



Beyond skills



supporting youth to become
successful entrepreneurs in
Bangladesh

BARRIERS TO DREAMS



“I have learnt so much, but if I cannot follow this through I will have a lot of regret and sadness”

- Afroza

Afroza is a 14-year-old girl with dreams of running a beauty parlour in her home village of Rampur. She came to Dhaka to take part in a beauty skills course organized by BRAC. Through a series of examples, trainees learn about creating demand, minimizing costs, marketing and other business basics.

The budding beauticians have glowing feedback on the course, but are concerned about finding the money needed to start a beauty salon. The girls, aged 14-19, do not have any prior experience, so obtaining capital is extremely difficult. Some trainees have parents who can assist financially, however most have no means of gathering enough money to purchase additional products and equipment. Despite these many challenges, trainees like Afroza hope to become successful entrepreneurs.

Investing in tomorrow

There are many reasons to be hopeful about Bangladesh's future. With several years of consistent economic growth, it is firmly en route to become a middle-income country. And with a third of the population between the ages of 18-35 (numbering 60 million by 2020), there is an inspired and energetic post-Liberation generation rising. Today's youth, on the whole, are better educated than previous generations. They are much more connected and proficient with technology. Many of the areas driving Bangladesh's growth depend on youth—from garment factory workers to the expanding pool of workers seeking employment overseas.

Many of life's important changes—transition to work and marriage, for example—take place during adolescence in Bangladesh. Currently over 25% of girls are married by age 15 and 70% by age 19 (18 is the legal age of marriage for women in Bangladesh)

(NIPORT et al, 2009). Investments in youth enable them to thrive for a lifetime, creating the next generations of leaders and a society ready to take on whatever challenges lie ahead.

there is a growing need to find new outlets for their energy and talents. Many face discrimination from employers based on their age, with young women also encountering additional gender barriers. The youth lack access to capital and other resources to explore potential business ideas or realize commercial ventures. Tapping the potential of the youth to unleash enterprise can not only help them develop into the entrepreneurs of tomorrow, it can also increase Bangladesh's participation in the global economy.

1987

Schools for older children in Bangladesh

1990

Reading centers

1993

Empowerment program for girls

2003

Microfinance loans for young people

2007

Integrated program for girls

2011

Innovative livelihood and vocational training



SABILA ENUM

one entrepreneur's story

“This is no electricity, no internet, and a lack of back up support- how is anyone meant to run a tech business from their village?”

Sabila Enun is one of Bangladesh's home-grown tech entrepreneurs. She works as a project manager at DCastalia, a web development firm, and also assists as a technical facilitator at Girl Lab, an initiative of the Nike Foundation and BRAC that promotes the discussion and dissemination of important societal issues by young girls, assisted by technology.

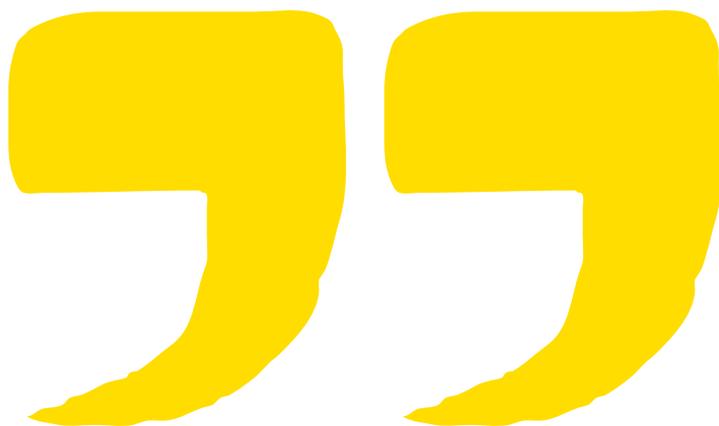
Sabila has diverse interests and significant programming experience, but she also falls into the large group of young entrepreneurs struggling to find finance.



Sabila speaking at BRAC's workshop on investing in youth.

I went to the bank for a loan and they said I need to show a yearly turnover of more than TK 10 million. If my yearly turnover was TK 10 million, why would I come to you for a loan?

- Sabila



RUMA AKTAR

setting an example

Ruma Aktar is a young entrepreneur and a trainee teacher in Dhantara.

When she is not teaching financial literacy to adolescents, Ruma works as a beautician from home.

Ruma was first introduced to BRAC as a participant of Social and Financial Empowerment of Adolescents (SoFEA). Attending SoFEA's clubs exposed Ruma to various social issues and also introduced her to BRAC's livelihood skills training courses.

Ruma was interested in becoming a beautician, so she convinced her family to let her attend a two-week beauty skills course in Savar.

Ruma diligently took part in the intensive course and received a TK 3000 (USD 38) loan from BRAC that allowed her to buy necessary equipment, including a facial machine. She started working at a friend's saloon, and after building a loyal client base, now works from her home, earning TK 1500 – 3000 (USD 19 - 38) for every bride she prepares.

Ruma is one of our grassroots role models. We hope interacting with successful young entrepreneurs like Ruma inspires the idea of entrepreneurship for the girls she teaches.



Ruma Akhtar (left) with her teacher and trainer, Shami.

If girls start businesses, the whole family gets involved, so you draw more people into employment.

- Ruma





Responses to a survey conducted by BRAC in Uganda asking youth for the greatest barrier they face. There are many similarities to what we hear from the youth we work with in Bangladesh.

BRAC's focus on youth

BRAC has worked with youth since its founding in 1972, particularly around increasing the financial and social independence of women (see timeline below). Initially, BRAC primarily contributed to ensure basic education, as it is a critical need to set young women on the path to success. In recent years, with the realization that adolescents require specialized social and economic support, BRAC has designed and scaled programs that provide social network and livelihood trainings, and some access to finance for girls. Recently these historically "girl-only" programs have also reached out

Developmental steps for young entrepreneurs

A critical piece of working with youth is meeting them where they are and supporting them as they grow. Afroza, Ruma, and Sabila, the talented young women profiled in this report, offer a glimpse at the diversity of budding entrepreneurs. For many, the urgently needed access to finance is scarce. Coupling it with skills, mentoring and other resources will allow youth to make the most of it. As young entrepreneurs gain experience, their needs will change. Programs can anticipate this and evolve with them.

Awareness

What is an entrepreneur?
Why would I want to become one?

"It's too risky!"
Many youth have never even considered the possibility of entrepreneurship.

Start-up skills

What are the opportunities in my community?
How can I get started?

Market analysis enables youth to gear up for the right opportunities. With proper training and skills development, they can compete.

Access to supportive finance

How can I raise funds?
What are my costs and how will I cover them?

Most lenders require previous business experience or collateral, which youth lack. Many need to learn basic accounting to manage their money.

Skills for growth

Who should I hire?
How can I manage them?

Scaling up presents entrepreneurs with new challenges. They benefit from trainings in communication, management, and growth strategies.

Leadership development

Who could mentor me?
What other entrepreneurs should I connect with?

"Entrepreneurs need entrepreneurs." It's hard to succeed without supporters, peers, and mentors. Good networks increase the odds of thriving.

to boys, recognizing that they too have similar needs in today's context. BRAC continues to expand its programs to work with young people, with particular emphasis on helping them compete economically. In 2012, BRAC's first 'Global Learning Meeting on Youth' was held and included representation from BRAC's 10 countries of operation. In several countries youth are the majority of participants in mainstream programs. For example, in South Sudan, 81% of microfinance borrowers are under age 25. This same age group forms the majority of clients in BRAC small enterprise programs in Pakistan and Haiti. Clearly the need for financial products and increased income is significant. Access to capital is an important criterion for enabling youth to become successful entrepreneurs.

BRAC reaches about 3.5 million youth through its youth-specific programs and over 7 million through its mainstream programs.

Convening a dialog on investing in youth

BRAC Social Innovation Lab organized the “Investing in Youth – Financing Dreams” forum in April 2012. The objective of the forum was to identify needs and brainstorm strategic solutions to address the current dearth of start up support for young entrepreneurs.

Participants included tech entrepreneurs and rural adolescents. Representatives from banks, BRAC and private investment firms also attended.

All expressed concerns over limited access to finance, business support and skills training for youth looking to start a business. As part of brainstorming, a key solution was that the financial focus should be placed on creating alternative streams of funds, such as venture capitalists and angel investors.

To be sustainable, you must take a full-package approach: provide training, finance then follow up.

Rashida Parveen
BRAC



See the highlights of the workshop on BRAC's youtube channel.



What's next?

Bangladesh's youth need a supportive ecosystem—one that not only gives them the tools to succeed, but the support and motivation to get started. Many stakeholders, including universities, credit institutions, philanthropists, and youth will need to work together to make changes at the societal level. Already BRAC has named entrepreneurship as a key component of its youth strategy (2012-2015) and will scale up related activities. Currently the Social Innovation Lab is exploring models for supporting young entrepreneurs locally and abroad to see how BRAC can enhance its current activities with the best practices of others.

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August 2012
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BUILDING AN ENTREPRENEURSHIP ECOSYSTEM – NEXT STEPS FOR BANGLADESH

- Encourage entrepreneurial talent: identify specific young entrepreneurs and reduce the barriers they face.
- Develop a culture of entrepreneurship: promote successful entrepreneurs as role models.
- Generate interest amongst venture capitalists and angel investors: hold networking events to link entrepreneurs with private investors.
- Build incubation programs: provide facilities for young entrepreneurs to improve their existing skills and further-develop their business knowledge.