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THE ROLE OF BRAC ON ENTREPRENEURSHIP DEVELOPMENT: A CASE STUDY ON KUSHTIA DISTRICT

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Abstract: Entrepreneurship is the key to the creation of new enterprises that energize and rejuvenate the economy. Entrepreneurship also plays a vital role in economic development.The paper aims to analyze the role of BRAC for entrepreneurship development in rural Bangladesh. The analysis is based on recent theoretical ideas that have been supported by empirical research findings and the field survey conducted by the researchers. This study also reveals that BRAC has provided more loans to the generation aged between 31-40 who are the main stream of country's development, thereby developed entrepreneurs creating employment opportunities. In the study it has also been observed that entrepreneurial activities among the small entrepreneurs are mainly stimulated by the factors like financial support from BRAC, BRAC employees and neighbors inspiration, family assistance etc.

Key Words: Entrepreneur, Rural Development, BRAC.

Introduction

Initiatives and risks go with entrepreneurship hand in hand. One can not think of entrepreneurship without initiatives & risk.[1] The economic functional analysis of entrepreneurship focuses upon the economic role rather than the individual who performs such a role. The emphasis upon economic role was his historical well-spring of interest.[2] Entrepreneurship and economic development are highly correlated. More recently, observers of the phenomenon of entrepreneurship have suggested that entrepreneurship involves creation of new enterprises and that the entrepreneur is the founder.[3] Entrepreneurial success comes from perceiving the reality accurately, including not only the product, but also the manufacturing and delivery systems and the resulting economics.[4] The individual entrepreneur is a person who perceives opportunity, finds the pursuit of opportunity desirable in the context of his or her life situation, and believes that success is possible, and these three elements are those that distinguish the individual entrepreneur from the vast majority of the populace in the individual; these three aspects have certain manifestations.[5]

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The word "Entrepreneur" has been comes from French word "Entrepreneur" which means "to undertake" or "enterpriser" (Kent et al. 1982). In the 16th century it was used to mean those personnel who were engaged in military expeditions (Cochran, 1965)[6]. After 17th century, however its meaning was extended to other types of adventure mainly civil engineering activities like the construction of roads, bridge, harbors and buildings (Cochran, 1968).[7] Entrepreneurship is considered as the act of assuming the risk and the task of an entrepreneur Authorities while discussing small business & its initiators explained this almost in the same way. A few of such definitions are presented here under; The shorter Oxford Dictionary, 1989**.** "Person who starts or organizes a commercial enterprise one involving financial risk."

The specific objectives of the study are as follows: -

a) To make an overview of BRAC.
b) To study the socio-economic backgrounds and other characteristics of the entrepreneurs of Bangladesh.
c) To assess the importance of entrepreneurship development.
d) To find out the determinants of entrepreneurship development.
e) To gain knowledge about different Entrepreneurship Development Programs of BRAC
f) To examine the magnitude of the problems of entrepreneurship development, and
g) To suggest appropriate policies for the development of entrepreneurs with view of alleviating rural poverty through BRAC finance in Bangladesh.

Entrepreneurship Development

At present, there is a global emphasis on the rural and economic development through multidimensional rural financing scheme.[8] Entrepreneurship development as a strategy for overall economic development of a country is well recognized. Entrepreneur can act as a powerful engine for economic growth and development. Human, physical and financial resources determine the economic growth of a country.[9] A country may have abundant resources but the problem with is lies in putting those resources the production process. This can only be made possible through initiative taken by some persons who may be known on entrepreneurs.[10]

Entrepreneurship lies at the center of economic development. It is an integral part of the strategy of industrialization, particularly in the small-scale sector. Without it, the resources of production remain resources and can never become products or services. Entrepreneurship creates the forces of change and ultimately accelerates the pace of economic development (Acts 1996). An entrepreneur introduces new ideas, technology and methodology for performing works and jobs in the country.[11]

The social structure in Bangladesh shows a big gap between rich and poor. Wealth is concentrated in the hand of few and the rest are in unemployment, unproductive, un healthy and in un rest situation. This is because people who have money are establishing and expanding their business but who have no fund are convicted as social curse in spite of having much potentials between them[12]. This study reveals that BRAC employees have motivated more loanees to take fund and have developed them as entrepreneur.

Bangladesh is beset with so many Banks and financial institutions that provide loan for business activities, but the time and processing for loan sanction is so complex and critical that people loose their interest for taking loan. This is why only a little portion of total population get Bank's loan though this situation is improving day by day. BRAC is playing a significant role here. The study reveals that BRAC sanctions loan between 1 to 4 days which is not found in banking loan sanction. There are three stages of Micro credit in BRAC:

(a) DABI (b) UNNATI (c) PROGOTI

A. DABI

BRAC diagnoses poverty in real human terms. Prospects of a 'quiet revolution' have been recognized in the economic role of women in the world of poverty. Today, BRAC promotes income generation for the poor, mostly landless rural people of Bangladesh; through micro-credit the objective of this program is to provide credit facilities to the poor people in our country.

The Characteristics of DABI Loans are

Loan (1-10000 TK) may be allowed by area manager, (11000-25000Tk) allowed by regional manager. Service Charge Force 5%. Repayment modality equal weekly installments. Loan duration 46 Week.

B. UNNATI

This program is to provide credit facilities to the poor people in our country. They are taking loan for self-developing through a small project.

The characteristics of UNNATI loans are

Loan range: 10,000-60,000
Service Charge: Force 15%
Repayment modality Equal weekly installments
Loan duration: 46 Week.

C. Micro Enterprise Lending and Assistance (PROGOTI)

Micro Enterprise Lending and Assistance (MELA) program was launched in December 1996 to provide loan to small enterprises with growth potential. The objective of this program is to provide credit facilities and technical assistance to new and existing small businesses.

The characteristics of PROGOTI loans are

Loan range: 50,000-5,00,000
Service Charge: 15%
Repayment modality: Equal monthly installments
Loan duration: 12 months, 18 months and 24 months
Twenty different business sectors are supported by MELA loan[13]

The researcher basically conducted the survey among the entrepreneurs who collected loan under the program MELA (progoti).This study shows that BRAC helps them to achieve their desirable position by providing loan in easy process. But this study also reveals that no entrepreneur involves themselves in innovative activities or introducing new method of production. Proper use of loan is a key indicator of a successful entrepreneur. If loan is not used fruitfully, it produces negative impact on loanee's living standard in the long run, even, affecting national economy. This study from the view points of debt equity ratio and earning reveals that with the increase of debt, income has also increased of the entrepreneurs. It tells that fund is used properly. This implies that the ultimate objectives of the development effort are to improve the lot of the vast majority of the people living in the country side particularly of the entrepreneurs. The fulfillment of various amenities of life in a desired manner provides an indication about the socio-economic improvement of people in a country. The study reveals that after introducing into the BRAC, the socio-economic position of the entrepreneurs has been improved. The entrepreneurs make use of the facilities by the BRAC to achieve their personal and institutional development, especially from the point of view of employment generation, capital formation and business expansion.

Findings & Analysis

In this section the researcher strives to identify the determinants of entrepreneurship development in terms of basic components. Three such components have been chosen i.e. expansion of business, new line of business, employment generation. Each component has been measured by to 5 points –scale ranging from zero to maximum achievement and the aggregate number of each component is called entrepreneurship development.

For the purpose of the analysis, two types of statistical tools have been employed namely, correlation analysis and regression analysis. Based on the field experience, the needed nine variables among many variables have been considered for the analysis. These are age, entrepreneurs' education, time required to get loan, amount spent for taking loan, family members of the entrepreneurs, amount of own capital, amount of borrowed capital, no. of income earners, and family monthly income. Discussion is made in terms of the basic components of entrepreneurship development, i.e. as stated above, expansion of business, new line of business, and employment generation.

As stated elsewhere in the study, primary data were collected from two different branches of BRAC namely, Kushtia Urban branch and Barkhada branch. At the very outset, it would be useful to examine whether separate analysis of these two branches would be needed or not. For this an ANOVA test was employed. The results obtained are given below:

Table 0.0: This prompted us to discuss the determinants of entrepreneurship development taking all the areas together.

ANOVA

Table 0.0: ANOVA Test for Entrepreneurship Development According to Observed Areas

Variation	Sum of Squares	Df	Mean Square	Observed F	Theoretical value of F @ 5%
Between Groups	435801.764	8	54.475	.377	.926
Within Groups	5196118.236	36	14.434		
Total	5631920.000	44			

As the observed value of F (.377) is less than the theoretical value of F at 5% level of significance with 8 and 36 degree of freedom. The researcher may conclude that there is no significant difference among the Branches (Kushtia Urban and Barkhada).

Expansion of Business

In this section an attempt is made to identify the determinants of expansion of business in terms of correlation and regression analyses.

Correlation analysis

The estimated results of the correlation between expansion of business and the selected variables i.e age, entrepreneurs' education, time required to get loan, amount spent for taking loan, family members of the entrepreneurs, amount of own capital, amount of borrowed capital, no. of income earners, and family monthly income are give in Table 0.1

Table 0.1: Correlation Between Expansion of Business and other Variables

Correlations

	Age	Education	Time to Get Loan	Amount Spent for Taking Loans	Family Members of the Entrepreneurs	Amount of Own Capital	Amount of Borrowed Capital	Income Earners	Monthly Income	Business Expansion
Age	1	.726(**)	.048	.184	.261	.046	-.166	.708(**)	-.064	-.142
	.	.000	.753	.225	.083	.766	.275	.000	.678	.351
	45	45	45	45	45	45	45	45	45	45
Education	.726(**)	1	.037	.183	.178	-.006	.002	.714(**)	.116	-.069
	.000	.	.809	.229	.243	.971	.987	.000	.447	.654
	45	45	45	45	45	45	45	45	45	45
Time to Get Loan	.048	.037	1	.192	-.074	.286	-.197	.062	-.077	.138
	.753	.809	.	.207	.628	.057	.194	.686	.614	.365
	45	45	45	45	45	45	45	45	45	45
Amount for Taking Loans	.184	.183	.192	1	-.209	.012	-.051	.212	-.143	.149
	.225	.229	.207	.	.168	.939	.741	.162	.348	.330
	45	45	45	45	45	45	45	45	45	45
Family Members	.261	.178	-.074	-.209	1	-.137	-.045	.088	.137	-.179
	.083	.243	.628	.168	.	.370	.768	.565	.369	.239
	45	45	45	45	45	45	45	45	45	45

	Age	Education	Time to Get Loan	Amount Spent for Taking Loans	Family Members of the Entrepreneurs	Amount of Own Capital	Amount of Borrowed Capital	Income Earners	Monthly Income	Business Expansion
Own Capital	.046	-.006	.286	.012	-.137	1	.166	.152	-.004	-.115
	.766	.971	.057	.939	.370	.	.277	.319	.977	.453
	45	45	45	45	45	45	45	45	45	45
Borrowed Capital	-.166	.002	-.197	-.051	-.045	.166	1	-.033	.310(*)	-.145
	.275	.987	.194	.741	.768	.277	.	.830	.038	.341
	45	45	45	45	45	45	45	45	45	45
Income Earners	.708(**)	.714(**)	.062	.212	.088	.152	-.033	1	.029	.072
	.000	.000	.686	.162	.565	.319	.830	.	.852	.638
	45	45	45	45	45	45	45	45	45	45
Monthly Income	-.064	.116	-.077	-.143	.137	-.004	.310(*)	.029	1	.532
	.678	.447	.614	.348	.369	.977	.038	.852	.	.836
	45	45	45	45	45	45	45	45	45	45
Business Expansion	-.142	-.069	.138	.149	-.179	-.115	-.145	.072	.532	1
	.351	.654	.365	.330	.239	.453	.341	.638	.836	.
	45	45	45	45	45	45	45	45	45	45

** Correlation is significant at the 0.01 level (2-tailed).

- Correlation is significant at the 0.05 level (2-tailed).

The related results can be seen in the last row of the table referred to here. This gives that expansion of business is highly positively correlated with income (r-0.532). This implies that business can not be expanded unless and until the entrepreneur's income is increased. The other variables which have significant positive relationships with business expansion are entrepreneur's own education, the income earners and the amount of own capital. Although time to get loan is positively related, and the coefficient is also significant, but its value is not very high (0.365). The table also shows the inter-correlation between the independent variables of the model. The table also shows the inter-correlation between the independent variables of the model. Here is a positive correlation among age and education, loan and income.

Regression Analysis

In the regression analysis expansion of business was regressed on all the independent variables. All results were not significant from the viewpoint of statistical analysis. Later, various combinations of the independent variables were attempted. For the sake of ease of exposition only the statistically accepted results are presented in Table: 02.

Table 0.2: Summary of Regression for Expansion of Business

Particulars	B	t	Sig.	R Squire	Adjusted R Squire
(Constant)	.684	2.893	.006	0.53	0.016
Education Background of Entrepreneurs	- .123	-1.096	.279		
Monthly income	.172	1.94	.280		
Amount of Borrowed Capital	- .676	.900	.373		

a) Predictors: (Constant), Amount of Borrowed Capital, Education Background of Entrepreneurs, Income Earners Before and After Loan

b) Dependent Variable: Business Expansion

Table 0.2 exhibits the results of step –wise regression. Three explanatory variables were entered into the equation in the order as income., entrepreneur's education and loans. In all the three equations the coefficients are found to be highly significant as indicated by their T-values. As new variable is incorporated the values of R^2 and R^{-2} increased. The final equation incorporating all the three variables gives R^{-2} as 0.016 indicating that these variables together explain about one – third of the total variation of the dependent variable i.e. expansion of business.

New line of Business

In this section the researcher would like to identify the determinants of new line of business in terms of correlation and regression analyses.

Correlation analysis

The calculated results of the correlation between new line of business and the selected variables i.e. age, respondents equation, time to get loan, family size income, loans, amount spent and own capital are depleted in Table 0.3

Table 0.3: Correlation between New line of Business and Other Variables

Correlations

	Age	Education	Time to Get Loan	Amount Spent for Taking Loans	Family Members of the Entrepreneurs	Amount of Own Capital	Amount of Borrowed Capital	Income Earners Before and After Loan	Monthly Income Before and After Loan	New line of Business
Age	1	.726(**)	.048	.184	.261	.046	-.166	.708(**)	-.064	.077
	.	.000	.753	.225	.083	.766	.275	.000	.678	.613
	45	45	45	45	45	45	45	45	45	45
Education	.726(**)	1	.037	.183	.178	-.006	.002	.714(**)	.116	.055
	.000	.	.809	.229	.243	.971	.987	.000	.447	.718
	45	45	45	45	45	45	45	45	45	45

	Age	Education	Time to Get Loan	Amount Spent for Taking Loans	Family Members of the Entrepreneurs	Amount of Own Capital	Amount of Borrowed Capital	Income Earners Before and After Loan	Monthly Income Before and After Loan	New line of Business
Time to Get Loan	.048	.037	1	.192	-.074	.286	-.197	.062	-.077	-.118
	.753	.809	.	.207	.628	.057	.194	.686	.614	.439
	45	45	45	45	45	45	45	45	45	45
Amount for Taking Loans	.184	.183	.192	1	-.209	.012	-.051	.212	-.143	-.154
	.225	.229	.207	.	.168	.939	.741	.162	.348	.314
	45	45	45	45	45	45	45	45	45	45
Family Members of the Entrepreneurs	.261	.178	-.074	-.209	1	-.137	-.045	.088	.137	.119
	.083	.243	.628	.168	.	.370	.768	.565	.369	.436
	45	45	45	45	45	45	45	45	45	45
Amount of Own Capital	.046	-.006	.286	.012	-.137	1	.166	.152	-.004	-.099
	.766	.971	.057	.939	.370	.	.277	.319	.977	.519
	45	45	45	45	45	45	45	45	45	45
Amount of Borrowed Capital	-.166	.002	-.197	-.051	-.045	.166	1	-.033	.310(*)	.152
	.275	.987	.194	.741	.768	.277	.	.830	.038	.319
	45	45	45	45	45	45	45	45	45	45
Income Earners	.708(**)	.714(**)	.062	.212	.088	.152	-.033	1	.029	.016
	.000	.000	.686	.162	.565	.319	.830	.	.852	.918
	45	45	45	45	45	45	45	45	45	45
Monthly Income	-.064	.116	-.077	-.143	.137	-.004	.310(*)	.029	1	.397(**)
	.678	.447	.614	.348	.369	.977	.038	.852	.	.007
	45	45	45	45	45	45	45	45	45	45
New Line Business	.077	.055	-.118	-.154	.119	-.099	.152	.016	.397(**)	1
	.613	.718	.439	.314	.436	.519	.319	.918	.007	.
	45	45	45	45	45	45	45	45	45	45

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

The related results can be observed in the last row of the table referred to here. This gives that new line of business is positively correlated with again income (r- 0.397). This denotes that new line of business can not be opened unless and until the entrepreneur's income is increased. The other variables which have significant positive relationships with new line of business are the amount of loan. Although family size of the entrepreneurs is positively related, the coefficient is also significant. but its value is not very high (0.119).The results also show that age, entrepreneur's education and their own capital no statistically significant relationship with the new line of business. The table also show that there is a positive relation with age and education, income earners and education.

Regression Analysis

In the regression analysis new line of business was regressed on all the independent variables. All the results were not significant from the viewpoint of statistical analysis. Later, various combinations of the independent variables were attempted. For the sake of case of exposition only the statistically accepted results are presented in Table 0.4.

Particulars	B	t	Sig.	R Squire	Adjusted R Squire
(Constant)	.334	1.482	.146	0.18	-.51
Education Background of Entrepreneurs	.091	.853	.398		
Monthly income	-.123	-.823	.415		
Amount of Borrowed Capital	-1.47	.208	.836		

a) Predictors: (Constant), Amount of Borrowed Capital, Education Background of Entrepreneurs, Income Earners Before and After Loan

b) Dependent Variable: New Line Business

Table 0.4 reveals the results of step –wise regression. The results show that after adhering to the given statistical criteria. three independent variables were entered into the equation for new line of business and the order of their inclusion was as follows : income earners, education and loans, In all the three equations the coefficients are found to be highly significant. As new variables are incorporated the values of R^2 and R^{-2} increased. The final equation incorporating all the three variables gives R^{-2} as 0.19 indicating that these three variables together explain about one –fifty of the total variation of the dependent variable i.e. new line of business.

Employment Generation

In this portion an attempt is made to identify the determinants of employment generation in terms of correlation and regression analysis.

Correlation analysis

The estimated results of the correlation between employment generation and some other selected variables i.c. age . respondent's education, time to get loan, family size, income, loans, amount spent for loan and amount of own capital are given in Table 0.5.

Table 0.5: Correlation Between Employment Generation and Other Variables
Correlations

	Age	Education	Time to Get Loan	Amount for Taking Loans	Family Members of the Entrepreneurs	Amount of Own Capital	Amount of Borrowed Capital	Income Earners Before and After Loan	Monthly Income Before and After Loan	Employment Generation
Age	1	.726(**)	.048	.184	.261	.046	-.166	.708(**)	-.064	-.060
	.	.000	.753	.225	.083	.766	.275	.000	.678	.694
	45	45	45	45	45	45	45	45	45	45
Education	.726(**)	1	.037	.183	.178	-.006	.002	.714(**)	.116	.152
	.000	.	.809	.229	.243	.971	.987	.000	.447	.317
	45	45	45	45	45	45	45	45	45	45
Time to Get Loan	.048	.037	1	.192	-.074	.286	-.197	.062	-.077	.150
	.753	.809	.	.207	.628	.057	.194	.686	.614	.327
	45	45	45	45	45	45	45	45	45	45
Amount for Taking Loans	.184	.183	.192	1	-.209	.012	-.051	.212	-.143	.079
	.225	.229	.207	.	.168	.939	.741	.162	.348	.606
	45	45	45	45	45	45	45	45	45	45
Family Members of the Entrepreneurs	.261	.178	-.074	-.209	1	-.137	-.045	.088	.137	.003
	.083	.243	.628	.168	.	.370	.768	.565	.369	.985
	45	45	45	45	45	45	45	45	45	45
Amount of Own Capital	.046	-.006	.286	.012	-.137	1	.166	.152	-.004	-.235
	.766	.971	.057	.939	.370	.	.277	.319	.977	.121
	45	45	45	45	45	45	45	45	45	45
Amount of Borrowed Capital	-.166	.002	-.197	-.051	-.045	.166	1	-.033	.310(*)	-.247
	.275	.987	.194	.741	.768	.277	.	.830	.038	.101
	45	45	45	45	45	45	45	45	45	45
Income Earners	.708(**)	.714(**)	.062	.212	.088	.152	-.033	1	.029	-.120
	.000	.000	.686	.162	.565	.319	.830	.	.852	.432
	45	45	45	45	45	45	45	45	45	45
Monthly Income	-.064	.116	-.077	-.143	.137	-.004	.310(*)	.029	1	-.124
	.678	.447	.614	.348	.369	.977	.038	.852	.	.419
	45	45	45	45	45	45	45	45	45	45
Employment Generation	-.060	.152	.150	.079	.003	-.235	-.247	-.120	-.124	1
	.694	.317	.327	.606	.985	.121	.101	.432	.419	.
	45	45	45	45	45	45	45	45	45	45

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

The related results can be shown in the last row of the table referred to here. This gives that employment generation is highly negatively correlated with income (r -.247). This means that employment can not be generated unless and until the entrepreneur's income is increased. The other variables. which have significant positive relationships with employment generation . entrepreneur's own education, , the amount spent for loan taken, the size of family and time to get loan of the respondents. The results also show that income earners have no statistically significant relationship with employment generation.

Regression Analysis

In the regression analysis employment generation was regressed on all the independent variables. All results were not significant from the viewpoint of statistical analysis. Later, various combinations of the independent variables were attempted. For the sake of ease of exposition only the statistically accepted results are presented in Table - 0.6

Particulars	B	t	Sig.	R Squire	Adjusted R Squire
(Constant)	1.015	4.857	.000	0.200	0.142
Education Background of Entrepreneurs	.248	2.506	.016		
Income earners Before and After Loan	.337	2.433	.019		
Amount of Borrowed Capital	-1.24	-1.893	.065		

a) Predictors: (Constant), Amount of Borrowed Capital, Education Background of Entrepreneurs, Income Earners Before and After Loan

b) Dependent Variable: Employment Generation

Table 0.6 depicts the results of step –wise regression. Three explanatory variables were entered into the equation in the order as monthly income, loans and education. In all the three equations the coefficients are found to be highly significant as indicated by their T-values . As new variable is incorporated the values of R^2 and R^{-2} increased. The final equation including all the three variables shows R^{-2} as 0.20 indicating that these variables together contribute about one-third of the total variation of the dependent variable i.e .employment generation.

Entrepreneurship Development

In this section, an attempt would be made to identify the determinants of entrepreneurship development in terms of correlation and regression analysis. The term 'entrepreneurship development's is the aggregate result of all the components as explained above.

Correlation analysis

The estimated results of the correlation between entrepreneurship development and some other selected variables i.e. age, respondent's education, time to get loan, family size. income, loans, amount spent for loan, amount of own capital are given in Table 0.7.

Table 0.7: Correlation Between Entrepreneurship Development and Other Variables

Correlations

	Age	Education	Income Earners	Monthly Income	Time	Amount Spent	Family Members	Amount of Own Capital	Amount of Borrowed Capital	Entrepreneurship Development
Age	1	.726(**)	.708(**)	-.064	.048	.184	.261	.046	-.166	-.142
	.	.000	.000	.678	.753	.225	.083	.766	.275	.351
	45	45	45	45	45	45	45	45	45	45
Education	.726(**)	1	.714(**)	.116	.037	.183	.178	-.006	.002	-.069
	.000	.	.000	.447	.809	.229	.243	.971	.987	.654
	45	45	45	45	45	45	45	45	45	45
Income Earners	.708(**)	.714(**)	1	.029	.062	.212	.088	.152	-.033	.072
	.000	.000	.	.852	.686	.162	.565	.319	.830	.638
	45	45	45	45	45	45	45	45	45	45
Monthly Income	-.064	.116	.029	1	-.077	-.143	.137	-.004	.310(*)	-.032
	.678	.447	.852	.	.614	.348	.369	.977	.038	.836
	45	45	45	45	45	45	45	45	45	45
Time	.048	.037	.062	-.077	1	.192	-.074	.286	-.197	.138
	.753	.809	.686	.614	.	.207	.628	.057	.194	.365
	45	45	45	45	45	45	45	45	45	45
Amount Spent	.184	.183	.212	-.143	.192	1	-.209	.012	-.051	.149
	.225	.229	.162	.348	.207	.	.168	.939	.741	.330
	45	45	45	45	45	45	45	45	45	45
Family Members of the Entrepreneurs	.261	.178	.088	.137	-.074	-.209	1	-.137	-.045	-.179
	.083	.243	.565	.369	.628	.168	.	.370	.768	.239
	45	45	45	45	45	45	45	45	45	45
Amount of Own Capital	.046	-.006	.152	-.004	.286	.012	-.137	1	.166	-.115
	.766	.971	.319	.977	.057	.939	.370	.	.277	.453
	45	45	45	45	45	45	45	45	45	45
Amount of Borrowed Capital	-.166	.002	-.033	.310(*)	-.197	-.051	-.045	.166	1	.451
	.275	.987	.830	.038	.194	.741	.768	.277	.	.341
	45	45	45	45	45	45	45	45	45	45
Entrepreneurship Development	-.142	-.069	.072	-.032	.138	.149	-.179	-.115	.451	1
	.351	.654	.638	.836	.365	.330	.239	.453	.341	.
	45	45	45	45	45	45	45	45	45	45

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

The related results can be seen in the last row of the table referred to here. This denotes that entrepreneurship development is also highly positively correlated with loan (r- 0.451). this implies that entrepreneurship development depend upon the entrepreneur's loan. The other variables which have significant positive relationships with entrepreneurship development, are entrepreneur's own education,. income earners and the time to get loan. Although income earners are

positively related, and the coefficients are also significant, but their values are not very high (0.072). The results also show that family members have no statistically significant relationship with the entrepreneurship development.

Regression analysis

In this section, an analysis of entrepreneurship development was regressed on all the independent variables. However, all results were not significant from the viewpoint of statistical analysis. . Later, other combinations of the explanatory variables were incorporated, For the sake of ease of exposition only the statistically accepted results are exhibited in Table 0.8

Table 0.8: summary of step- wise Regression for Entrepreneurship Development

Particulars	B	t	Sig	Vif	R Square	Adjusted R Square
(constant)	1.262	2.791	.008	2.850	.183	.001
Age	-.021	-1.475	.149	2.850		
Education	-.049	-.384	.704	2.692		
Income earners	.296	1.696	.099	2.582		
Time	.019	.824	.415	1.219		
Monthly income	.0	.587	.561	1.172		
Family members	-.25	-.622	.538	1.200		
Own capital	-2.263	-1.143	.261	1.252		
Loan	-6.575	-.821	.417	1.188		

a) Predictors: (Constant), Amount of Borrowed Capital, Education Background of Entrepreneurs, Amount of Own Capital, Amount Spent for Taking Loans, Family Members of the Entrepreneurs, Time Required to Get Loan, Income Earners Before and After Loan, Age of the Entrepreneurs

a) Dependent Variable: Entrepreneurship Development

The above result show that after adhering to the given statistical criteria. three of the independent variables were entered into the equation in the order as age, time, family members, amount spent for loan, amount of own capital income earners. amount of loans and entrepreneur's own education. In all the three equations all the coefficients are found to be highly significant in time to get loan (.826) income (.587). As new variable is incorporated the values of R^2 and R^{-2} increased. This final equation incorporating all the three variables gives R^{-2} as 0.001 indicating that these variables together contribute more than one –third of the total variation of the dependent variables i. e entrepreneurship development.

Overall Observations

Incidentally, the objective of this section was to identify the important determinants of entrepreneurship development. Entrepreneurship development was decomposed into three elements namely. expansion of business, new line of business, employment generation. Two techniques were used for the analysis namely, correlation and regression For the sake of ease of presentation, only the significant results are presented in Table 0.9.

Table 0.9: Overall Results

Determinants	Age	Education	Time to get loan	Income earners	Family size	Income	L oan	Own capital	Amount spent
Entrepreneurship development	c	.127	.186	.233	.228	.549	.235	-	.128-
	R	-	0.11	-	-	0.52	0.17	-	.124
Expansion of business	c	-	.227	.222	.199	.501	.208	-	-
	R	-	0.16	-	-	0.47	0.15	-	-
New line of business	c	-	-	.195	.126	.335	.250	-	0.21
	R	-	-	-	-	0.32	0.17	-	-
Employment generation	c	.203	.122	.118	.279	.496	172	-	.122
	R	-	-	-	0.13	0.44	0.13		-

Note: C-Correlation analysis
R-Regression analysis (beta value recorded).

Correlation analysis shows in Table 0.9 that entrepreneurship development is highly positively related to age, entrepreneur's own education and family size, income, loan of the entrepreneurs. Among the eight variables, seven of them show significant positive relationship with entrepreneurship development. However, regression analysis shows only three of these variables i.e., entrepreneur's own education. income and loans have significant positive, impact on entrepreneurship development. This implies that entrepreneurship development can not be effectuated unless and until the entrepreneur's education , income and loans are increased.

Here examine each of the determinants of entrepreneurship development separately. It is observed that expansion of business, the component of entrepreneurship development, is highly positively correlated with income. The other variables which have significant positive relationships with expansion of business are entrepreneur's own

education, family size, loans and time. While, regression analysis reveals only three of these variables that is entrepreneur's own education, income and loan have significant positive impact on expansion of business. this suggests that with the increase of education income and loan business cannot be expanded.

As regards new line of business. the table exhibits that education. family size. income. loan and time have significant positive relations with new line of business. However. regression analysis shows among these variables only three such as income, loan have significant positive impact on new line of business. This denotes that amount of loan and volume of income should be increased for new line of business.

In the case of employment generation. correlation analysis shows entrepreneur's own education, family size, income. loan and have significant positive relationship with employment generation. Whenever, regression analysis exhibits only three of these variables i.e. family size, income and loan have significant positive impact on employment generation

Concluding Remarks

It has been pointed out that rural industrialization and entrepreneurship are closely inter- related areas. There, in reality the two faces of the same coin. The promotion and development of the small scale and cottage industries would signify the need for development of entrepreneurship. After all "Entrepreneur" is expected to act as a catalyst in the development process.

Government of Bangladesh gives some facilities incentives and concessions to private entrepreneurship. As the then Government of Bangladesh recognized the need for development of the country through adoption of different planning process, this necessity identification of private sector and development of infrastructures. It is in this planning process that entrepreneurs have been given priorities, mainly for developing small and cottage industries. It is generally recommended for establishment of potential there. However, the task appears to be a difficult one, because most of the rural entrepreneurs are suffering from scarcity of capital. Majority of them is not in a position to get funds from internal resources. Therefore, they are primarily dependent on moneylenders who provide loan on easy condition like BRAC.

BRAC among other financial institutions are contributing the most in the economic development of a country. The structure of modern economy largely been built on the basis of bank and NGO. BRAC is playing an important role in the economic development of the country through earning profit and providing services to the people in terms of investment facility. BRAC has had more than 31 years of experience in running rural development programs in Bangladesh[14]. It has had some notable achievements particularly in primary health care, non-formal primary education, income and employment generation and credit assistance to the rural women. BRAC activities have shown to yield positive impact for the beneficiaries. This positive impact has been for both income and non-income indicators of household welfare. BRAC activities help the rural women in changing their previous traditional life style. Now group members of BRAC earn more money for their families and income capacity make a dramatic change in their life style. Credit program of BRAC provides group members with loan. They established many income generating projects. Their living standard is increasing day-by-day.

Although one of the stated objectives of the government is rural development in the country, its effort is limited because of resource's constraints. Under these circumstances, several non-governmental organizations (NGOs), of which BRAC is one, have come forward to complement government's endeavor in assisting the rural society.

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