

Small business owners in Teknaf

Many of them relied on borrowing to expand their businesses which put them in a cycle of high-interest debt. The assistance has enabled them to break out of this cycle as well as to diversify their livelihood options. Women business owners are more empowered when they are managing their finances.

Introduction

The Bangladesh Red Crescent Society (BDRCS) in partnership with the British Red Cross (BRC) have been working together to support community resilience through the Vulnerability to Resilience (V2R) programme since 2012 in various locations across the country. The V2R model follows the IFRC Framework for Community Resilience, and focuses primarily on DRR and disaster preparedness, livelihoods, and WASH. For Phase 2, the V2R project has implemented development activities in 10



A woman who one of the cash recipient is managing her small shop in Majher para Dokkin.. Source: BDRCS.

communities across the Teknaf sub-district of Cox's Bazar since 2019, of which some 1,700 families are supported with conditional cash grants. In December 2022, we carried out three focus group discussions with the targeted communities who are running their own small business to understand the changes to their lives after receiving the cash assistance. The participants included both male and female cash recipients.

Content

Increased income and business capital

Some of the beneficiaries are already operating different small businesses prior to the cash assistance, ranging from grocery shop, vegetable business, electrical equipment, and fresh fish business. While some are engaged in agriculture. They were reported to earn much lower income with the highest monthly income earner (vegetable traders – BDT 30,000¹) to the lowest (fresh fish traders – BDT 4,000). After receiving the cash assistance, they are able to increase their business capital and knowledge, and as a result their income has increased. Vegetable traders remain the

¹ BDT 10,000 is equivalent to USD 94 or GBP 78.



highest monthly income earner (BDT 90,000). The fresh fish traders see an increase of 50% in their income, but they are still earning much lesser than other small businesses. They are also able to support their family members to pursue other income-generating activities. Some of them purchased cow, goat, or chicken for rearing, while others bought crop land for farming. Two beneficiaries' wives use the money to make prayer caps using yarn and sell them for a small profit. They can earn an additional income of BDT 20,000 per year from rearing livestock and BDT 1,200-1,500 per month from making caps.

They are able to spend the extra income for their children's education, food, and healthcare. Some can save in the bank for expanding their businesses, buying land and preparing for their daughter's marriage. The increased income also allows them to contribute more to the mosque. They said they have gained more respect from their family and neighbours as they no longer need to borrow money from their family and friends. There are also fewer quarrels in their household. Women participants felt that their opinions are being heard by their family and they are being involved in decision making.

One female participant shared that her husband was previously the breadwinner and earned about BDT 200,000 per year. This was before he got sick and bedridden. Now, she is earning a good income and can take care of her husband and family. Another female participant said her income from cultivation has declined since her husband feel ill and she has to do the work herself. She is able to cover this shortfall with money sent by her son who is working abroad.

Another female participant said that she received the cash assistance after her husband fell ill, but it did not improve their condition. They were not able to generate more income as their shop is very small and located inside the village with fewer customers. The income from her husband's masonry work varied depending on the demand and his physical condition. The good thing is that her shop is earning more money during the festivals.

It is not common for them to take loans from any institution. They prefer to borrow from close relatives if needed. Only one participant took a loan of BDT 40,000 from a local NGO and repaid it on time. Although majority of them have not taken a loan, they said they are aware that certain documentations are needed for applying for loan from NGO or bank, and they know how to access the service if they need to.

Improved knowledge of managing their finances and risks

Many of them are not used to keeping a record of their income and expenses for their business. It is difficult for them to know if they are making a profit or a loss. Some had to close their business because of they did not have enough capital to continue. Through the cash assistance, they learned about financial literacy, book-keeping and mitigation action for business risks. They find the knowledge gained in the training is very useful for their business. However only 5 out of 9 interviewed beneficiaries said they maintain their own cashbook. The remaining said their children help them with this task.

They are taking several measures to reduce their business risk. The grocers/shopkeepers are taking note of the items which are in demand and increasing the inventory for such items. They are also



tracking the expiration date and preferred to restock in smaller quantities. Similarly, vegetable traders are restocking their goods based on sales and demand. They communicate with several wholesale markets to compare price of vegetables and pay in cash instead of taking up loan.

Agriculture cultivation is done according to season. Rainwater is dammed in canals to irrigate the land during the dry season. They are aware that the wastewater from the camp should not be used as it can damage the crops. For electronic shop owners, they are taking precaution such as wearing plastic sandals and gloves and turning off main switch to prevent injury during electrical work. All of them have save aside some money to help them to overcome potential business risks in the future, which is not possible in the past.

They have also reported that the training they received has helped them to improve the ways they cultivate vegetables, for instance scaffolding preparation for vegetable, seed sowing, seedling production and planting, the use of organic fertilizers, the reduce/control use of chemical fertilizers and pests' control. They learned about mixed cropping to help the soil regenerates the nutrients it needs, which has improved the quality and quantity of their crop yields.

Access to markets

Most of the participants purchased their goods from the local markets such as Raikong, Hanila, Whykong, Court, Ukhia, and Cox's bazar. Vegetable traders and fresh fish traders prefer to do their business in Balukhali and Kutupalong markets.

Lessons learned

The values generated by the project's interventions are beyond improving and protecting their livelihoods. We recognised that the achievements are only possible by reinforcing the knowledge within communities, through awareness raising and financial education activities. Having proactive community engagement activity such as courtyard sessions and via the community organizers is critical for addressing barriers faced by the community and for ensuring the support is holistic and appropriate to their context and capacity. This case study highlighted that the importance of understanding the impact of cash assistance on the overall wellbeing of the beneficiary and their community. In 2023, BRC in collaboration with the BDRCS and the International Committee of Red Cross (ICRC) will be implementing a pilot to define wellbeing with the community and to develop a measurement to capture CVA wellbeing.

Contact information

For more information on this case study please contact:

Bangladesh Red Crescent Society: Md. Rezaul Karim, Deputy Director & Project Manager, Vulnerability to Resilience Project, Cox's Bazar, rezaul.karim@bdracs.org

British Red Cross: Magda Rios-Mendez, Programme Coordinator, Bangladesh, mriosmendez@redcross.org.uk