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Feasibility of NGO Initiatives in SME, Rural Benefits and Challenges: A Case Study in Cumilla, Bangladesh

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Abstract

The main purpose of this study is to investigate the NGO initiatives to accelerate the SME sectors. The current study also analyze the rural benefits and challenges based on NGO initiatives in SME sectors. This study conducts a questionnaire and interview survey to investigate the current objective. The quantitative study demonstrates that there is a greater chance to expand the SME sector by using the local resources and capital accumulations. Educations, women empowerment, health and sanitation, employment creations and self-employment increase than a previous decade by increasing NGO initiatives in the study area. The contributions of this study spontaneous gets on to the scope and feasibility of NGO's initiative to develop the SME sector in Bangladesh.

Keywords: NGO, SME, Challenges, Benefits, Cumilla

INTRODUCTION

This study examine the Feasibility of NGO initiatives in small and medium enterprises (SME), rural benefits and challenges. A study conducted in the Cumilla area, Bangladesh. This perusal critically analyzed the socio-economic relationships between NGO initiative and enhancement of small and medium enterprises in the study area. However, the structural changes of least developed countries (LDCs) have been started by refocusing their concentration on SME sectors. Poverty reductions operation and reduction of vulnerability of human and social life SME play a significant role and potent subscription to change of production, socio-economic growth, and unemployment reductions. According to the Bangladesh Bureau of Statistics (2019), there are approximately more than 6 million micro, small and medium enterprises (MSMEs) exist in Bangladesh which included enterprises and employing a total 31 million people, equivalent to 40 percent of the total population in the country at the age of 15 years above which determine the economic active population. About, three quarters or more of the household income in both urban and rural areas is provided by the MSMEs. SME product includes small industry, stationery shop, small farming, agricultural product, construction firm, and handmade product, etc. Now if we concentrate on NGO contribution we can say that the socio-economic development scene in

Bangladesh is characterized by a strong presence of Non –Governmental Organizations (NGO's). According to Zohir (2000), the term 'NGO' explain the broad insertion of an institution, varying in their targeted philosophy, intention, skill, and objective of activities. There are two ways are highly encouraged to move a well-established form of organization from traditional private voluntary organizations (PVOs). First, The NGO's change their activities which ensure the evolvement in government agencies and highly active in fund enhancement from the potential donors. Second, the participatory approach is highly applicable in its internal and external policies. At the early stage expansion of an NGO's, works to the improvement of a targeted group of people and motivate them to make sure of participation sometimes this procedure called the response program, which is the initial of social development.

In this study conduct some of the research questions such as, how to non-governmental Organizational activities enhance rural economic development? what are the roles of NGOs to provide initiatives in small and medium enterprises (SME) and what are the rural benefits? what are the challenges or barriers to SME business and how to overcome it? This study will try to find out all of the answers by this study relating to the existing literature and respondent opinion.

The non-Governmental organizational activities help to enhance economic development by the purpose of self-sufficiency, employment creation, and standard of living and finally help to ensure economic and social stability. NGO provides initiatives and loans to the SME enterprise and micro-enterprise in the rural area. This kind of activity helps to ensure the rural development that's reported as rural benefits for this study. SME enterprise faces a number of problems. However, the small industry needs capital with other facilities for economic development. Here the specific problem such as lack of availability long-term capital through government or commercial banking channels and also bond market and capital market. Product dumping by smuggling, lack of support infrastructure, Low productivity and a highly politicized labor sector, Inconsistency among different government policy statements, lack of an adequate education and training system to support the industrial productions. In this study, we will try to make some possible recommendations to overcome those kinds of barriers and challenges.

In the next section of this study consider as in section 2 is the literature review, section 3 is methodology, data analysis and result discussion in section 4, major findings and recommendations discussed in section 5 and finally make a conclusion of an overall study in section 6.

OBJECTIVE OF THE STUDY

Main Objective:

To find out the feasibility of NGO initiatives in small & medium enterprises (SME), and know the rural benefits and challenges.

Specific Objectives are:

1. to evaluate the efficiency of the relationship between NGO's and SME's for social standard
2. to identify the effectiveness of NGO's initiatives for SME in Cumilla district
3. to analysis the NGO's loan services for SME with respect to rural benefits and challenges

SIGNIFICANCE OF THE STUDY

This study is conducting to know the impact of NGO initiatives as known as loans, training, and others for enhancing the small & medium enterprises for rural benefits and also shows what are the challenges faced by rural people. We want to assure you that, in this study will help and shows a way to rural development with respect to NGO activities. Here we assume that there is 5% significance occurred for the overall study.

LIMITATIONS OF THE STUDY

The most common is time limitation and probability of misunderstanding. The current study tries to avoid that kind of problem and complete this task with more sincerely and timely.

LITERATURE REVIEW

A literature review is an important part to build up a clear concept about the study. The current study designed a literature part with two important sections relates to small and medium enterprises (SME) and another section is non-government organizations (NGO's).

LITERATURE REVIEW-SMALL AND MEDIUM ENTERPRISES (SME)

Mintoo (2004) demonstrates that SMEs in Bangladesh has a particular significant impact on deficiency reduction programs and economic enhancement. Moazzem (2006) states that small and medium enterprises (SMEs) need a sustained level in Bangladesh to reach the targets set by the United Nations (UN) in the millennium development goals (MDGs) to alleviate poverty. The poverty reduction strategy paper (PRSP) considering the economic enhancement, natural resource consumption, world integration and transmission of rural urbanization. However, SME's past challenges in the aspect of inadequate information, less productivity and marketize of finished goods. Kapurubandara (2007) argues that in the developing countries the ICT advancement and e-commerce are quite unfavourable to the SME sector. The conceptual developed models recognize endogenous and exogenous limitations while measurement the necessary support to overcome interruption. According to Ahmed and Chowdhury (2009) analyze the small and medium enterprises work as a header for socio-economic standardizations, alleviation of poverty and rapid infrastructure development with industrial development. SME sector gets negligible support from the government. The efficiency of SMEs in Bangladesh is significantly found below the level of international standards. Chowdhury and Azam (2013), Alam and Ullah (2006), Islam et al. (2011) also analyse the efficiency of SME in Bangladesh. Southseng and Walsh (2010) demonstrate that finance and operating costs were often informally origin by self-contribution and shared among the family/relative members, and decision making was mainly practiced by the business owners/partners. The entrepreneurs also shared constraints such as bargaining power, business organizations, management skill and inadequate rules and regulations regarding encouragement and competition in the SME sector. Ahad et al. (2012) examine the relationship between m-banking and adaptation m-banking service by SME owner. In addition that m-banking accelerate SME activities easier with contact supplier and buyer transaction. The m-banking support to payment of raw materials price and receive the selling price of goods and services. In the last decade, m-banking is highly exercise in Bangladesh to accelerate the SME sector. Khan et al. (2012) concentrate on policy reform in the SME sector that a number of reforms are necessary to aid Bangladeshi SME development. The decent organization works in a cooperative manner that's take part equally. Govt. support necessary to add in other respecting no govt. institution. A link between SME and development established with respect to knowledge, global talent, managerial skill and innovations (Jeske and Axtell, 2015). According to Bosri (2016), the SME loan facilities from the bank is quite low then the industrial loan but the success rate of SME sector is significantly stable to contribute percentage share of GDP. In addition that interest rate of SME loans is higher than industrial loans. Hasbiah (2016) clarify that internal and external problem exists in SME sectors, the internal issue is scarce human resource or skill manpower, scarce input of production and scarce networking creates harms in this sector. External issue is trade tariff, trade free area, lack of international market and communications.

LITERATURE REVIEW-NGOS

To determine the importance of NGO's Parvin (2009) demonstrate that NGO's works as a sustainable financial institution in poverty reduction program in Bangladesh. Microfinance and Micro investment take place in development programs. Chowdhury and Mukhopadhyaya (2012) give importance to poor beneficiaries and the standard of living which accumulated by NGO initiatives. In addition that government initiative more effective to the enhancement microfinance activities instated of GNO's high repayment. Islam and Sharmin (2011), Zohir (2004), Siddiquee and Faruqi (2009) argue the high repayment of NGO's initiative and measured the efficiency. In entrepreneurial activities woman works as tools socio-economic development where the domestic economist suggest that it is necessary to support encouragement program in the expansion of woman entrepreneurship and economic active labor force (Ali, 2012). Goetz and Gupta (1994) found a high repayment rate in credit performance. In addition that women has good control over microfinance activities like savings, repayment, investment and credit rating activities but males have to control of the loan activities which sometimes creates barriers in social and financial externalities. Bangladesh Financial Intelligence Unit (2015) states that, previously the NGOs works as aid and relief based programs. At present NGOs turn over to direct finance and institutional capital accumulation unit in an aspect of acceleration of microfinance activities.

Critical Analysis of Existing Literature

Existing literature shows that the importance of NGOs to enhance small and medium enterprises. Capital formation must need to run a small or medium enterprise or firm where training and education also make importance to gain success. NGOs help to achieve training and also capital accumulations. It's discovered the new ideas and innovation to explore the production level in rural areas, so the existing literature shows a complete way to do this study.

Research Gap

All of the literature able to build up a background to the success of this study and tried to find out the research gap. Here the current study already presents some important research work where both of writer focused in NGOs problem prospect and barriers and also make a linked with small and medium enterprises (SME) but both of writer ignore the rural benefits and challenges, now current study target that will find out the rural benefits and challenges by the perspective of NGO initiatives in SME sector.

METHODOLOGY OF THIS STUDY

PURPOSE OF THE STUDY AND AREA OF THE STUDY

The idea of this study has genesis from the interest in NGO/Development sector. This study will continue with the study from the previous research done by the researcher in the specific existing literature about NGO & SME sector. The current study selected the study area at the Cumilla district in Bangladesh.

Research Design

The current study is based on the primary data sources. Current study completed a quantitative and qualitative research. This study is followed the descriptive research characteristics.

DATA COLLECTION

In order to achieve the current objectives, primary data enrich the conclusions and secondary data gives usable information.

Secondary Source

For this study, the secondary data contributed toward developed background intelligence, that's needed in order to forge the knowledge and the stakeholder to be corneous thoroughly the metering outcome. The World Development Indicators (WDI), Bangladesh Bank (BB) and Bangladesh Academy for Rural Development (BARD) are the basic sources of secondary information.

Primary Source

Primary data has been collected in two ways. Firstly, the questionnaire survey has driven by the study area. Secondly, interviews have also carried out with respondents of application services and members of the local authority and individual's owner in a selective area.

SAMPLING DESIGN

However, this study can't conduct the total population because of problems and limitations that's why we select a sample size who is the respondent in this study.

In order to collect primary data, the questionnaire and interview survey technique has been applied. For the purpose of this study Simple random probability sampling has been selected.

SAMPLE SIZE

According to Sakaran (2000) state that sample sizes larger than 30 and less than 500 are more preferable for utmost research. Here already mentioned that the study population is the total number of small and medium enterprises in our selected area. The current study selects sample size 40 from the total number of populations, that's twenty percent of our total study Populations.

THE QUESTIONNAIRE SURVEY

For this study, closed-ended questions were intended in order to call for replication, which easier for the field of investigation, since the respondents choose among fixed options. Some Open-ended questions were also designed.

THE INTERVIEW SURVEY

Sometimes it is necessary to take the interview survey, supposes that the respondent is illiterate then we need to take an interview survey. To investigate the current objective, the personal interview technique has been quite an efficient and effective technique. The structured face to face interviews has conducted for enriching data.

USES OF TECHNOLOGY

As a quantitative study, we need to ensure technical availability, using a computer. For this study we use applications software Statistical Package for Social Science (SPSS) it is the most usable for social science and another relevant area.

DATA ANALYSIS AND RESULT DISCUSSION

THEORETICAL BACKGROUND

Based on existing literature, small & medium scale enterprises have subsisted in rural Bangladesh since ages in the form of consecutive efficiency and past decay. Now if we concentrate on the present, rural development has followed out a productive and potential concept. The progressive characteristics of the SME sector create more scope of rural entrepreneurship which plays an emergent role in capital formation, micro-investment, increasing per capita income, employment generation and woman empowerment.

It is generally known that Bangladesh is one of the densely populated countries in South Asia. The increasing population creates pressure on agricultural land and agricultural production does not absorb rural labor. The surplus-labor is widely absorbed by the SME sector and the released labor from agriculture is potentially used in the sector of business, services, furniture, farming, and others.

Basic Principles Defined by NGO for SME

1. Better utilization of local resources in an entrepreneurial venture by rural population - Better distributions of the farm produce in the rural prosperity.
2. By SME occupation, rural population to reduce discrimination and providing alternative occupations as against the rural migration.
3. To activate such a system to provide manpower, money, material, machinery, management, market & empowerment to the rural population.

Process of Starting Small and Medium Enterprise

Figure 1: Process of Starting a Small and Medium Enterprise

Idea Generation:

To develop an idea, there is three-way to complete this process.

1. Reorganizations: This is like an embryo procedure. It is generally the wave of thinking. The person or team interest to do something different to solve specific critical issues.
2. Rationalizations: Once the cause of interest inquisitiveness has taken the new appearance of a focused idea, at this stage, the innovator has been finding the accurate solution of identified problems.
3. Fantasizing: The last stage of idea generation is fantasizing. The thinking takes place in intellectualization and the thinking gives the way of resolution.

Feasibility Study:

It is one kind of experiment where the idea can take value and values has economically stable. This is going through two specific steps:

1. Realization: After the idea creation, this is the stage when the idea works to realistic production and reproduction.
2. Validation: This procedure works to measure the efficiency of innovation, cost and benefits measure are also a part of this process. The person looks forward to benefits and stability.

TYPES OF SME HOLD BY RESPONDENT IN THIS STUDY

It is eagerly known that Bangladesh is a populated country, where about 75% of people lives in a rural area. This define that the occupations of the selected population are:

- Business
- Business, service & others
- Agricultural & Farming.

We define in our questionnaire there are three types of enterprises based on firm size

- Very Small Enterprises
- Small Enterprises
- Medium Enterprises

Table 1: Types of Enterprises

Count		Types of Enterprises			Total
		Very Small	Small	Medium	
Occupations	Business	6	13	3	22
	business & others	2	3	3	8
	Agriculture & Firming	4	5	1	10
	Total	12	21	7	40

In this study total number of samples is forty, where there are three categories of occupations in SME Business, Business, service & others, Agricultural & Farming here we see that several types of enterprise based on size and employee hold by enterprise, very small, small & finally medium. In Table 1, there are total numbers of business occupations 22; agricultural-farming is the second-highest 10. In this study contains that very small enterprise 12, the small enterprise is the highest 21, and medium enterprise is seven. So we can say small enterprise grow faster than others and move to as medium enterprise

PARTICIPATIONS OF MALE AND FEMALE

Current study concern about women's participation because, in Bangladesh, most of the village woman is jobless if we assure that to engage in small farming and business, rural development must be ensured.

Figure 2. Male and Female Participation in This Study

From this figure we say that woman participation in SME is very tiny where male participant is most.

According to Dr. Mohammad Yunus, “woman participant is more effective than male participant in microcredit activities; they have an intention to more savings”. The one of the greatest target of NGOs is to increase the woman participant and it's also a challenge for rural development.

LOAN FROM NGO

This section analyzed the number of enterprises who getting a loan from driftnet NGOs. Table 2 argue that the scenario of the loan statement. Large portions of enterprises are taken loans from NGO's.

Table 2: Loan from NGO's with Respect to Size of Enterprises

		Types of Enterprises			Total
		Very Small	Small	Medium	
Loan from NGO		1	0	0	1
	YES	8	12	4	24
	NO	3	9	3	15
Total		12	21	7	40

In this study area, there are two NGOs strongly cover to all of the enterprises one is Bangladesh Rural Advancement Committee (BRAC) & Association for Social Advancement (ASA), many other NGOs are also work in this region to cover loan program. Table 2 shows the total numbers of enterprise owner 24 who take a loan from NGO and argument in favor of taking a loan. Here no loan which means the self-finance process much lower. In this case, shows that loan taken from NGOs propensity is much higher in small business.

BENEFIT FROM THE LOAN WITH RESPECT TO SIZE OF ENTERPRISES

To measure the benefits of getting a loan that gets from the existing NGOs. Benefits include capital formation, training & educations, new ideas, innovations, and other facilities. The respondent says “Yes” who gets benefits and says “No” who thinks that NGO loan ineffective and costly.

Table 3: Benefit from the Loan with Respect to Size of Enterprises

		Benefit from the loan		Total
		YES	NO	
Types of Enterprises	Very Small	7	5	12
	Small	12	9	21
	Medium	4	3	7

Total

23

17

40

Here in Table 3 demonstrate that small enterprise owner 12 individuals say that, NGO loans benefited their SME activities, where the total number of firms and enterprise argue that they get benefits from taking loans to operate their activities as productions, distributions, marketing, and managing. now see in the bar diagram for more clarity.

Figure 2: Bar Graph for Types of Enterprise and Benefits From Loans

This figure shows that there are three categories of enterprise medium. small, very small, here highest frequency was taken by small firms who beneficiaries more and medium enterprise.

INCOME OF THE RESPONDENT

Here mention that the range of income level for the enterprises, there are three categories of income level see in Table 4.

Table 4: Monthly Income

		Income per Month			Total
		5000 - 10000 tk	10000- 20000 tk	20000 - more tk	
Type of Enterprise	Very Small	8	4	0	12
	Small	7	11	3	21
	Medium	0	2	5	7
	Total	15	17	8	40

Table 4 shows that very small enterprise earns much lower per month where 8th individuals earn 5000- 10000 tk per month and this category several four enterprises earn more than ten thousand. Medium enterprise earns more than 20000 tk because of large investment and no employee large than small firms. The small enterprise contains a smooth range of income 10000-20000 tk per month in this category we already see that no of the owner running the business and other service activities like pharmaceutical and telecommunications.

CORRELATIONS BETWEEN LOAN AND INCOME

In general, the current study can simply assume that income will be increased if the number of loans increased. Because, when an NGO provide loans they have some terms and conditions as much as this amount of money used in production purpose. From this investigation, assure that both NGOs operate their loan activities some times they provide training and other facilities to enhance SME.

Table 5: Pearson Correlation between Income and Loan

		Amount of loan	Income per month
Amount of loan	Pearson Correlation	1	.228
	Sig. (2-tailed)		.157
	N	40	40
Income per month	Pearson Correlation	.228	1
	Sig. (2-tailed)	.157	
	N	40	40

There is a positive correlation between loan and income where we see that if one an average .16 percent loan increase then income increased by 0.23 percent. Increasing income indicate that increase of standard of living, society well being and increase the rural benefits.

BENEFIT & LOSSES FROM TAKING LOAN WITH RESPECT TO SME OWNERS

In these situations, most of the respondent argues that they get benefits from the loan as they increase their production, marketing, the supply of the commodity in shop and others. Now if we see the opinion against benefit and loss of NGO loans, that's used to enhance rural development by the purpose of Small & Medium Enterprise.

Table 6: Losses from Loan Initiative

		Losses after taking the loan		Total
		YES	NO	
Gender	Male	4	27	31
	Female	3	6	9
	Total	7	33	40

Table 7: Arguments of Benefits from Loans

		Benefited after taking the loan		Total
		YES	NO	
Gender	Male	15	16	31
	Female	3	1	9
	Total	7	17	40

From this Table 7 current study state that benefits from loan by SME enterprise is provide arguments because they need capital to grow up. Here the total number of the male respondents in this study sample is 31 where the positively argue 15, and they say that it's not beneficiaries is 16 people. On the other hand, the total female respondent is 9 where they mostly say that it's important and the get benefits from loan and other initiatives and most of the respondent says "NO" meaning that losses after taking a loan. So it is easily be said that to enhance the small and medium enterprise NGO initiatives must play a vital role to enhance rural development.

EDUCATIONAL QUALIFICATIONS OF ENTREPRENEUR'S CHILDREN

One of the greatest important indicators of measuring the socio-economic development is 'Educations' current study focuses this variable where it selects their categories as bellow satisfactory, satisfactory, and highly satisfactory, now see in Table 8 and figure 3:

Table 8: Education Status of Entrepreneur's Children, Numeric Statement

		Type of Enterprises			Total
		Very Small	Small	Medium	
Education status of entrepreneurs children	Bellow Satisfactory	5	4	3	12
	Satisfactory	7	13	4	24
	High Satisfactory	0	4	0	4
Total		12	21	7	40

From Table 8, explain that the highest frequency taken by satisfactory where the child education depends on family income and awareness. The owner of a very small enterprise sixty percent says that they are satisfied with their child's education and forty percent expect more educations status for their child. The owner of the small firm says almost all are satisfied with their child's educations. For the case of medium enterprises, they also satisfied their child educations status but some respondents want to more effective education.

Figure 3: Education Status of Entrepreneur's Children

Figure 3 demonstrates that educations for child significant for this study area and study populations. The immediate observation of NGOs activities in our nations we see that they provide a lot of initiatives to expand child education and to reduce the school enrolment, so this variables also provide a significant result to conclude that the NGOs initiatives helps to expand SME in the rural area and enhance the socio-economic development, increase rural benefits, and also helps to reduce challenges.

MAJOR FINDINGS AND RECOMMENDATIONS

FINDINGS

1. This study shows a positive or significant relation to NGOs' initiative and grows up of Small and Medium Enterprises (SME) as the motives of rural development.
2. There is a greater chance to expand the SME sector by using local resources and capital accumulations.
3. As a developing nation, Bangladesh has a great opportunity to expand the SME sector by capital accumulations, where NGOs helps to accumulate capital and generate business and product ideas.

4. This study shows that most of the respondents argued that they are benefited by taking loans and training from NGOs to expand their business.
5. In this study conduct in Comilla regions and experiment shows that there is two important NGO work in this region those names are Bangladesh Rural Advancement Committee (BRAC) & Association for Social Advancement (ASA), many others NGOs are also work in this region and Bangladesh Academy for Rural Development (BARD) works to accumulate them.
6. Women participation increasing day by day. Mitigate labor deficiency and increase the efficiency of surplus labor.
7. Successful rural entrepreneurs should show a path for other rural entrepreneurs.
8. Woman respondent has taken more loans from ASA rather than BRAC.
9. NGO helps to build up ideas for new business and productive farming to the villagers.
10. Female participants in farming rather than specific business activities.
11. Employment creations and self-employment increase than in the previous decade.
12. Income level increased and also increased the standard of living to the rural people by NGO initiatives. This study already shows the positive correlations between the loan initiative and the per capita income of the respondent.
13. Education of entrepreneurs child shows a satisfactory level, where most of the respondent says that they are satisfied with their child educations. BRAC School is one of the popular and enjoyable institutions for the child.

CHALLENGES FOR EXPANSION OF SME SECTORS AND RURAL DEVELOPMENT

This study also identified that there are some challenges for the expansion of SME sectors and also rural development. The current study found the following challenges:

- a. Lack of adaptation of new technologies and market information like storage, pricing, and bargaining.
- b. Lack of Infrastructure facilities like land, delay to getting new connections of electricity has been created barriers to the expansion of SMEs.
- c. In this study identified that most of the woman entrepreneur is unknown about the actual market information of various goods and alternative technology.
- d. Lack of capital and reinvestment. Lack of government subsidy and encouragement in reinvestment where the non-government organizations (NGOs) try to provide capital at an easy term to the expansion of SME sectors.
- e. Sometimes repayment is quite difficult for an entrepreneur in the period of production loss and system loss.
- f. Rate of interest. For the rural entrepreneur, the greatest problem is the interest rate on the loan amount. This study examined the rate of interest where some of the respondents argue that the rate of interest much higher.
- g. Lack of government policy and incentive. Rural people face a greater challenge for govt. incentives. Most of the literature shows that in rural area NGOs are more effective than government organizations.

SOME POLICY AND RECOMMENDATIONS

1. Government and Non- govt. Policies should be submissive to create facilities in native surroundings.
2. All types of rural enterprises should be covered in rural SME policies.
3. Govt. should be reducing regulatory barriers even to long term productions and economic growth.

4. The cost of doing business must be abolished in the SME sector.
5. Ensure the alternative way or facilities to recover production loss and a smooth repayment system.
6. It is necessary to reduce to time cost for getting the product lines and flexible supply chain.
7. NGOs' loans should be provided at an easy term and a low rate of interest and rate of interest should be similar to the government banking system.
8. Need to increase women participation more because they are able to better understand microcredit finance.
9. Productions should be technology-based.
10. It needs more capital for expanding the medium enterprise, where it shows the greater opportunity to produce valuable goods and services & employment generations.
11. It is necessary to increase training and other initials incentives to expansions of SME sectors by NGOs.

CONCLUSION

Small and Medium Enterprise (SME) plays an emergent role in the social and economic enhancement of Bangladesh, relating to part in the marginal or hick economy. However, It is common that SME activities help to accelerate employment, earnings and learning opportunities in rural areas. The per capita income of marginal entrepreneurs increases with accessing agriculture, farming, business and services activities with reducing poverty, unemployment, and illiteracy. Non-Governmental and govt. organizations go for appraisal of rural entrepreneurship development schemes and programs, in order to increase benefits in rural areas. This study finds out that the expansion of entrepreneurial activities and rural development is difficult due to a lack of capital accumulation. Most of the NGOs try to provide loans at easy terms and conditions. The current study shows that rural development programs are a combined process of infrastructure elevation, training, and education, investment in agricultural farming and women are nominated themselves in non-firm activities in hick areas. Rural entrepreneurship is the way of transformations to the developed countries from developing or LDC's countries (Singh et al., 2008; Zafar and Mustafa, 2017).

There are a total of 2554 NGOs registered under the Bangladesh government to support different kinds of development, response and affordable programs.

In addition that NGOs also support controlling different enhancement programs with providing the right intelligence at the frequent times. Adequate loans and other enhancement programs help to enhance and expand small and medium enterprises.

The contribution of this study will be added new value in the interaction of SME and NGO initiative and support to shell a new door to domestic entrepreneur and NGO's facilities. By using this study, stakeholders spontaneously get on to the scope and feasibility of NGO's initiatives to develop the SME sector as the purpose of rural benefits and challenges that are completely current objectives.

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