An Internship Report

on

Microcredit Activities on Caritas Bangladesh: A Study on Dinajpur Regional Office

This report is submitted to the Department of Finance and Banking, Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur for fulfillment of the degree of Master of Business Administration (MBA) program)

Prepared By

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June, 2024

ACKNOWLEDGEMENT

It is my great pleasure to express my gratitude to our creator God for such a great opportunity to be in touch with 90 days' internship program. I have to put my heartened feelings and gratitude for the kindness and assistance that was provided to me to complete my assigned internship report on the topic Analysis of Microcredit Activities on Caritas Bangladesh: A Study on Dinajpur Regional Office. I want to express my strong gratitude to my honorable supervisor, Sakila Zabin, Lecturer, Department of Finance and Banking, Faculty of Business Studies, HSTU, Dinajpur. I also express my strong gratitude to my honorable co-supervisor, Ayrin Sultana, Associate Professor, Department of Finance and Banking, HSTU, Dinajpur. I would thankful for such co-operation which I received from my honorable supervisor. Then, I specially want to acknowledge Mr. Ronjon J.P Rozario the regional Director of Caritas Bangladesh, Dinajpur Region. Without their kind supervision, preparing this report would be very difficult.

At last but not the least, I want to thank Hajee Mohammad Danesh Science and Technology University, Dinajpur for giving me such an opportunity to complete my MBA degree and allow me to gather practical experience and enrich my knowledge.

May almighty God bless all of them.

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Caritas Bangladesh

A National Organisation of the Catholic Bishops' Conference
of Bangladesh for Social Welfare and Human Development

Regional Office: West Shibrampur, Mujahidpur, Dinajpur, Bangladesh. P.O. Box 8, Dinajpur 5200

Ref. CBD/0547(Gen)2023-24/**265** Date: **26 May 2024**

TO WHOM IT MAY CONCERN

This is to certify that **Amreta Barman,** S/O Bhugol Chandra Barman & Sudebi Rani, a student of Master of Business Administration (MBA) Program of Hajee Mohammad Danesh Science and Technology University (HSTU) and student ID No. 1703214 has undergone an internship program at our Caritas Bangladesh, Dinajpur Regional Office for a period of 90 days from January 10, 2024 to May 20, 2024.

During the period of Internship, he was sincere, work hard and showed keen interest to acquire practical knowledge on **Microcredit Activities of Caritas Bangladesh.** The involvement and sustained efforts put by intern are highly appreciable.

We wish him every success in life.

Rozario

(Ronjon J. P. Rozario)
Regional Director
Caritas Bangladesh, Dinajpur Region

Regd. under the Societies Registration Act XXI of 1860
No. 3760-B of 1972-73, Dated 13-7-1972
Regd. with NGO Affairs Bureau under the Foreign Donations (Voluntary Activities)
Regulation Ordinance, 1978, No. 009, Dated 22-4-1981
Regd. under the Micro Credit Regulatory Authority Act 2006
No. 00032-00286-00184, Dated 16-03-2008

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CERTIFICATE OF SUPERVISOR

I hereby declare that the concerned report "Microcredit Activities on Caritas Bangladesh: A Study on Dinajpur Regional Office" is a work done by Amreta Barman, Student ID-1703214, MBA, 2021 (MBA in Finance) Hajee Mohammad Danesh Science and Technology University, Dinajpur-5200, is submitted the report to the Faculty of Business Studies for the partial fulfillment of the requirement of the degree of Master of Business Administration (MBA in Finance).

I wish him every success in life.

……………………….
Sakila Zabin
Lecturer
Department of Finance and Banking
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CERTIFICATE OF CO-SUPERVISOR

I hereby certified that the concerned report Microcredit Activities on Caritas Bangladesh: A Study on Dinajpur Regional Office is a work done by Amreta Barman, Student ID-1703214, MBA in Finance, 2021, Hajee Mohammad Danesh Science and Technology University, Dinajpur-5200. He has completed this work under my co-supervision and advised to submit the report to the Faculty of Business Studies for the partial fulfillment of the requirement of the degree of Master of Business Administration (MBA in Finance).

I wish him every success in life.

………………………

Ayrin Sultana
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STUDENT'S DECLARATION

I hereby declare that the internship report entitled on Analysis of "Microcredit Activities on Caritas Bangladesh: A Study on Dinajpur Regional Office" embodies the result of my own works and efforts, prepared under the supervision of Sakila Zabin, Lecturer, Department of Finance and Banking, Hajee Mohammad Danesh Science and Technology University, Dinajpur.

I further affirm that, the work and information presented in this report is original and any part or whole has not been submitted to, in any form, any other University or Institution for any degree or any other purpose.

……………………………

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Abstract

Caritas Bangladesh (CB) has been working in Bangladesh since 1971. It has seven Regional Offices in Barisal, Chittagong, Dhaka, Dinajpur, Khulna, Mymensingh and Rajshahi and one Area Office in Sylhet. CB has its National Office in Dhaka. CB has introduced the program of CCU in 2012 in Mymensingh region replacing microfinance program which was initiated by it in 1983 and terminated in 2012 due to piling up considerable outstanding loans and portfolio risk. The prime purpose of the present paper is, thus, to evaluate the performance of CCUs in terms of increasing income and livelihoods of the rural Adivasi people as well as to check with the sustainability of the organizations. To attain these objectives, a research framework has been formulated. A survey instrument is used for collecting data through field visits in greater Mymensingh. The analyses of these data helped to achieve the study objectives.

Keywords: CB, CCU, Adivashi people, poverty alleviation, microcredit, Bangladesh

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CHAPTER I
Introduction

1.1 Introduction

Microfinance is a form of financial development that has primarily focused on alleviating poverty through providing financial services to the poor. Most people thought that microfinance means micro-credit i.e. lending small amounts of money to the poor. According to Morduch (2023), microfinance refers to provision of financial services namely, loans, savings, insurance, or transfer services to low-income households. Otieno et al. (2023) further describes microfinance as small loans, savings mobilization and training offered to the poor to enable them to create self-employment by starting their own businesses and thus generating income. Anyanwu (2024) stated that microfinance refers to an array of financial services like loans, savings and insurance. The services basically provide to the people who have no collateral or qualify for a standard bank loan. They may be the poor entrepreneurs or the small business owners. Ledgerwood (2023) also stated that the financial services not only include savings and credit but also other financial services like insurance and payment services. Therefore, microfinance involves the provision of financial services providing to the poor who are unable to obtain such services from the formal financial sector, living both in urban and rural areas. The services may include credit, saving and insurance (Khan and Rahaman, 2023; Wanchoo, 2023; Bakhtiari, 2023). According to Barr (2023), the services may include insurance, transactional services and savings too. Microfinance directly contributes to the economic growth through the value creation of small entrepreneurship and businesses, positive spill over's, improvements in human development indicators (health, nutrition, and education), reduction in inequality and poverty (Ravallion, 2023). Kai and Hamori (2023) analyzed microfinance towards inequality of 61 developing countries people. They found that microfinance tends to reduce income inequity directly by easing credit constraints to the poor. A number of Literatures on microfinance studies from various disciplines are studied to have an idea about the present piece of work. Most of the studies suggest that microfinance not only reduce the poverty of the households but also works for the well-being of the households at deferent levels such as asset acquisition, household nutrition, health, food security, children education, women's empowerment, and social cohesion (Armendáriz de Aghion and Morduch, 2023; Armendáriz and Morduch, 2023, 2023; Schuler et al., 2023; Littlefield et al. 2023; Roodman and Morduch, 2014). However, recently the impact of microfinance has been questioned and many studies argue that the impact of microfinance is divergent between position(Rooyen et al., 2023). The literature acclaims that the impact of microfinance works differently from one context to another and the impact is dependent on the population density, attitudes to debt, group-cohesion, enterprise development, financial literacy, financial service providers and other (Armendáriz and Morduch, 2023). Bangladesh has also been able to draw the attention of the world community heralding new approaches to poverty alleviation through operations of microfinance among poor households. According to Schwab (2023), Bangladesh ranked 77th on availability and 86th on affordability of financial service out of 137 countries. At present, microfinance is an integral part of Bangladesh's economy and the growth of financial sector depends on a larger extent of the socio-economic, macro- economic and financial stability of a country. Presently, it plays a much more important role in Bangladesh than in the 2023s. In the time of 2023s, the main purpose of microfinance was limited to savings mobilization and credit disbursement. Microfinance has created much favour among researchers, development economists in particular to research on emergence, roles, objectives and methods of microfinance program as well as its impact of microfinance on poverty alleviation. The Peoples' Republic of Bangladesh established the Microcredit Regulatory Authority (MRA) in 2023 and started licensing in 2023 in order to give license, monitor and oversee the Bangladeshi MFIs.

1.2 Objectives of the Study:

1. To determine the microcredit activities on Caritas
2. To know the credit facilities of Caritas

1.3 Limitation of the study:

Every researcher faces problems in case of his research. In my internship program I have also faced same problems. The following limitation I have faced in case of data collection:

- The main limitation of proper data from the office for the breach of confidentiality.
- Many officers are not co-operative to provide useful and relevant information.
- It is difficult to communicate with borrowers.
- Lack of available relevant data in the website of Caritas Bangladesh.

CHAPTER II

Literature Review

In this section a review of literature on different aspects of micro-credit programs has been made. It is needless to say that micro-credit helps the poor in day-to-day household-level consumption of basic necessities as well as in asset building. It also promotes investment in human capital like schooling. It raises awareness to reproductive health and increases both individual and household microcredit programs have also, in many cases, increased mobility and strengthened networks among women who were previously confined to the home(Carr et al. 2023). Borrowers build solidarity through their participation in lending circles and village organizations. This is especially important in Bangladesh, for example, where women's mobility is limited, and weekly meetings can be an opportunity for women to meet outside the home and discuss their problems. There are also studies that suggest even more far-reaching social impact, including decreases in fertility rates, assumed to be linked to increased financial self-reliance and more say for women in family matters, including family finances (Hashemi 2023).Bangladesh Government and Non-Government Organization (NGO) always try to alleviate the poverty. Many NGOs are providing microcredit to the poor people and they argued that poverty is alleviating day by day by taking microcredit (Hashemi et al 2023), (Bhattacharya, et al. 2023), (Hossain, M.,2023), (Khandker, S. R., 2023), (Yunus, M., 2023). micro-credit's worldwide recognition has been credited to Muhammad Yunus who is the founder of the Grameen Bank in Bangladesh and recipient of the 2023 Nobel Peace Prize. Although microfinance was not his original idea, Yunus pioneered the implementation of group based lending and collateral free loan. As a consequence, the poor women are able to manage credit and organize microcredit (Engler, 2023, p. 82). He founded the Grameen Bank in the 2023s as an effort to ameliorate the destitute poverty that plagued his country (Yunus, 2023, p. 20). Grameen Bank has more than 1,000 branches and 6 million members. Besides, the loan repayment rate of Grameen Bank is 98 percent (Midgley, 2023, p. 471)Elahi and Demopoulos 2022 differentiate several key features of micro-credit from commercial banking procedures. They mention five characteristics of poverty alleviation tool: 1) small loan size, which is determined by micro lending institutions and dependent on the country's socio-economic development 2) focus on women borrowers, who have little access to credit 3) emphasis on the utilization of loans to start microcredit, as they provide employment opportunities to clients 4) absence of tangible collateral, and formation of joint-liability groups to enforce payment, and 5) savings mobilization programs, which require borrowers to open savings accounts and accumulate financial assets (Elahi & Danapoulos, 2023, p. 62). Rotating Savings system is a group of individuals who agree to meet for a particular period in order to save and borrow together (Yunus, 2023, p. 20). So microfinance is the strategy for providing to the poor in rural and urban areas, especially women with savings and credit facilities to expand business, invest in self-employment activities and increase household security. One of the major challenges for loan repayment and poverty reduction is the failure of clients to honour their indebtedness. While some people find it difficult to access loans, others who have the opportunity to access the loans fail to pay back the loans on time. Many rural banks, credit unions and financial NGOs have expressed their disappointment of clients' inability to pay back loans on time. This unfortunate revelation undermines the purpose of the credit and loan schemes, hence led to the decline of economic development and poverty reduction (Elahi & Danapoulos, 2023)Moreover, MFI's charge higher interest rates to the poor. They start charging their customers higher rates in order to cover costs, and perhaps even earn more profit. Customers suffer and are faced with increased difficulty in repaying loan with higher interest rates. Besides, few poor borrowers get the loan only for survival and do not engage in generating income. As a consequence, MFI's apply a variety of systems of repressions to raise the loan repayment (Ali, 2023).According to Mosley and Hulme 2023, the poor may use the loans differently, for consumption or to invest in lower risk (and generally less remunerative) activities. Meanwhile, the better-off borrowers tend to invest in riskier and more productive ventures, including technological improvements. The study concluded that "while credit may be an effective vehicle for boosting the incomes of the poor, it may be less effective, or even counter-productive, in helping the poorest of the poor raise their living standards. Alternative poverty reduction mechanisms are probably advisable for this group (Mosley and Hulme 2023). Similarly MkNellyet al. (2023) found positive benefits for the borrowers. Khandker(1995), based on double difference comparison between eligible and ineligible households and between program and control villages, focusing on Grameen, Bangladesh and Bangaldesh Rural Advancement Committee (BRAC), found that microcredit alleviated poverty up to 5 percent annually. Another study by Coleman (2023), found that programs are not reaching the poor as much as they reach relatively wealthy people. Khandker(2023), found that microfinance helps to reduce extreme poverty much more than moderate poverty,i.e. 18 percentage points as compared with 8.5 percentage points over seven years. Welfare impact is also positive for all households, including non participants, as there were spillover effects.

Chapter III

Organization's Profile

3.1 Overview of Caritas Bangladesh:

Caritas Bangladesh is a Catholic charitable organization in Bangladesh. It is a member of Caritas Internationals and governed by Catholic Bishop's Conference of Bangladesh. Caritas Bangladesh was founded in 1967 as the eastern branch of Caritas Pakistan. After the 1970 Bhola cyclone, it was re-organised and renamed as Christian Organisation for Relief and Rehabilitation (CORR).After the independence of Bangladesh, it was re-registered under the Societies Registration Act, 1860 in 1972. It was renamed as Caritas Bangladesh in 1976. On, April 22, 1981, Caritas got registered under the NGO Affairs Bureau of Bangladesh.

Caritas Bangladesh (CB) began working with the Tribal Welfare Association (TWA) to launch the Legal Aid Project (LAP) in 1979 in an effort to improve the socioeconomic standing of the Adivasi (native or indigenous) peoples of greater Mymensingh. The government has interfered with and terminated LAP after a few years of intervention. Later, in 1990, CB launched the Integrated Community Development Project (ICDP), a new strategy for integrated development for Adivasi Peoples. The main goal of this project was to use village-based organizations to support socioeconomic development in rural areas; as a result, "Samity" (association) was the main group. Microfinance programs were one way that this group approach was implemented, and they lasted until 2012 (CB, 2012).

Even though agriculture is the primary industry in this rural, agrarian nation, it has sadly been utterly unsuccessful in providing the landless with fulfilling employment opportunities. Taking into account these general circumstances, non-governmental organizations are striving to eradicate poverty through direct engagement with the impoverished populace.

Caritas Bangladesh works to achieve integral development, a truly human life in dignity, and the responsible and loving service of others by working in partnership with people, particularly the impoverished and marginalized, with equal respect for all.

Currently, Caritas is managing 112 projects, spanning three trusts, that assist 11.7 million people. Caritas Internationalis is made up of 165 member organizations spread across more than 200 nations and regions. Amnesty International Bangladesh is one of these groups.

3.2 Mission of Caritas Bangladesh :

Caritas Bangladesh tries to function in partnership with people – especially the poor and the marginalized, with equal respect for all – to attain integral development, to live a truly human life in dignity and to serve others responsibly and with love.

3.3 Vision of Caritas Bangladesh:

In the light of the Social Teachings of the Church, Caritas Bangladesh envisions a society which embraces the values of freedom, justice, peace and forgiveness allowing all to live as a communion and community of mutual love and respect.

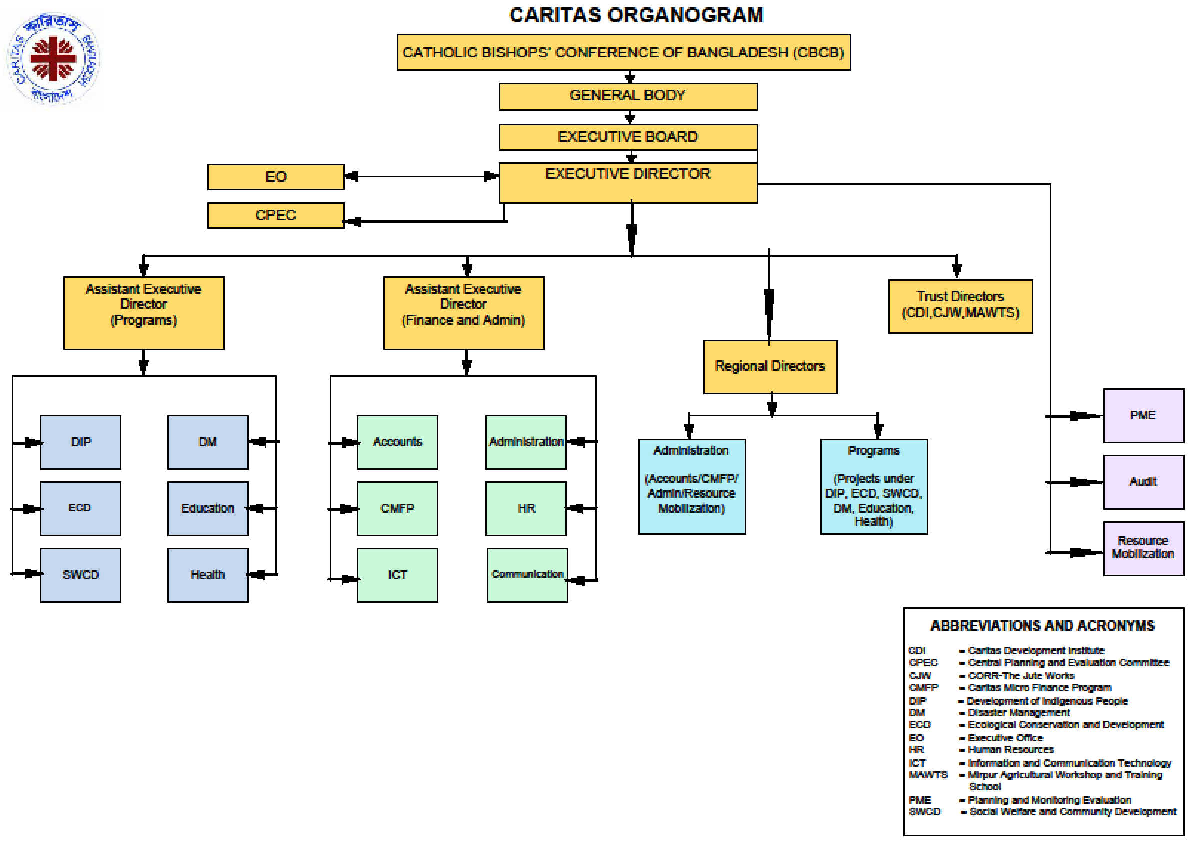

Figure 3.1: Organogram of Caritas Bangladesh

3.4 Target Population of Caritas Bangladesh:

- Adivasi
- Climate vulnerable people
- Migrants
- Person with disabilities
- Population with hard to reach area
- Senior citizen (60+ years)

- Third gender
- Urban floating people
- Women and children
- Youth (age between 18-35)

3.5 Areas of Current Programme of Caritas Bangladesh:

- Adivasi Rights and Development
- Advocacy and Awareness Building
- Agriculture & Food Security
- Community empowerment
- Employment
- Environment, Climate Change, and Disaster Management
- Gender Equality
- Health, Nutrition and Population
- Human Rights and Legal Aid Services
- Humanitarian Response
- Integrated Development
- Mental heath
- Microfinance
- Quality education
- Rights to children
- Soft skills development programme
- Vocational Education & Training and Skills Development
- Volunteerism
- Water, Sanitation and Hygiene
- Women Empowerment

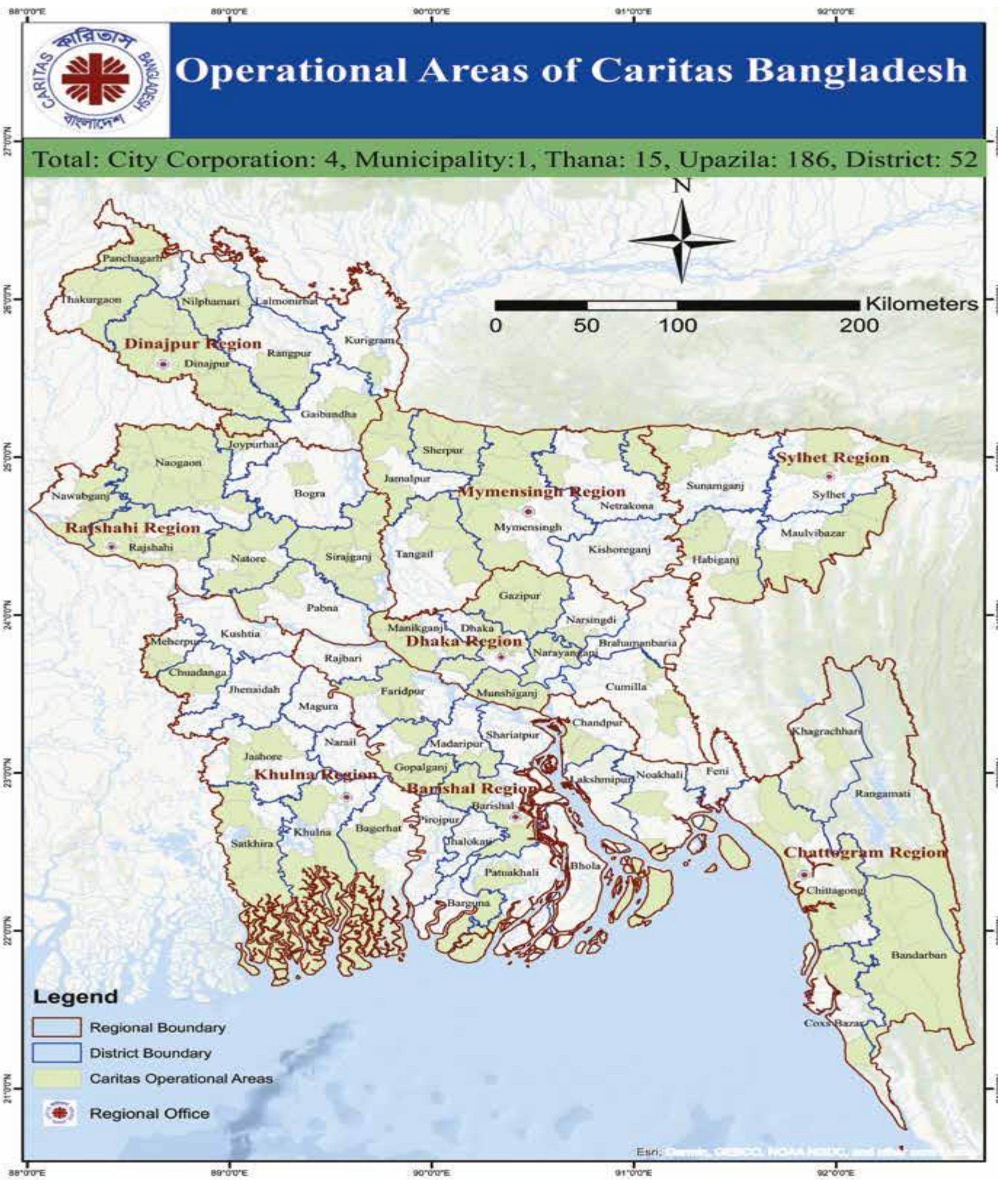

Fig. 3.2 Operational areas of Caritas Bangladesh

Chapter IV

Methodology

4.1 Methodology of the Study

Methodology is the efficient explanation of sequence of activities.

In this Internship report, both descriptive and exploratory method has been used. To get internship elements to implement the report I worked in some steps. Those steps are sampling methods, questionnaire development, data collection and data analysis.

4.2 Data Collection:

The questionnaire method has been used for data collection for the study. The information was gathered for this report from primary data

Primary Sources:

- Conducted survey through questionnaire.
- Practical desk work.
- Direct observations.

4.3 Sampling Method:

Non probability Sampling technique has been performed for collecting sample.

4.4 Sample Size:

There are 35 respondents.

4.5 Questionnaire Development:

The most crucial part of research the preparation of the questionnaire. I prepare my questionnaire first, then I present it to my supervisor. She highlighted some vital tasks for my questionnaire. I constructed my survey question according to her directions and finally developed my survey question.

4.6 Data Analysis:

I have analysis these data to Microsoft Excel and showed those data into the table and pie charts.

4.7 Limitations of the Study:

To prepare any report various aspects and experiences are must needed. But I have faced some barriers for making a complete and perfect report. The limitations of the report are as follows:

- **Confidentiality:** It is the policy of Caritash Bangladesh not to disclose some data and information for many reasons.
- **Small sample Size:** The sample sizes are sample and it is one of the majors limitations.
- **Lack of time:** Time limits are one of the main obstacles report.
- **Lack of experience:** I have lack of experience in this area. So lacking of experience is one of the limitations.

Chapter V

Analysis and Interpretation

Q1: Staffs are frank and professional.

Answer	Number of Respondent	% of Respondent
Strongly Agree	27	77
Merely Agree	4	11
Agree	0	0
Neutral	1	3
Disagree	3	9
Merely Disagree	0	0
Strongly Disagree	0	0
Total	35	100

Source: Own survey

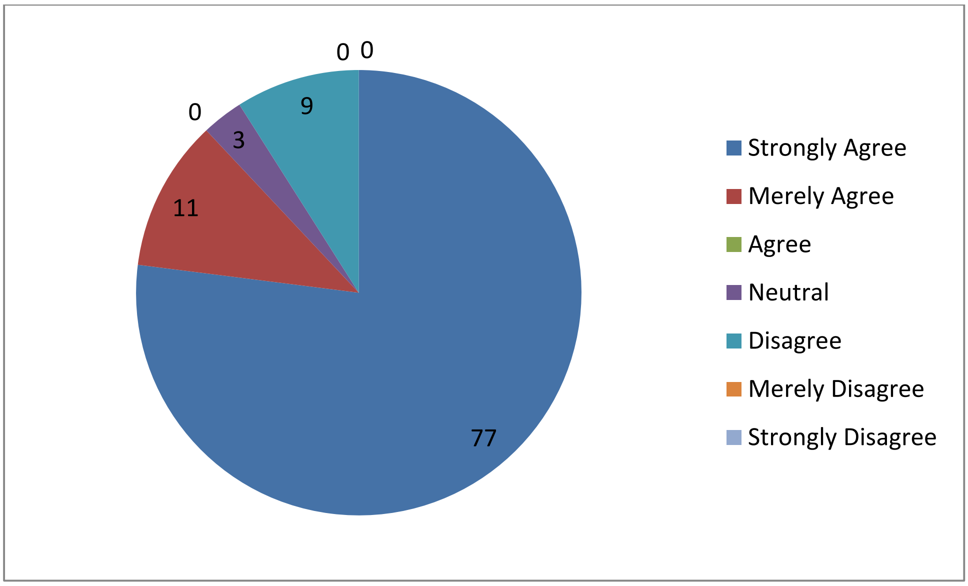

Figure 5.1: Staffs are frank and professional.

Analysis of Q1: There question has been asked to 35 respondents. Among 77% of total respondents strongly agreed, 11% of total respondents merely agreed, 0% of respondents was agreed, 3% of respondents were neutral, 9% of respondents denied, 0% of respondents merely denied and 0% 0f total respondents strongly denied.

Q2: You can get loan in very short term perm period.

Answer	Number of Respondent	% of Respondent
Strongly Agree	12	34
Merely Agree	16	46
Agree	3	9
Neutral	3	8
Disagree	1	3
Merely Disagree	0	0
Strongly Disagree	0	0
Total	35	100

Source: Own survey

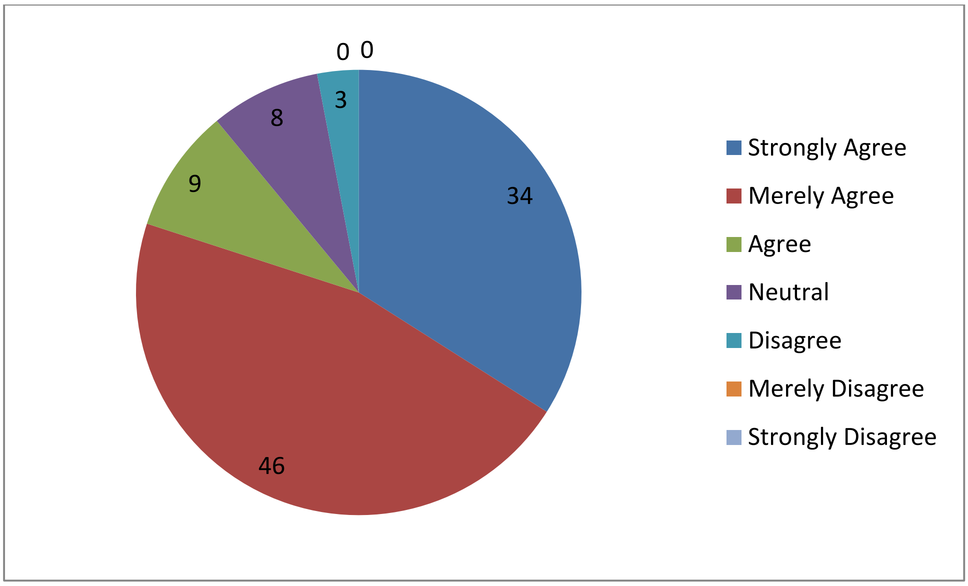

Figure 5.2: You can get loan in very short term perm period.

Analysis of Q2: There question has been asked to 35 respondents. Among 34% of total respondents strongly agreed, 46% of total respondents merely agreed, 9% of respondents was agreed, 8% of despondents were neutral, 3% of respondents disagreed, 0% of respondents merely disagreed, and 0% of total respondents to strongly disagreed.

Q3: You can get loan with short process.

Answer	Number of Respondent	% of Respondent
Strongly Agree	5	14
Merely Agree	14	40
Agree	10	29
Neutral	3	8
Disagree	1	3
Merely Disagree	2	6
Strongly Disagree	0	0
Total	35	100

Source: Own survey

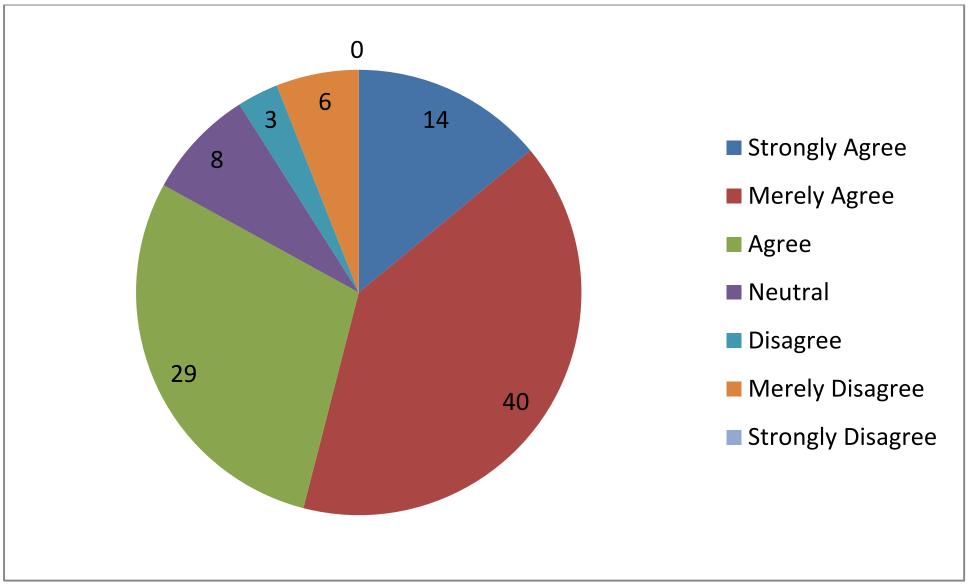

Figure 5.3: You can get loan with short process.

Analysis of Q3: There question has been asked to 35 respondents. Among 14% of total respondents strongly agreed, 40% of total respondents merely agreed, 29% of respondents was agreed, 8% of despondents were neutral, 3% of respondents disagreed, 6% of respondents merely disagreed, and 0% of total respondents to strongly disagreed.

Q4: Loan can be taken when necessary.

Answer	Number of Respondent	% of Respondent
Strongly Agree	17	48
Merely Agree	7	20
Agree	4	11
Neutral	2	6
Disagree	3	9
Merely Disagree	0	0
Strongly Disagree	2	6
Total	35	100

Source: Own survey

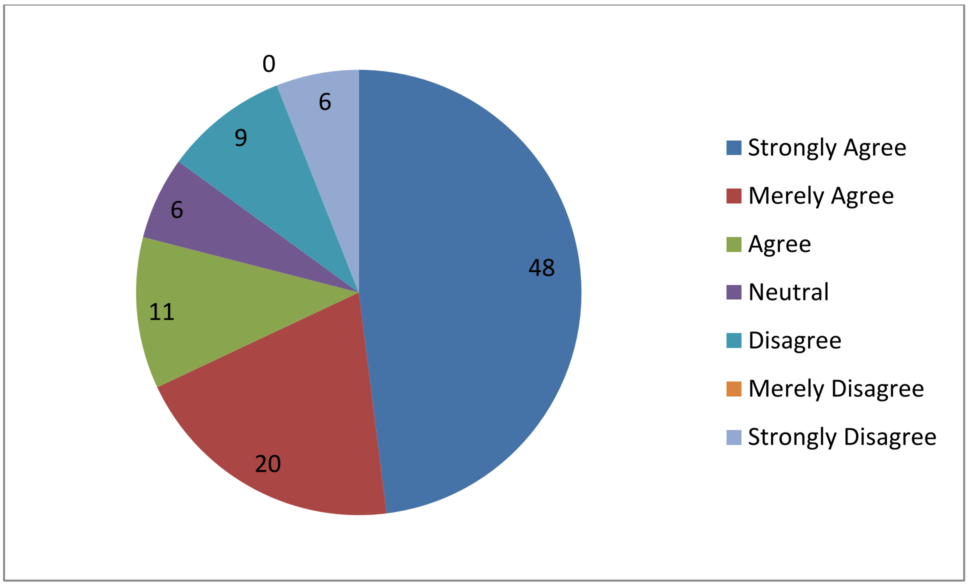

Figure 5.4: Loan can be taken when necessary.

Analysis of Q4: There question has been asked to 35 respondents. Among 48% of total respondents strongly agreed, 20% of total respondents merely agreed, 11% of respondents was agreed, 6% of despondents were neutral, 9% of respondents disagreed, 0% of respondents merely disagreed, and 6% of total respondents to strongly disagreed.

Q5: There are better credit scheme in other Financial institution.

Answer	Number of Respondent	% of Respondent
Strongly Agree	20	57
Merely Agree	7	20
Agree	1	3
Neutral	2	6
Disagree	2	6
Merely Disagree	3	8
Strongly Disagree	0	0
Total	35	100

Source: Own survey

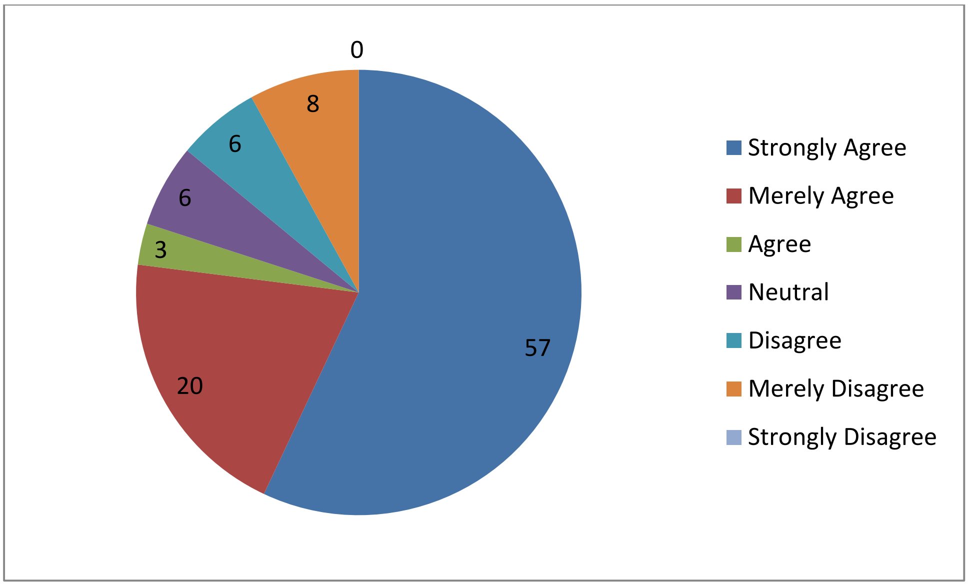

Figure 5.5: There are better credit scheme in other Financial institution.

Analysis of Q5: There question has been asked to 35 respondents. Among 57% of total respondents strongly agreed, 20% of total respondents merely agreed, 3% of respondents was agreed, 6% of despondents were neutral, 6% of respondents disagreed, 8% of respondents merely disagreed, and 0% of total respondents to strongly disagreed.

Q6: Some Institutions offer bigger amount with the same interest rate.

Answer	Number of Respondent	% of Respondent
Strongly Agree	13	37
Merely Agree	12	34
Agree	8	23
Neutral	2	6
Disagree	0	0
Merely Disagree	0	0
Strongly Disagree	0	0
Total	35	100

Source: Own survey

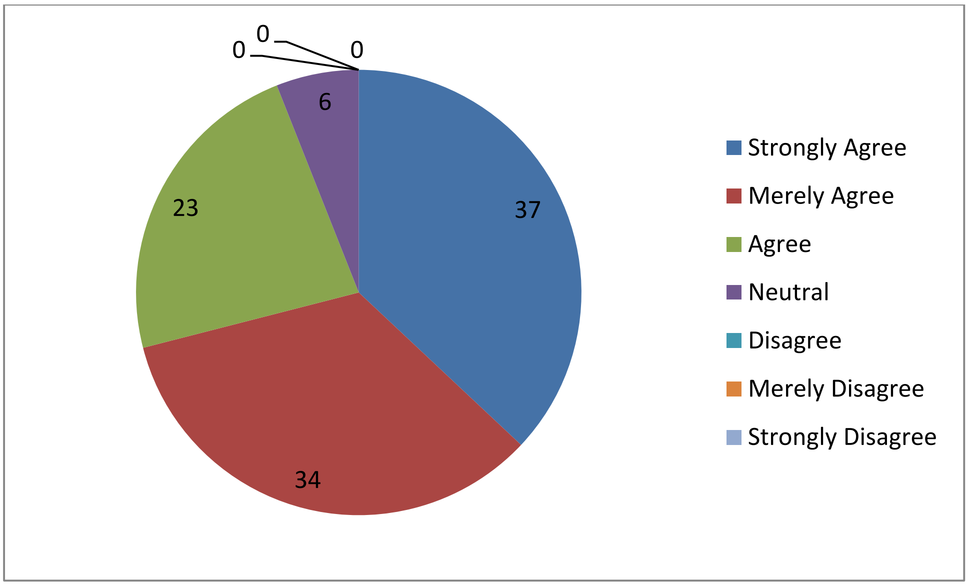

Figure 5.6: Some Institutions offer bigger amount with the same interest rate.

Analysis of Q6: There question has been asked to 35 respondents. Among 37% of total respondents strongly agreed, 34% of total respondents merely agreed, 23% of respondents was agreed, 6% of despondents were neutral, 0% of respondents disagreed, 0% of respondents merely disagreed, and 0% of total respondents to strongly disagreed.

Q7: The credit payment process is smooth.

Answer	Number of Respondent	% of Respondent
Strongly Agree	18	51
Merely Agree	7	20
Agree	5	14
Neutral	3	9
Disagree	2	6
Merely Disagree	0	0
Strongly Disagree	0	0
Total	35	100

Source: Own survey

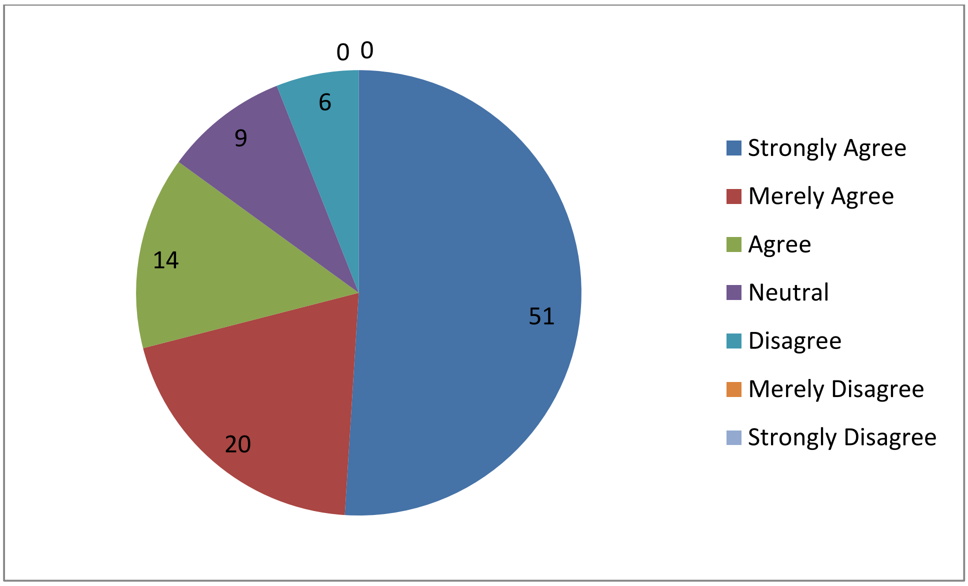

Figure 5.7: The credit payment process is smooth.

Analysis of Q7: There question has been asked to 35 respondents. Among 51% of total respondents strongly agreed, 20% of total respondents merely agreed, 14% of respondents was agreed, 9% of despondents were neutral, 6% of respondents disagreed, 0% of respondents merely disagreed, and 0% of total respondents to strongly disagreed

Q8: Caritas provided the facility of early termination of loan.

Answer	Number of Respondent	% of Respondent
Strongly Agree	12	34
Merely Agree	13	37
Agree	7	20
Neutral	0	0
Disagree	0	0
Merely Disagree	2	6
Strongly Disagree	1	3
Total	35	100

Source: Own survey

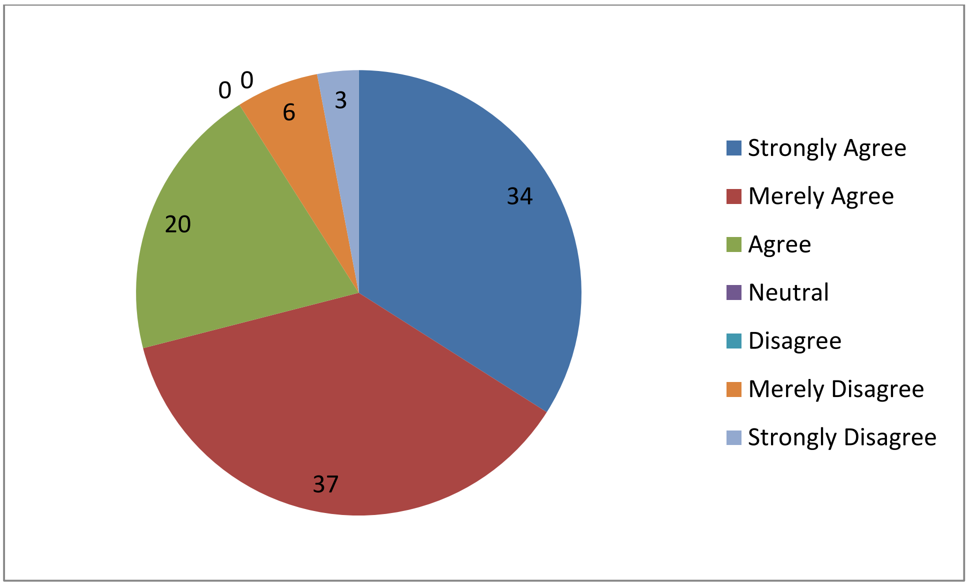

Figure 5.8: Caritas provided the facility of early termination of loan.

Analysis of Q8: There question has been asked to 35 respondents. Among 12% of total respondents strongly agreed, 37% of total respondents merely agreed, 20% of respondents was agreed, 0% of despondents were neutral, 0% of respondents disagreed, 6% of respondents merely disagreed, and 3% of total respondents to strongly disagreed.

Q9: Do you thing you are able to pay monthly installments from the income of you current project.

Answer	Number of Respondent	% of Respondent
Strongly Agree	11	31
Merely Agree	9	26
Agree	7	20
Neutral	2	6
Disagree	3	8
Merely Disagree	2	6
Strongly Disagree	1	3
Total	35	100

Source: Own survey

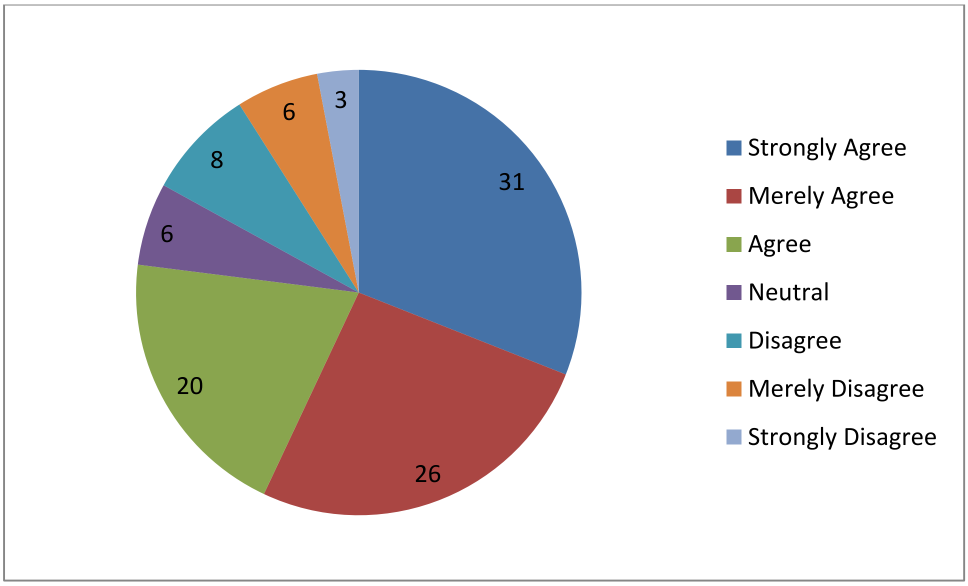

Figure 5.9: Do you thing you are able to pay monthly installments from the income of you current project.

Analysis of Q9: There question has been asked to 35 respondents. Among 31% of total respondents strongly agreed, 26% of total respondents merely agreed, 20% of respondents was agreed, 6% of despondents were neutral, 8% of respondents disagreed, 6% of respondents merely disagreed, and 3% of total respondents to strongly disagreed

Q10: Credit provided by caritas is enough to start new venture.

Answer	Number of Respondent	% of Respondent
Strongly Agree	9	26
Merely Agree	11	31
Agree	10	28
Neutral	3	9
Disagree	0	0
Merely Disagree	0	0
Strongly Disagree	2	6
Total	35	100

Source: Own survey

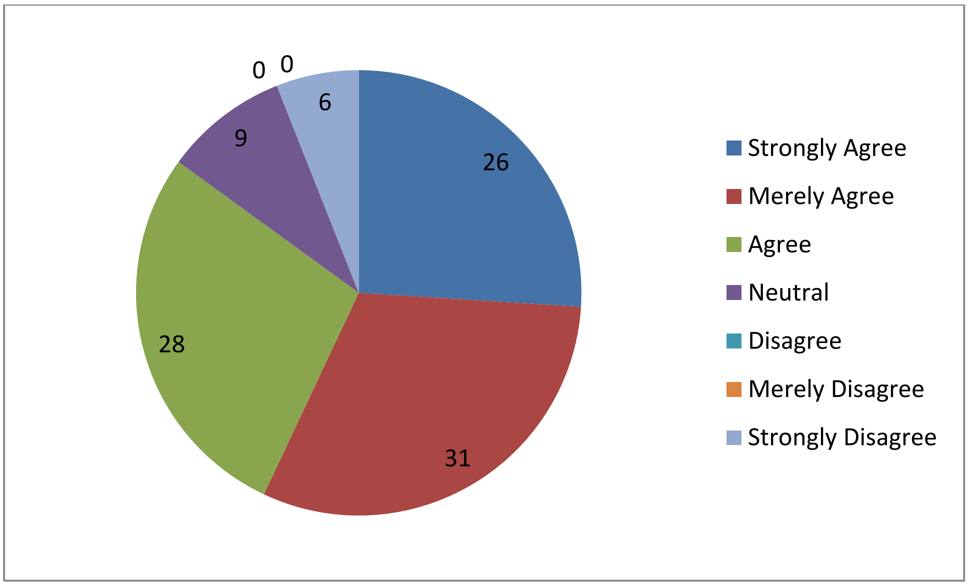

Figure 5.10: Credit provided by caritas is enough to start new venture.

Analysis of Q10: There question has been asked to 35 respondents. Among 26% of total respondents strongly agreed, 31% of total respondents merely agreed, 28% of respondents was agreed, 9% of despondents were neutral, 0% of respondents disagreed, 0% of respondents merely disagreed, and 6% of total respondents to strongly disagreed

Q11: You need additional fund for the expansion of your business.

Answer	Number of Respondent	% of Respondent
Strongly Agree	2	6
Merely Agree	0	0
Agree	0	0
Neutral	13	37
Disagree	12	34
Merely Disagree	4	11
Strongly Disagree	4	11
Total	35	100

Source: Own survey

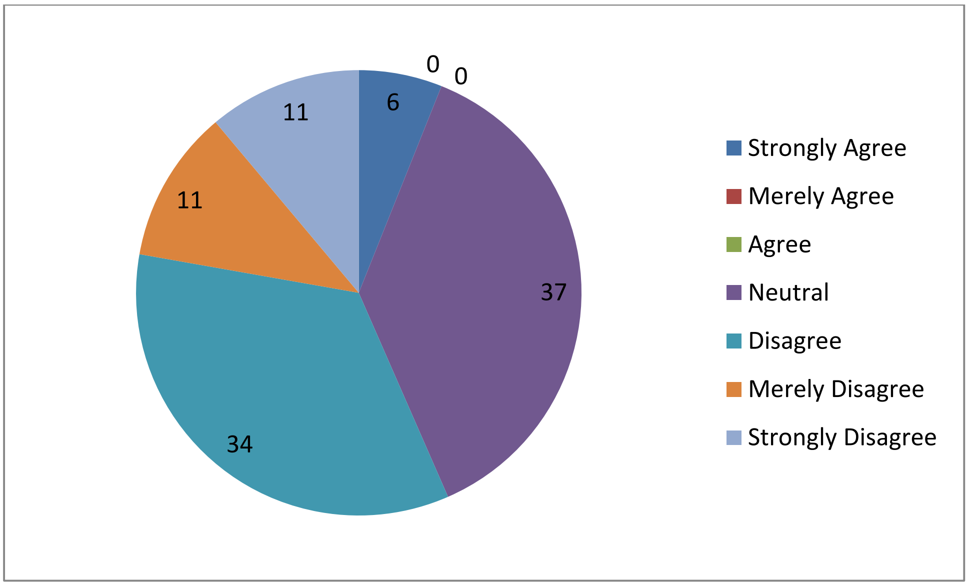

Figure 5.11: You need additional fund for the expansion of your business.

Analysis of Q6: There question has been asked to 35 respondents. Among 6% of total respondents strongly agreed, 0% of total respondents merely agreed, 0% of respondents was agreed, 37% of despondents were neutral, 34% of respondents disagreed, 11% of respondents merely disagreed, and 11% of total respondents to strongly disagreed.

Q12: Your friends and relatives motivated you to take Microcredit from Caritas Bangladesh.

Answer	Number of Respondent	% of Respondent
Strongly Agree	13	37
Merely Agree	10	29
Agree	10	29
Neutral	2	5
Disagree	0	0
Merely Disagree	0	0
Strongly Disagree	0	0
Total	35	100

Source: Own survey

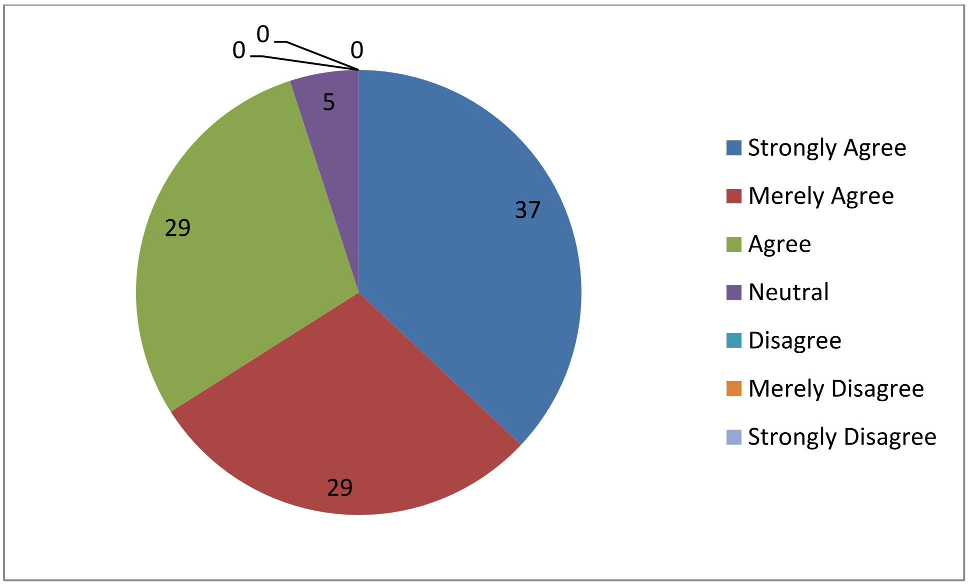

Figure 5.12: Your friends and relatives motivated you to take Microcredit from Caritas Bangladesh.

Analysis of Q12: There question has been asked to 35 respondents. Among 37% of total respondents strongly agreed, 29% of total respondents merely agreed, 29% of respondents was agreed, 5% of despondents were neutral, 0% of respondents disagreed, 0% of respondents merely disagreed, and 0% of total respondents to strongly disagreed.

Q13: Caritas staffs are frequently regulated you to take credit from their institution.

Answer	Number of Respondent	% of Respondent
Strongly Agree	17	49
Merely Agree	13	37
Agree	0	0
Neutral	0	0
Disagree	5	14
Merely Disagree	0	0
Strongly Disagree	0	0
Total	35	100

Source: Own survey

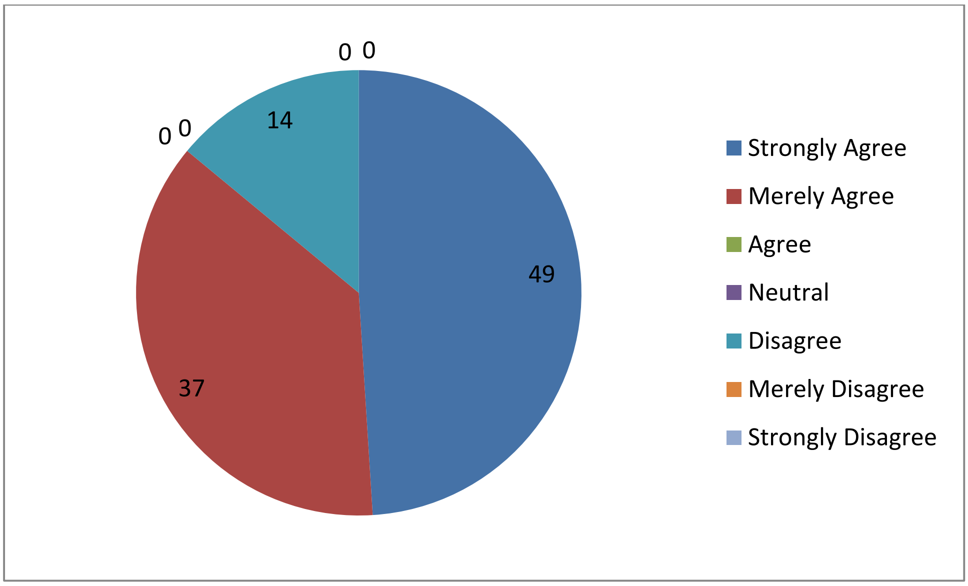

Figure 5.13: Caritas staffs are frequently regulated you to take credit from their institution.

Analysis of Q13: There question has been asked to 35 respondents. Among 49% of total respondents strongly agreed, 37% of total respondents merely agreed, 0% of respondents was agreed, 0% of despondents were neutral, 14% of respondents disagreed, 0% of respondents merely disagreed, and 0% of total respondents to strongly disagreed

Q14: You are self-Motivated to take credit.

Answer	Number of Respondent	% of Respondent
Strongly Agree	27	77
Merely Agree	3	9
Agree	2	6
Neutral	1	3
Disagree	2	5
Merely Disagree	0	0
Strongly Disagree	0	0
Total	35	100

Source: Own survey

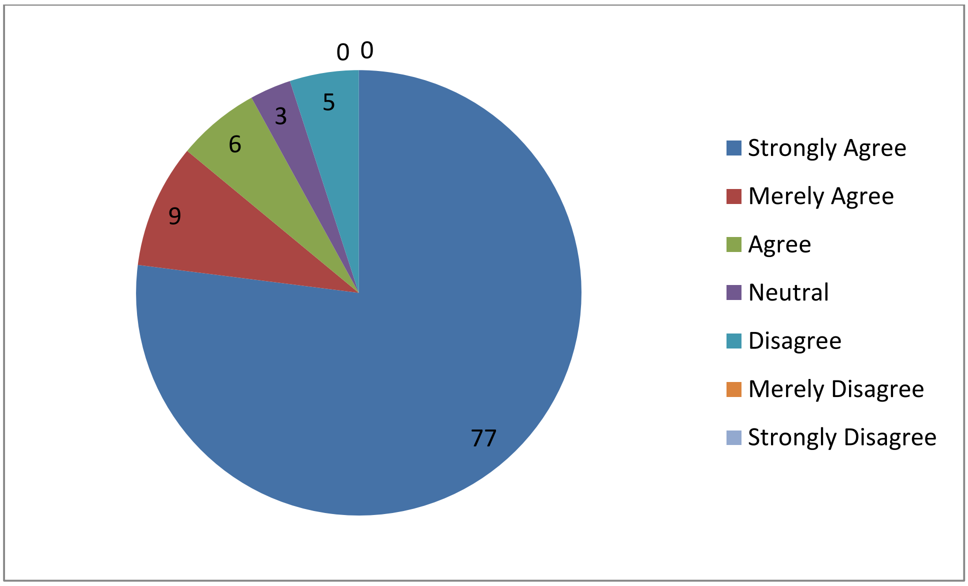

Figure 5.14: You are self-Motivated to take credit.

Analysis of Q14: There question has been asked to 35 respondents. Among 77% of total respondents strongly agreed, 9% of total respondents merely agreed, 6% of respondents was agreed, 3% of despondents were neutral, 5% of respondents disagreed, 0% of respondents merely disagreed, and 0% of total respondents to strongly disagreed

Q15: You are satisfied with the service quality provided by the caritas.

Answer	Number of Respondent	% of Respondent
Strongly Agree	27	77
Merely Agree	3	8
Agree	2	6
Neutral	3	9
Disagree	0	0
Merely Disagree	0	0
Strongly Disagree	0	0
Total	35	100

Source: Own survey

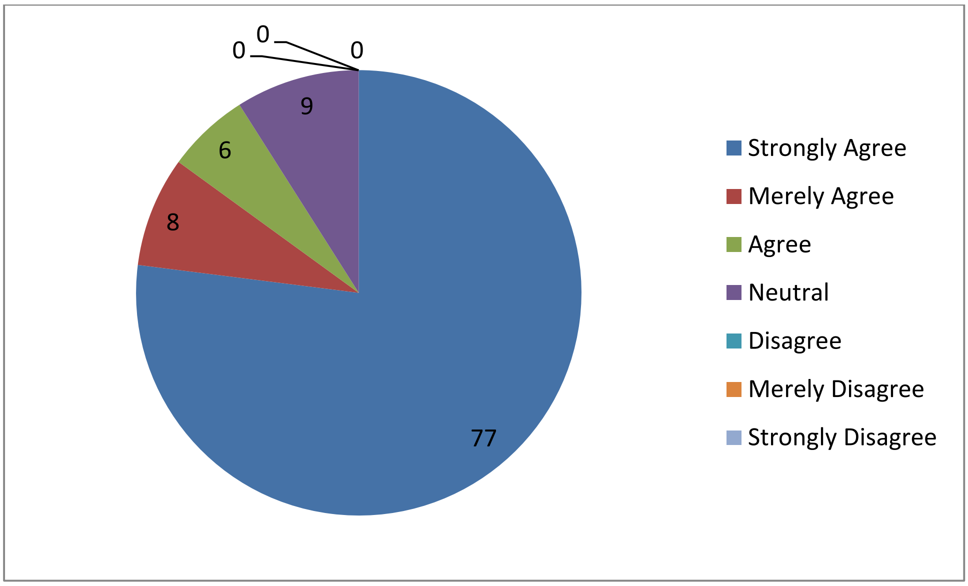

Figure 5.15: You are satisfied with the service quality provided by the caritas.

Analysis of Q15: There question has been asked to 35 respondents. Among 77% of total respondents strongly agreed, 8% of total respondents merely agreed, 6% of respondents was agreed, 9% of despondents were neutral, 0% of respondents disagreed, 0% of respondents merely disagreed, and 0% of total respondents to strongly disagreed.

CHAPTER VI

Finding and Suggestion

Caritas Bangladesh has made significant strides in its microcredit activities, aimed at poverty alleviation and sustainable development. Here are some key findings and suggestions based on their initiatives

6.1 Findings:

1. Caritas Bangladesh's microcredit programs have supported over 59,000 individuals directly and benefited over 366,000 people indirectly. These programs provide small loans for self-employment, helping beneficiaries to improve their economic conditions and achieve financial independence. The SWVC Program has facilitated economic development through various supports, including livelihood promotion, psycho-social care, and education.
2. Through the Ecological Conservation and Food Security (ECFS) program, Caritas has promoted sustainable agricultural practices, benefiting over 129,000 individuals directly and 232,000 indirectly. These activities have increased food security and agricultural productivity, contributing to the overall economic stability of rural communities.
3. Caritas Bangladesh offers a range of services beyond microcredit, such as vocational training, health care, education, and disaster management. These comprehensive services ensure that beneficiaries receive holistic support to improve their living standard.
4. Microcredit activities in Bangladesh, including those by Caritas, have significantly reduced rural poverty. These programs have contributed to a 10% reduction in rural poverty over two decades, lifting millions out of poverty by enabling them to diversify their economic activities and increase their incomes.

Suggestions:

1. Caritas should continue to focus on improving the skills and marketing opportunities for the poor. This can be achieved through targeted training programs that enhance entrepreneurial skills and create better market access for products and services developed by microcredit beneficiaries.
2. To make microcredit more accessible, Caritas could work on lowering the interest rates further. Although current rates are lower than those of informal moneylenders,

reducing them even more could help more poor households benefit from microcredit programs.

3. Caritas should advocate for policies that protect smaller microfinance institutions (MFIs) to ensure a competitive and diverse microfinance sector. This can prevent monopolization by larger MFIs and ensure that a wider range of services is available to beneficiaries.
4. Continuing to integrate sustainable practices in all development programs can enhance long-term benefits. For example, promoting climate-adaptive agricultural techniques and renewable energy solutions can help beneficiaries build resilience against climate change.
5. Greater involvement of community members in the planning and implementation of microcredit programs can enhance their effectiveness. Ensuring that the programs address the specific needs and contexts of the communities will improve outcomes and sustainability. By implementing these suggestions, Caritas Bangladesh can further enhance the impact of its microcredit activities, fostering sustainable development and improving the lives of many more individuals in Bangladesh.

CHAPTER VII

Conclusions, Policy Implications and Future Work

7.1 Conclusions

Poverty is a big problem in a developing country like Bangladesh as well as across the world. MFIs are recognized as an effective tool against poverty. The institutions are providing financial services to the people who do not have access to banks. The purpose of the study was to identify the impact of microfinance services on poverty reduction in Bangladesh and found that microfinance services play a very important role in poverty alleviation over the country. The results show that micro-credit plays a great role in poverty reduction in Bangladesh.

The services may help in poverty alleviation by ensuring amount received in terms of loan is used for the intended purpose. If this loan is used well then the living standards of individuals will improve thus for poverty reduction. Total income earned will increase if customers who get loan from MFIs start-up income generating units. The study also concludes that micro-credit help in poverty reduction by making finance access to low income earners, less educated and those in the informal sector. It also helps in expansion of business, acquisition of better residential places, access to education, health and improved welfare.

7.2 Policy Implications:

The current study was based on small sample size taken only from two blocks in the state of Karnataka. Therefore the results cannot be generalised to other blocks of Karnataka. Also the study is limited in knowing the impact of microfinance on poverty and has ignored the other benefits of Microfinance as a whole.

7.3 Future Work:

Further research done on a bigger scale with larger sample size could throw light on how microfinance activities affect the average living standard of poor people of the entire state of Karnataka or of different regions. Futher studies can also focus on considering the reasons of motivation to join the microfinance program and can also analyse the difficulties faced by the participants to repay the loan borrowed. Further research can also be conducted on supply gap of Microfinance Institutions to know the capabilities of microfinance institutions to deliver their services to the poor households.

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Appendices

Questionnaire

Microcredit Activities on Caritas Bangladesh: A Study on Dinajpur Regional Office

(Only for internship report purpose)

I) Designation:_________________________

II) Gender: ☐Male ☐Female

III) Age: ☐Below 25 ☐25 to 50 ☐50 & above

[Please tick (√) your opinion about the following statement range from strongly disagree to strongly agree; Where SD=Strongly Disagree, MD=Merely Disagree, D=Disagree, N=Neutral, A=Agree, MA=Merely Agree, SA=Strongly Agree

Questions	SD	MD	D	N	A	MA	SA
1. Staffs are frank and professional							
2. You can get loan in very short term perm period							
3. You can get loan with short process							
4. Loan can be taken when necessary.							
5. There are better credit scheme in other Financial institution.							
6. Some Institutions offer bigger amount with the same interest rate.							
7. The credit payment process is smooth							
8. Caritas provided the facility of early termination of loan							
9. Do you thing you are able to pay monthly installments from the income of you current project							
10. Credit provided by caritas is enough to start new venture.							
11. You need additional fund for the expansion of your business							
12. Your friends and relatives motivated you to take Microcredit from Caritas Bangladesh							
13. Caritas staffs are frequently regulated you to take credit from their institution.							
14. You are self-Motivated to take credit.							
15. You are satisfied with the service quality provided by the caritas							