forward.

Abed bhai started with one small area – Sulla, northern Bangladesh. Identified the stake holders, the believers, the leaders who could make change happen.

Relief work began. Bamboo was made into rafts and floated down rivers from India to build houses with, boats were built for fishermen, tools bought for farmers, seeds distributed. Medical teams were formed that could treat 200 people a day.

Then, tackling the most deadly diseases. A simple oral rehydration mixture that stoppe the biggest child killer in Bangladesh, diarrhoea. Then control of tuberculosis and malaria.

Money was lent to pay for cows. This meant fresh milk and spare to sell. The cows became household dairies and then a nationwide distribution business. Agricultural and craft cooperatives were created. Surplus was always directed back to benefit people in villages.

Nutrition and food security was identified as a key challenge. Money was lent to women in rural areas to buy chickens, high quality eggs were imported and women were trained on hatching eggs at home. Poultry vaccination was initiated countrywide, with vaccines initially being transported in bananas. Maize cultivation was introduced to ensure poultry feed, then the setting up of large scale feed mills, poultry hatcheries and, finally, connecting the chicken farmers with buyers in urban markets.

Money became seeds, which were turned into crops. It became silk farming, which was turned into clothes. It became schools for non-formal education, low-cost healthcare, a university, a bank.

It worked hard to address the causes, not merely the symptoms, of Bangladesh’s widespread and deeply entrenched poverty and hunger. It turned to the long-term development of human potential – not limiting ourselves to one area, such as health, education, agriculture, or livelihoods, but working in all these sectors, applying a holistic set of solutions and evaluating the results along the way.

Today it is one of the leading development organizations in the world, employing over 100,000 enterprising people. Our work, across Asia and Africa, reaches over 100 million people. 14 million people have been reached through our ultra poverty program. 15 million students have graduated from our schools. They have over 8 million microfinance clients and have distributed USD 4.7 billion in loans. 374,502 development projects have been undertaken by communities themselves. And in our own demonstration that we are the agents of our own change, 80% of our funding in Bangladesh comes from our enterprises.

Embedded in every person is the potential to build the life they want, for themselves, their families and their communities. What is missing too often for those living in inequality is the opportunity to experience their own potential. For the last 50 years they have been working to change that.

At BRAC, their experience reveals inequality as neither natural nor inevitable. They see it as a system we can successfully disrupt, one person at a time. Join us to build a world where that is possible.

**3.2. Mission of Brac Microfinance**

By providing comprehensive financial service, empowering the poor to realize their potential and break out of the vicious cycle of poverty.

**3.3. Services of Brac Microfinance**

BRAC is an international development organization based in Bangladesh. In order to receive foreign donations, BRAC was subsequently registered under the NGO Affairs Bureau of the Government of Bangladesh.

BRAC is the largest nongovernmental development organization in the world, in terms of number of employees as of September 2016. Established by Sir Fazle Hasan Abed in 1972 after the independence of Bangladesh, BRAC is present in all 64 districts of Bangladesh as well as 11 other countries in Asia, Africa, and the Americas.

**Economic Development:**

Microfinance, introduced in 1974, is BRAC's oldest program. It spans all districts of Bangladesh. It provides collateral-free loans to mostly poor, landless, rural women, enabling them to generate income and improve their standards of living. BRAC's microcredit program has funded over $1.9 billion in loans in its first 40 years. 95% of BRACs microloan customers are women.

According to BRAC, the repayment rate is over 98%.[29] BRAC started community empowerment program back in 1988 all over the country. BRAC founded its retail outlet, Aarong (Bengali for "village fair") in 1978 to market and distribute products made by indigenous peoples. Aarong services about 65,000 artisans, and sells gold and silver jewellery, hand loom, leather crafts, etc. The Challenging the Frontiers of Poverty Reduction: Targeting the Ultra Poor (CFPR-TUP) project was initiated in 2002. The ultra poor are a group of people who eat below 80% of their energy requirements despite spending at least 80% of income on food. In Bangladesh, they constitute the poorest 17.5 percent of the population. These people suffer from chronic hunger and malnutrition, have inadequate shelter, are more prone to disease, deprived of education and more vulnerable to recurring natural disasters. The CFPR-TUP program is aimed at households which are too poor to access the benefits from development interventions such as microfinance and assists them to access mainstream development services. The program costs around US $35 million a year.

**Education:**

BRAC is one of the largest NGOs involved in primary education in Bangladesh. As of the end of 2012, it had more than 22,700 non-formal primary schools with a combined enrolment of 670,000 children. Its schools constitute three-quarters of all NGO non-formal primary schools in the country. BRAC's education program provides non-formal primary education to those left out of the formal education system, especially poor, rural, or disadvantaged children, and drop-outs.[28] Its schools are typically one room with one teacher and no more than 33 students. Core subjects include mathematics, social studies and English. The schools also offer extracurricular activities. They incentivize schooling by providing food, allowing flexible learning hours, and conferring scholarships contingent on academic performance.

Bangladesh has reduced the gap between male and female attendance in schools. The improvement in female enrollment, which has largely been at the primary level, is in part attributable to BRAC. Roughly 60% of the students in their schools are girls. BRAC also runs a university called BRAC University.

**Public Health:**

BRAC started providing public healthcare in 1972 with an initial focus on curative care through paramedics and a self-financing health insurance scheme. The program went on to offer integrated health care services. BRAC's 2007 impact assessment of its North West Microfinance Expansion Project testified to increased awareness of legal issues, including those of marriage and divorce, among women participants in BRAC programs. Furthermore, women participants' self-confidence was boosted and incidence of domestic violence was found to have declined. One of the most prominent forms of violence against women, acid throwing, has been decreasing by 15-20% annually since the enactment in 2002 of legislation specifically targeting acid violence.

**Disaster Relief:**

BRAC conducted one of the largest NGO responses to Cyclone Sidr which hit vast areas of the south-western coast in Bangladesh in mid-November 2007. BRAC distributed emergency relief materials, including food and clothing, to over 900,000 survivors, provided medical care to over 60,000 victims and secured safe supplies of drinking water. BRAC is now focusing on long-term rehabilitation, which will include agriculture support, infrastructure reconstruction and livelihood regeneration.

**Loans**

**Loans for women**

Since the very beginning, they have primarily focused on equipping women with access to financial services to increase their opportunities for economic empowerment. Their loans are collateral-free and given exclusively to individual women through a group setting, known in BRAC as village organizations (VOs). A village organization is a women-led platform with 15-25 women, for clients to come together to deposit their installments and savings, share information and improve financial awareness. Borrowers utilize loans to buy productive assets, invest in business or property, enable smooth consumption, and manage shocks. Where there is demand, BRAC further supports these activities with its network of social enterprises. This approach strengthens supply chains of the clients' enterprises and give clients access to quality inputs, proper training, and marketing support, while also reducing vulnerability to market shocks. Small enterprise loans Small enterprise loans are offered to entrepreneurs to invest in existing small enterprises, which are too small to qualify for credit from mainstream banks. The loans provide flexibility for entrepreneurs seeking to expand their businesses. This supports employment generation and helps drive local economies and inclusive growth.

**Jobholder loans**

Jobholder loans are specifically designed for low to moderate salaried workers of Bangladesh who often face difficulties availing finance from mainstream banks. These loans provide access to flexibility and convenience for jobholders to take loans without any collateral or previous credit profile.

**Agriculture loans**

The financial services are specifically designed for different farming groups to provide them greater returns from their harvest.

**Borgachashi Unayyon Project (BCUP)**

BCUP is a project aimed towards facilitating access to finance for small-holder tenant farmers who do not own farming lands. Their loans enable farmers to invest for higher crop yields, adapt to new agricultural technologies, and invest in household labor supply. Along with the loans, BCUP clients are also provided with market linkage services.

**Loans for migrant households**

Loans for migrant households supports foreign employment opportunities and economic stability for the families of migrant workers. It also enables them to invest in business and improve the standard of living from the potential rise in income.

**Migration loans**

Migration loans are provided to migrant workers seeking employment abroad, complemented with services from BRAC's migration programme such as premigration orientation and post-migration re-integration.

**Remittance loans**

Offers flexibility to migrant households to make significant expenditures, while families wait to receive and save remittances sent from abroad by a family member.

**Seasonal loans**

The six changing seasons of Bangladesh allow farmers to harvest different crops for each season. Seasonal loansrovide farmers with a convenient repayment scheme, allowing them the flexibility to invest and start paying their installments with the provision of a two-month grace period. The pilot is on-going in 17 rural branch offices. Additionally, they are also providing seasonal loans in char (riverine island) areas in collaboration with Swisscontact.

**Sanitation loans**

They are collaborating with BRAC Wash program to provide finance to entrepreneurs to invest, and families looking to improve sanitation standards in their homes. The loan is divided into four categories:

Development of new/modern latrines

Loans for placing safe drinking water tubewells

Placing/setting new water pumps and water tanks

Entrepreneurs working with sanitation and water-treatment plants.

**Financial services for ready-made garments workers**

The ready-made garment (RMG) sector in Bangladesh consists of over four million workers - 64% of whom are women. BRAC's microfinance program has undertaken two initiatives to provide financial services to RMG workers.

**Empowering the readymade garment (ERMG) project**

In collaboration with BRAC's urban development program, we are providing financial services to RMG workers living in urban areas. The ERMG project partnered with 29 RMG factories to offer holistic services to the RMG workers through 3 one-stop service centres. The centers are located in close vicinity to RMG factories in Tongi, Savar, and Gazipur. We are offering long-term savings through deposit premium schemes (DPS) for all clients.

**Client interaction point (CIP)**

They have established six client interaction points (CIP) in four RMG factory zones: Gazipur, Savar, Naraynganj, and Dhaka in Bangladesh. CIP works as a onestop service point for both male and female workers to access financial services, reducing the inconvenience of depositing instalments during working hours or travelling to branch offices to take loans. Through CIPs, clients can avail loans, deposit instalments and savings via cash or bKash and also take assistance to open a bKash account.

**Medical treatment loans**

Low-income households face economic distress during times of unforeseen health crises. We are collaborating with James P Grant School of Public Health and Heidelberg University to pilot medical treatment loans (MTL) to support families to cover medical expenditures. MTL is aimed towards clients, who can avail loans upon providing a prescription from a doctor of their own

choice with an MBBS degree. Instalments vary from 12 to 24 months, depending on previous loan repayment records.

**3.4. Savings Products**

Families can invest, plan for the future, enjoy smooth spending and cope with shocks with access to savings facilities. They provide four types of savings schemes in Bangladesh.

**General savings**

Micro-savings accounts for clients enabling them to save any amount and receive interest securely.

**Monthly profit scheme**

Long-term savings accounts whereby clients deposit a fixed amount upfront and receive monthly interest until the end of the agreement, along with the principal amount.

**Deposit premium scheme (DPS)**

Long-term savings accounts for clients to make monthly fixed deposits each month for a high return at the end of the agreement. This can be paid either in cash or via mobile money.

**Special savings**

The Special savings project was established to promote savings behaviour among clients and provide greater financial security in the future. Clients have the opportunity to avail five schemes: a regular DPS product, double savings scheme in 7 years, 1.5 times increase of savings in 4.5 years, a monthly profit basis savings scheme, and lastly, a fixed deposit.

**3.5. Functions of the department**

**Account Opening:** The first week I learned how to open a bank and borrow a lot of money. The amount of the deposit and the management and review of worksheets.

**Group Making:** The member of Brac shall instruct the members of the group (5-6) to continue the work activities. And it should be the contact number for the member.

**Loan Receive:** In the second week of my career, after learning about the mortgage open next week, I was looking forward to a new job. So this week I got money for the Lone Scheme.

**Knowledge Sharing:** Identify the level of the account and the reporting process for unreliable changes.

**Sustainable Profitable Investment:** Brac invests profitably because it saves money in the short term. Installments Received: Brac bank receives weekly on a small scale.

**Chapter-4**

**Methodology of the Study**

This study is qualitative in nature. Case study method tools take observation and in-depth interviews method to find the role of BRAC to poverty reducing and women empowerment in the rural area. The primary data of this study range from observation and in-depth interviews of the local people in our study area. My internship and filed work was the rural area. I work with the BRAC staffs and officer in this area branch.my supervisor always help me to get Secondary information.

**Sources of data**

**Primary sources:** The primary data had been collected from: Receiving feedback from random Brac members through questionnaire.

* By personal interviewing and interacting with Brac members.
* Face to face conversation with Brac Bank employees.

**Secondary sources:** The secondary data had been collected from:

* Prior research findings of the related studies on this topic.
* Published articles, magazine.
* Annual report of Brac.
* Company websites- Internet.

# **Chapter-5**

# **Internship Experience**

As I was assigned to this project for 30 days. I started my work on microfinance (Dabi) project from 21-12-2023 to 07-02-2024. I worked under the external supervisor Safikul Islam sir, Brance manager, Microfinance Program (Dabi). In the internship period, I was mostly assigned to database management of the courtyard meeting of various fileds and meeting's report writing. We Collection of loan installments from the clients. Like as a BRAC employees. We discuss with clients about their situation. And observation the real and practical activities of BRAC microfinance program (Dhabi). We go to filed work in the rural area. Our superviser Safikul Islam sir are very friendly and helpful person. He always helps us in our internship activists, practically show us officials activists and filed work. we work microfinance Dabi Program. In BRAC Microfinance has two parts, one is Dabi Program and another is Progoti Program.

**During my filed work I gathered the following experiences**:

I learned how to deal with rural people to get loan and collection monthly potions of loan from them. How Microcredit use properly, they train up clients. Because BRAC employees staffs advice and suggest them (Clients). They face to many heat situation to collection the portion of loan but them manage this situation. I nearly saw how microfinance / Microcredit contribute to reducing poverty and improving poor people situation in the rural area. BRAC staffs very friendly toward to work place; they help to us understanding officials activists and filed work. BRAC staffs treat us as their co-staffs. we work together with each others.

**Things I learned from my internship**

1. How to put my knowledge and skills into practice.
2. The benefits of networking.
3. Understanding workplace culture.
4. Enthusiasm is invaluable.
5. How important good communication is.
6. The benefits of taking on feedback.

**Chapter-6**

# **Findings and Discussion**

Certainly! BRAC's microfinance initiatives have shown several indicators of poverty reduction:

**Increased Income:** Microfinance borrowers typically experience a rise in income through investment in small businesses or income-generating activities facilitated by microloans. In the field work time I asked some respondents, How microfinance programme increase their income?

One respondent said, "They are taking small loans and using the money in different types of business, as a result of which their business has increased and their income has increased as compared to before."

**Access to Financial Services:** Access to financial services in BRAC's microfinance program is facilitated through a network of microfinance institutions (MFIs) that offer small loans, savings accounts, insurance, and other financial products to low-income individuals, particularly women, in rural and underserved areas. BRAC focuses on providing financial services tailored to the needs of its clients, promoting financial inclusion, and empowering individuals to improve their livelihoods through access to credit and financial resources. One respondent said that, "They are finding it very easy to run their business activities with small loans from BRAC on easy terms."

**Improved Food Security:** By generating additional income, microfinance clients can afford a more diverse and nutritious diet, contributing to improved food security and better nutrition outcomes for their families. And BRAC's microfinance program contributes to improved food security by providing access to financial services that enable clients to invest in agriculture, livestock, and small businesses related to food production and distribution. By offering loans, savings, and other financial products, BRAC empowers individuals to enhance their agricultural productivity, diversify their income sources, and strengthen their resilience to shocks and fluctuations in food prices. Additionally, BRAC integrates nutrition education and agricultural training into its microfinance services, promoting sustainable farming practices and dietary diversity, which further support food security outcomes for program participants. Many of them respondents said, "Now they are eating in three times at a day because of they taken from loans from BRAC and they continue their business properly way."

**Enhanced Education:** Increased household income allows families to invest in education, ensuring that children have access to schooling and educational resources, breaking the cycle of intergenerational poverty.And also in the BRAC microfinance program, enhanced education is facilitated through various initiatives such as financial literacy training, vocational skills development, and support for children's education. By providing access to educational resources and training opportunities, participants can acquire essential skills to improve their livelihoods and expand their employment opportunities. Additionally, BRAC may offer scholarships or incentives to encourage families to prioritize education, resulting in improved educational outcomes and breaking the cycle of poverty through knowledge empowerment. One respondent said, "She has three children, and all the children goes to school for ensuring their education."

**Better Healthcare:** Microfinance enables families to afford healthcare expenses, leading to improved health outcomes and reduced vulnerability to illness and disease. Besides those they provides In the BRAC microfinance program, better healthcare is promoted through initiatives like health education, access to affordable healthcare services, and community health programs. Participants may receive health training on topics such as nutrition, sanitation, and maternal and child health, improving their knowledge and practices. Additionally, BRAC may establish healthcare facilities or mobile clinics to provide essential medical services to underserved communities. By addressing healthcare needs and promoting preventive measures, the microfinance program contributes to improved health outcomes and overall well-being among participants.

**Women's Empowerment:** BRAC's microfinance programs often prioritize women as borrowers, empowering them economically and socially by giving them control over financial resources and decision-making within their households. And also women empowerment in the BRAC microfinance program is increased participation and decision-making power of women in household financial matters. This can be measured by assessing the percentage of women who have access to and control over financial resources, including loans and savings accounts. Additionally, indicators such as increased women's ownership of assets, higher levels of education and entrepreneurship among women beneficiaries, and greater involvement of women in community leadership roles can also demonstrate the effectiveness of the program in empowering women economically and socially.

**Reduced Vulnerability to Economic Shocks:** By diversifying income sources and building financial resilience, microfinance clients are better equipped to withstand economic downturns or unexpected expenses, reducing their vulnerability to poverty.

Besides those, a point of view findings are-

BRAC, a prominent development organization, aims to empower oppressed and deprived women by raising awareness at the grassroots level and establishing their rights. They also plan to strengthen partnerships with non-governmental organizations to achieve Sustainable Development Goals. Women face disproportionate challenges in escaping poverty due to limited resources, healthcare, education, and unpaid care work. Despite these obstacles, investing in women's empowerment is crucial for achieving SDGs and building a better future. BRAC implements evidence-based programs to assist marginalized communities across Asia and Africa, focusing on education, healthcare, microfinance, women's empowerment, and more. Founded in Bangladesh in 1972, BRAC envisions a world free from exploitation and discrimination, where everyone can realize their potential.

These indicators collectively demonstrate the multifaceted impact of BRAC's microfinance programs in alleviating poverty and fostering sustainable development within communities.

**Chapter-7**

# **Recommendations**

**Increase Higher Education and Home Loans:** It should be necessary to increase the number of higher education and home equity loans as members are dissatisfied with the current number. Loans for higher education should be granted on a merit basis.

**Interest Rate Knowledge:** Members usually have no knowledge of interest rate and some members claim discrepancies in their account balance as they are illiterate.

**Priority of members:** In most cases, anyone can be a member of the village bank, where the first priority is the poor people of the village. Brac should pay more attention to people without roots in the loan sanction.

**Increase women Literacy:** Studies have not shown that the greatest need for credit for women the budget will not know if they will have to spend money to pay for the marriage. This is why the discourse of the law requires an expectation of increased reading from women about women in need of financial loans.

**Increase the amount of credit**: This study shows that most of the beneficiaries obtained their credit for non-cultural purposes, such as poultry, livestock and gardens. Therefore Brac needs to increase demand from the start for non-crop investments.

# **Chapter- 8**

# **Conclusion**

Microfinance service provides credit to the poor without collateral. Microfinance services help the poor people not only to survive but also make them productive, self-employed. Microfinance service has much contribution to Bangladesh's key economic development indicators, because it helps to increase GDP, GNP, Savings, etc. Penniless people who did not have any collateral are becoming self-employed by getting microfinance services. Microfinance reduces poverty by increasing per capita consumption among program participants and their families. As a result, the poor are coming above the Poverty Line and eventually help to increase the GDP, savings, etc. accordingly. Microfinance plays a very important role for rural women's empowerment perspectives, because women have clearly benefited by getting access to the credit; they are able to increase their income generating activities, become owner of non-land assets, etc. As a result these influence their children's consumption, schooling and thus independent effect on household resource allocation. So, the vision of microfinance in Bangladesh is explicit, that is; not only alleviate the poverty but also play as a vital socioeconomic development mechanism. Through the microfinance program participation, the poor can be covered by savings mobilization and sustainable credit market. It is such an instrument which is capable to eradicate the poverty from the below and eventually it helps to maintain a peaceful society.

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