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BERDO Micro-credit
Barisal, Bangladesh

I have been working with BERDO for 8 weeks now, which means I'm just a few weeks away from wrapping up my volunteering experience here. It has taken me much longer than I thought to get organized and settled in Barisal, but now that I am, things are moving along. I spent the first month in Dhaka planning and getting BERDO on board with the work I was proposing in Barisal. It was a difficult time given the stresses of culture shock, a lack of quality communication, and adjusting to a new understanding of workplace culture. For instance, it wasn't acceptable for me to wear anything other than dress pants to work... even in 115 degree weather in an office without AC. Needless to say, I'm really enjoying my time away from the office where I can wear a traditional "Lungi" (its like a skirt for guys) and I'm outside most days.

I have had to adjust my project a bit to cater to the two organizations I'm working with. BERDO is my host organization, but my fellowship was awarded through The Advocacy Project. BERDO saw me as a resource for grant writing and finding international funding and it was challenging to get them onboard with the work I'm doing now in Barisal. Now that they understand the benefits they are excited about the possibility of expanding the program here. I have had to make sure both parties are happy with the work I'm doing. Most of my focus has shifted towards creating a more vibrant local economy in Barisal and has focused less on sustainable food sources. The shift was made after members from The Advocacy Project and the Executive Director of BERDO discussed the vulnerability of agriculture to natural disaster in this region. We're working with groups receiving small loans, so it's in BERDO's best interest to focus on entrepreneurs with a low risk defaulting on their loans. Since crop insurance isn't available to small farmers here as it is in the U.S. and other countries, their income could easily be jeopardized in the event of a natural disaster.

In fact, that's exactly what happened when a cyclone hit Barisal in 2008. BERDO had a very successful micro-credit program here at that time, but about half of its borrowers were in agriculture. When the cyclone hit, the program went from 1,300 to 600 borrowers. Most of the 700 individuals no longer with BERDO are farmers who were unable to generate an income after the disaster. They defaulted on their loans (13,000 dollars in total) and left BERDO with the debt.

BERDO's current borrowers are paying back everything on time and there hasn't been a borrower default in two years. The problem is that even though there is a demand for more loans, BERDO has a hard time finding lenders willing to reinvest, given what happened back in 2008. My work has involved assessing the current BERDO model and the demand for more micro-loans. BERDO's district manager, Alamgir, has taken me along on all of the days we collect payments from the groups receiving loans. There are currently 37 groups in Barisal receiving loans from BERDO, and I feel like I've meet pretty close to all of the 603 borrowers. They have all asked me if there is any way to receive more loans. The majority of borrowers have made great strides with initial loan money and are at a place where they want to make the next step.

During my excursions in Barisal, I was a bit surprised to find that the majority of female borrowers haven't used the loans themselves. Many had been pressured by their husbands to apply for a loan (BERDO's focus has been on expanding opportunities for women, so men are less commonly awarded loans). Others didn't think they had the skill to use the loan effectively and offered it to their husbands. I asked why they felt like they couldn't handle the loans themselves, and they explained that they were just too nervous and unsure about their ability. When their husbands do well for themselves, that means good things for the women, too. But after seeing their husbands' successes, many women are also gaining confidence in their abilities and have begun asking if it's possible for me to get them loans. That makes me very happy. Most of the women want to start tailor shops, restaurants, and other "female works". They want to become "independent". I'm excited about helping that process and will spend the next couple of weeks working with Alamgir on how to get that going.

