

An Internship Report
On
The Impact of BSCIC's Training on the Economic Development of
Bangladesh: A Study on Thakurgaon Zone

This report is submitted to the Department of Finance and Banking, Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur for the partial fulfillment of the degree of Master of Business Administration (MBA in Finance) Program.



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Acknowledgement

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First of all, I would like to thank our honorable academic supervisor, Md. Abdullah-Al-Mamun, Lecturer, Department of Finance and Banking, Faculty of Business Studies, HSTU, Dinajpur. I am thankful to him for his continuous support, supervision, suggestions, and providing me with valuable information that was very much needed for the completion of this report.

Then, I express my sincere gratitude to Md. Nurel Haque, Deputy Manager, BSCIC Industrial Zone, District Office, Thakurgaon, for his valuable advice and information.

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Memo No. বিসিক/প্রশাসঃ ৯৬/২০/২০২২

Date: ২৭/০৬/২০২৪

TO WHOM IT MAY CONCERN

This is to certify that Md. Moktarul Islam, having student ID No. 1703166, MBA in Finance, Department of Finance and Banking, a student of Hajee Mohammad Danesh Science and Technology University, Dinajpur, under the MBA program, has successfully completed his internship program at BSCIC Industrial Zone, District Office, Thakurgaon.

He was observed to be truthful, sincere and accountable for the tasks given to him throughout his internship.

We wish him every success for the days to come.

Md. Nurel Haque
Deputy Manager
BSCIC Industrial Zone
District Office, Thakurgaon

(মোঃ নুরেল হক)
উপ-ব্যবস্থাপক
বিসিক জেলা কার্যালয়, ঠাকুরগাঁও।

Certificate of Co-supervisor

I hereby declare that the concerned report on “The Impact of BSCIC’s Training on the Economic Development of Bangladesh: A Study on Thakurgaon Zone” is a work done by Md. Moktarul Islam, MBA in Finance, Student ID: 1703166, Hajee Mohammad Danesh Science and Technology University, Dinajpur-5200. He has performed his work under my co-supervision and advised to submit the report to the Faculty of Business Studies for the partial fulfillment of the degree of Master of Business Administration (MBA in finance).

I wish him every success in life.

Professor Shahnaz Parvin
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Student's Declaration

I hereby declare that the internship report entitled “The Impact of BSCIC’s Training on the Economic Development of Bangladesh: A Study on Thakurgaon Zone” embodies the result of my own research and efforts, prepared under the supervision of Md. Abdullah-Al-Mamun, Department of Finance and Banking, Faculty of Business Studies, HSTU, Dinajpur.

I also declared that this paper is my unique work and prepared for academic purposes, which is a partial fulfillment of the requirement for the degree of MBA program.

However, after all this, as a human being, I believe everyone is not beyond limitation. There might be problems regarding lack and limitation in some aspects and also some minor mistakes, such as a syntax error, a typing mistake, or a lack of information. Please pardon me for that mistake and clarify my further information on those matters.

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Abstract

This study examines the pivotal impact of the Bangladesh Small and Cottage Industries Corporation (BSCIC) in driving economic development, with a specific focus on its impact within the Thakurgaon Zone. In Bangladesh, where the economy heavily relies on agriculture, small-scale industries play a crucial role in diversifying economic activities, generating employment, and fostering inclusive growth. The BSCIC, established to promote and support small and cottage industries, serves as a significant driver of this process.

Through empirical analysis and data collection from the Thakurgaon Zone, this research elucidates the socio-economic dynamics of BSCIC-affiliated enterprises. It explores their contributions to employment generation, income enhancement, and poverty reduction within the local context. Additionally, the study investigates the challenges faced by these enterprises and the strategies employed to overcome them.

The findings highlight the substantial contribution of BSCIC's training to employment creation in the Thakurgaon Zone, particularly in rural areas. Small and cottage industries supported by BSCIC emerge as vital sources of livelihood, absorbing surplus labor and reducing unemployment rates. Moreover, these enterprises contribute to income generation, empowering communities and fostering socio-economic development.

Furthermore, the study underscores the impact of BSCIC in nurturing entrepreneurship and fostering innovation. By providing technical assistance, training, and access to finance, BSCIC facilitates the establishment and growth of small businesses, thereby promoting economic diversification and competitiveness.

Despite the notable contributions, BSCIC enterprises encounter challenges such as limited access to finance, inadequate infrastructure, and bureaucratic hurdles. However, through strategic partnerships and initiatives, BSCIC demonstrates resilience and adaptability, ensuring the sustainability of small and cottage industries.

Key Words:

BSCIC, Bangladesh, economic development, small industries, entrepreneurship.

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Chapter 1

Introduction

1.1 Background of the Study

Bangladesh, a densely populated South Asian nation, has long grappled with economic challenges, including widespread poverty and unemployment. Historically, the country's economy has been heavily reliant on agriculture, with the majority of the population engaged in farming activities. However, rapid population growth, limited arable land, and vulnerability to natural disasters have necessitated diversification and expansion of economic activities beyond agriculture.

Recognizing the need for economic transformation, the government of Bangladesh established the Bangladesh Small and Cottage Industries Corporation (BSCIC) in 1957. BSCIC was tasked with promoting and supporting small and cottage industries across various sectors, aiming to stimulate economic growth, generate employment, and alleviate poverty. Over the years, BSCIC has emerged as a key player in Bangladesh's industrial development landscape, particularly in rural areas where poverty rates are highest.

The Thakurgaon Zone, located in the northwestern part of Bangladesh, represents a microcosm of the country's economic challenges and opportunities. Like many rural regions in Bangladesh, Thakurgaon is characterized by agrarian livelihoods, limited access to infrastructure, and high levels of poverty. However, it also boasts a rich cultural heritage and a potential for economic development, particularly through the promotion of small and cottage industries.

Despite the government's efforts and the presence of BSCIC, challenges persist in harnessing the full potential of small-scale industries in Thakurgaon and similar regions. Limited access to finance, inadequate infrastructure, bureaucratic hurdles, and lack of market linkages hinder the growth and sustainability of small businesses. Moreover, the COVID-19 pandemic has exacerbated these challenges, posing additional threats to the economic well-being of communities reliant on small-scale industries.

Against this backdrop, there is a pressing need for empirical research to assess the impact of BSCIC's training in driving economic development, particularly in regions like Thakurgaon. By understanding the socio-economic dynamics, challenges, and opportunities faced by BSCIC-affiliated enterprises, policymakers can formulate targeted interventions to enhance the resilience and sustainability of small and cottage industries. This study seeks to fill this gap by providing

valuable insights into the contributions of BSCIC to the economic development of Bangladesh, with a specific focus on the Thakurgaon Zone.

1.2 Rationale of the Study

This study aims to provide empirical insights into the impact of the Bangladesh Small and Cottage Industries Corporation (BSCIC) in driving economic development, focusing on the Thakurgaon Zone. Given the significant socio-economic challenges faced by rural areas in Bangladesh, understanding the contributions, challenges, and opportunities of BSCIC-affiliated enterprises in such contexts is essential. The findings of this study will inform policymakers, development practitioners, and stakeholders about the effectiveness of BSCIC interventions and guide efforts to enhance the resilience and sustainability of small and cottage industries, thereby advancing the broader economic development agenda of Bangladesh.

1.3 Origin of the Report

The internship program is a compulsory requirement for the students who wish to become a M.B.A graduate from HSTU, Dinajpur-5200, Bangladesh. For completing my internship program, I worked with a host organization named BSCIC Industrial Zone, District Thakurgaon. Further, I have prepared this report on my practical experience on their responsibility, theoretical knowledge and under the close direction of my official supervisor and co-supervisor. Thus, the report entitled "The Impact of BSCIC on the Economic Development of Bangladesh: A Study on Thakurgaon Zone" has been accomplished as a fulfillment of MBA program credited by the Finance Department, HSTU, Dinajpur-5200, Bangladesh.

1.4 Objectives of the Report

The primary aim of this research is to recognize the contribution of the cottage industry to the economic advancement of Bangladesh. The accompanying objectives are as follows:

- i. Assessing the quality and relevance of the training programs offered by BSCIC in Thakurgaon Zone.
- ii. Identifying the industries that play a more significant role in economic development.
- iii. Determining the specific skills and competencies acquired by participants through BSCIC's training programs.

- iv. Evaluating the success rate of new businesses and startups initiated by individuals who received BSCIC training.

1.5 Observations of the Study

- i. Assessment of socio-economic characteristics of BSCIC-affiliated enterprises in the Zone.
- ii. Examination of enterprise size, production capacity, employment generation, and geographical distribution.
- iii. Identification of challenges faced by BSCIC enterprises, including limited access to finance, inadequate infrastructure, bureaucratic hurdles, and market constraints.
- iv. Exploration of strategies employed by BSCIC and its affiliates to overcome challenges, such as technical support, training, access to finance, and market linkages.
- v. Observation of the role of BSCIC in providing support services and fostering entrepreneurship within the Zone.
- vi. Analysis of the effectiveness and sustainability of BSCIC interventions in driving economic development.
- vii. Examination of the impact of external factors, such as the COVID-19 pandemic, on BSCIC-affiliated enterprises and their resilience.
- viii. Observation of potential areas for improvement and policy recommendations to enhance the contribution of BSCIC to economic development in the Zone and beyond.

1.6 Limitations of the Report

- i. Sample Size: The study had a limited sample size, potentially impacting the representativeness of findings for the entire Zone.
- ii. Data Accuracy: Reliance on self-reported data from BSCIC-affiliated enterprises might have introduced biases or inaccuracies.
- iii. Time Constraints: Time limitations during data collection and analysis may have restricted the depth of exploration and understanding of the phenomenon.
- iv. Resource Constraints: Financial and logistical constraints could have limited the scope of the study or access to certain data sources or locations within the Zone.

- v. Generalizability: Findings might not have been generalizable beyond the specific context of the Zone due to unique socio-economic dynamics.
- vi. External Factors: External factors such as policy changes, economic fluctuations, or unforeseen events could have influenced study outcomes beyond the control of researchers.
- vii. Measurement Error: Errors in measurement tools or methodologies might have affected the accuracy of data collected and subsequent analysis.
- viii. Response Bias: Respondents may have provided socially desirable responses or withheld information, leading to response bias.
- ix. Contextual Factors: The study may not have fully captured the complex interplay of socio-cultural, political, and historical factors influencing the role of BSCIC in economic development within the Zone.

1.7 Overview of BSCIC

The Bangladesh Small and Cottage Industries Corporation (BSCIC) is a vital governmental organization established in 1957 under the Ministry of Industries of Bangladesh. Its primary objective is to promote, develop, and facilitate the growth of small and cottage industries across the country. BSCIC plays a crucial role in driving economic development, fostering entrepreneurship, and generating employment opportunities, particularly in rural areas.

1.8 Mission of BSCIC:

Develop potential industrialization with global competition, Buildup efficient manpower, creation of employment and reduction of poverty.

1.9 Vision of BSCIC:

Sustainable industrialization to build up a developed industrialized Bangladesh.

1.10 Objectives of BSCIC:

BSCIC operates with a clear mission to facilitate the establishment and growth of small and cottage industries, ultimately contributing to sustainable economic development and poverty reduction in Bangladesh. To achieve this overarching mission, BSCIC has set forth several key objectives:

- i. **Promotion of Entrepreneurship:** BSCIC endeavors to promote entrepreneurship by providing aspiring entrepreneurs with the necessary support, guidance, and resources to establish and expand their small-scale enterprises.
- ii. **Facilitation of Industrial Growth:** One of the core objectives of BSCIC is to facilitate the growth of small and cottage industries by providing essential infrastructure, technical assistance, and financial support.
- iii. **Employment Generation:** BSCIC aims to generate employment opportunities, especially for marginalized communities, through the development and expansion of small-scale industries across various sectors.
- iv. **Poverty Alleviation:** By promoting income-generating activities and supporting small and cottage industries, BSCIC contributes to poverty alleviation efforts in Bangladesh, empowering individuals and communities economically.

1.11 Functions and Activities

BSCIC undertakes a wide range of functions and activities to fulfill its objectives effectively:

- i. **Industrial Estate Development:** BSCIC develops industrial estates equipped with necessary infrastructure such as land, utilities, and factory sheds to facilitate the setup and operation of small-scale industries.
- ii. **Technical and Financial Assistance:** BSCIC provides technical assistance, training programs, and financial support to entrepreneurs to enhance their skills, knowledge, and access to capital for business development.
- iii. **Market Linkages:** BSCIC facilitates market linkages for small and cottage industries, helping them connect with domestic and international markets to expand their customer base and increase sales.
- iv. **Research and Development:** BSCIC conducts research and development activities to identify market trends, emerging technologies, and business opportunities, providing valuable insights and guidance to entrepreneurs.
- v. **Policy Advocacy:** BSCIC engages in advocacy efforts to influence policy reforms and initiatives that support the growth and sustainability of small and cottage industries, advocating for an enabling business environment.

1.12 Organizational Structure

BSCIC operates through a hierarchical organizational structure comprising various departments, divisions, and regional offices:

- a) Chairman: The Chairman oversees the overall functioning of BSCIC and provides strategic direction to the organization.
- b) Board of Directors: The Board of Directors, consisting of government officials and industry experts, provides governance and guidance to BSCIC.
- c) Departments: BSCIC has several departments responsible for specific functions such as industrial estate development, technical assistance, finance, marketing, and administration.
- d) Regional Offices: BSCIC has regional offices located across different regions of Bangladesh to ensure effective implementation of its programs and services at the grassroots level.

1.13 Challenges and Future Directions

Despite its significant contributions, BSCIC faces several challenges, including bureaucratic inefficiencies, limited resources, infrastructure constraints, and the need for capacity building. In the future, BSCIC aims to address these challenges through strategic partnerships, innovation, and technology adoption, while continuing to focus on promoting entrepreneurship, industrial growth, and socio-economic development in Bangladesh.

BSCIC remains committed to its mission of fostering the growth of small and cottage industries, driving economic development, and improving the livelihoods of people across Bangladesh. Through its diverse range of activities and initiatives, BSCIC continues to play a vital role in shaping the industrial landscape of the country and contributing to its overall socio-economic progress.

Chapter 2

Literature Review

Haider, Dutta, and Siddiqui (2015) examine the role of BSCIC in poverty reduction, highlighting how the corporation's initiatives have led to substantial improvements in local economies by supporting small and cottage industries. This support includes providing essential training and resources to entrepreneurs, thereby facilitating economic growth. Abedin (2016) also emphasizes the importance of institutions like BSCIC for sustainable economic development in Bangladesh, suggesting that such organizations are crucial in offering the necessary training and development programs to bolster local entrepreneurship.

The effectiveness of BSCIC's training programs in skill development is a key theme in the literature. Azim (2013) provides a detailed case study on the Small and Cottage Industries Training Institute, demonstrating how targeted training programs have successfully enhanced participants' skills, making them more competitive in the job market. Similarly, Sadekin (2023) discusses how competitive edge, marketing facilities, and financial and government support facilitated by BSCIC are essential for the development of small entrepreneurship in Bangladesh.

Ahmed (1980) and Rahman (2010) discuss how small and cottage industries, supported by BSCIC, contribute to employment creation, particularly in rural areas. These programs equip individuals with the skills necessary for self-employment and stimulate the local job market by fostering new business ventures. Sarder (1995) further supports this view by analyzing the effectiveness of support services in small enterprise development.

Abedin (2019) reinforces this by highlighting the role of micro, small, and medium enterprises (MSMEs) in economic development, which increases the income-generating capacity of individuals.

BSCIC's initiatives have a broader impact on community development. Karim and Rahman (2020) explore how BSCIC's training programs lead to enhanced economic activities that benefit entire communities, resulting in improved infrastructure and social well-being. Abedin (2016) also discusses how industrial clusters, supported by BSCIC, can boost economic growth and community development.

Despite its successes, BSCIC faces several challenges that hinder the full potential of its training programs. Uddin (2006) and Begum and Abedin (2015) highlight issues such as inadequate funding, limited access to modern technology, and insufficient follow-up support. To address these challenges, they recommend increased government funding, partnerships with technology

providers, and enhanced support systems for trainees. Ahmed and Haque (2011) also discuss the constraints faced by small and medium enterprises (SMEs) in Bangladesh, emphasizing the need for improved support services.

Gender-specific outcomes of BSCIC's training programs are also significant. Hoque, Shindaini, and Aktaruzzaman (2015) examine how women participating in these programs gain financial independence and improved social status. However, cultural barriers and limited resources continue to pose challenges for women in fully leveraging the benefits of these programs. Chowdhury and Rabbani (2013) also discuss the policies and institutional supports necessary for women's entrepreneurship development in Bangladesh.

Jasmine and Afrin (2016) provide an insightful analysis of the supply chain structure in the Ready-Made Garments (RMG) sector, focusing on Narayanganj BSCIC. Their study underscores the importance of efficient supply chain management and infrastructural support in enhancing the productivity and competitiveness of SMEs within the RMG sector. Ahmed, Tuzon, and Rahman (2005) offer a comprehensive review of the institutional frameworks promoting rural development in Bangladesh. Their analysis suggests that well-structured institutional support is pivotal for rural development, which aligns with the role of BSCIC in providing training and support to rural entrepreneurs.

Several studies, including those by Ahmed and Haque (2011) and Rahman (2010), identify the constraints faced by SMEs in Bangladesh. These constraints include limited access to finance, inadequate infrastructure, and regulatory challenges

Chowdhury and Rabbani (2013), and Hoque, Shindaini, and Aktaruzzaman (2015) discuss the policies and institutional supports available for women entrepreneurs in Bangladesh. They highlight both achievements and challenges. Abedin (2018) and Uddin (2006) focus on the importance of industrial infrastructure and the diffusion of innovations for sustainable economic growth. Finally, Begum and Abedin (2015) discuss the role of SME cluster development in employment generation and poverty alleviation. This aligns with the objectives of BSCIC's training programs, which aim to empower SMEs and foster economic growth through skill development and infrastructural support.

Chapter 3

Methodology of the Study

3.1 Research Design

- I. Quantitative Approach: Utilizing a quantitative research design to collect numerical data and analyze the effectiveness of training programs.
- II. Cross-sectional Study: Employing a cross-sectional study approach to gather data at a single point in time, assessing the current impact of BSCIC's training initiatives.

3.2 Hypotheses Formulation

Formulate Hypotheses: Develop clear hypotheses based on the research objectives to test the effectiveness of BSCIC's training programs in enhancing the business performance of cottage industries owners and contributing to economic development.

Hypotheses:

H_0 : There is no significant relationship between BSCIC training programs and the business performance of cottage industries owners in Thakurgaon Zone.

H_1 : BSCIC training programs positively impact the business performance of cottage industries owners and contribute to economic development in Thakurgaon Zone.

Observed and Expected Frequencies

Factors	Observed (%)	Expectation (%)
Improvement of Business	20	100
Decrease of Poverty Rates	15	100
Having Financial Stability	14	100
Increase Woman Participation	16	100
Reduce Unemployment	14	100
Create Opportunity For New Entrant	12	100

Source: Own Field Survey, March 2024

For hypothesis testing we have used Chi-Square static.

We know,

$$\chi^2 = \frac{(O - E)^2}{E}$$

Where,

χ^2 =chi-square Statistic

O = Observed Frequency

E = Expected Frequency

3.3 Data Collection

- I. Primary Data Collection: Collect original data specifically for this study through structured surveys, interviews, or observation methods.
- II. Data Collection Instruments: Develop survey questionnaires or interview guides tailored to gather information on the effectiveness of BSCIC's training programs and business performance indicators among cottage industries owners in Thakurgaon Zone.

3.4 Sampling

- I. Convenience Sampling: Select participants conveniently accessible within the Thakurgaon Zone due to time and resource constraints.
- II. Sample Size Determination: Determine an appropriate sample size to ensure the reliability and validity of the study findings.

3.5 Data Analysis

- I. Descriptive Analysis: Summarize and describe collected data using descriptive statistics to understand the characteristics of the sample and key variables.
- II. Inferential Analysis: Utilize statistical tests such as correlation analysis and regression analysis to examine the relationship between BSCIC training programs and business performance indicators.
- III. Hypothesis Testing: Apply appropriate statistical tests to test the formulated hypotheses and determine their significance.

This research methodology outlines a systematic approach to investigating the role of BSCIC in providing training to cottage industries owners for enhancing their business performance and contributing to economic development in Bangladesh, focusing on primary data collection and hypotheses testing. By following this methodology, the report aims to provide valuable insights into the impact of BSCIC's training initiatives on cottage industries and economic development in the Thakurgaon Zone.

Table 1
Overview of sample size

Data Collection Period	Collected By	Industry Type	Number of Respondents (owner)	Percentage
January – March, 2024	Internee	Agro Farm	6	18.75%
		Boutique	4	12.5%
		Packaging	5	15.62%
		Leather	4	12.5%
		Bakery Food	7	21.88%
		Jute	2	6.25%
		Cattle Feed	4	12.5%
Total			32	100%

Source: Own Field Survey, March 2024

Chapter 4

Analysis and Interpretation of BSCIC Role in Economic Development of Bangladesh

From the survey of 32 samples, the results are summarized below by the application of table, pie chart, statistical formulae.

Table 4.1: Impact of Skill Development Training of BSCIC

Have you benefited from BSCIC Skill Development Training ?		
Types of Feedback	Frequency	Percentage
Yes	21	66%
No	11	34%
Total	32	100%

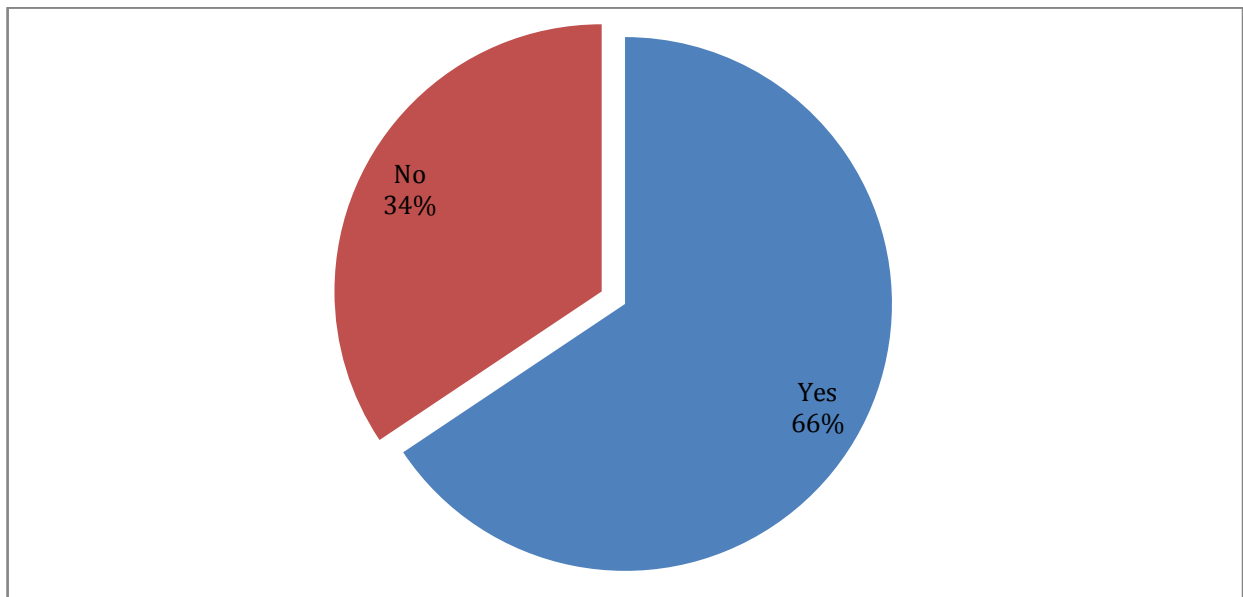


Figure4.1:Impact of Skill Development Training of BSCIC

Explanation:

Table 4.1 and pie chart 4.1 show that 34% respondents replied 'No and 66% respondents replied "Yes" in case of question 1. Since it means most of the employee are benefited with the skill development training the organization is offering.

Table 4.2: Encouraging people to Small Cottage Industries (SCIs)

Has BSCIC Skill Development Training encouraged people to SCIs?		
Types of Feedback	Frequency	Percentage
Yes	25	78%
No	7	22%
Total	32	100%

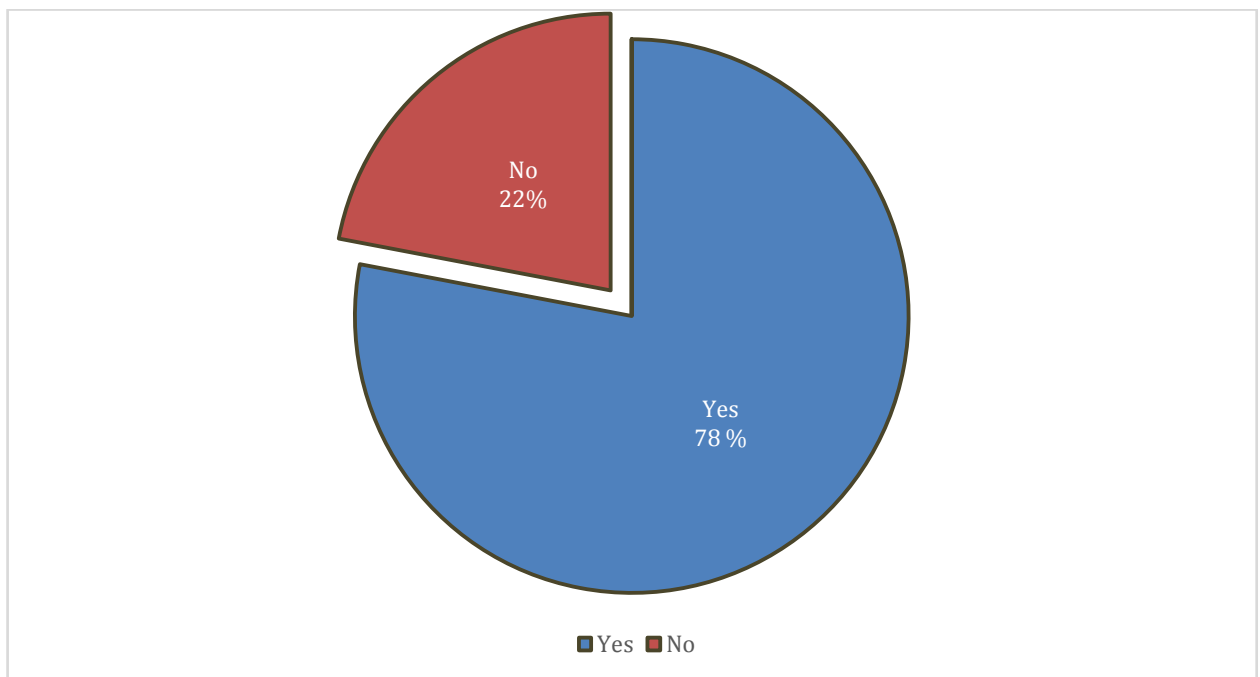


Table 4.2: Encouraging people to Small Cottage Industries (SCIs)

Table 4.2 and pie chart 4.2 show that 22% respondents replied "No" and 78 % respondents replied "Yes" in case of question 2. So 78% the people think that BSCIC Skill Development Training encourages people to Small Cottage Industries (SCIs)

Table 4.3: Achieving Small Cottage Industries Financial Goals

Do you think BSCIC Skill Development Training Programs enable you to achieve your financial goals and objectives ?		
Types of Feedback	Frequency	Percentage
Yes	19	60%
No	13	40%
Total	32	100%

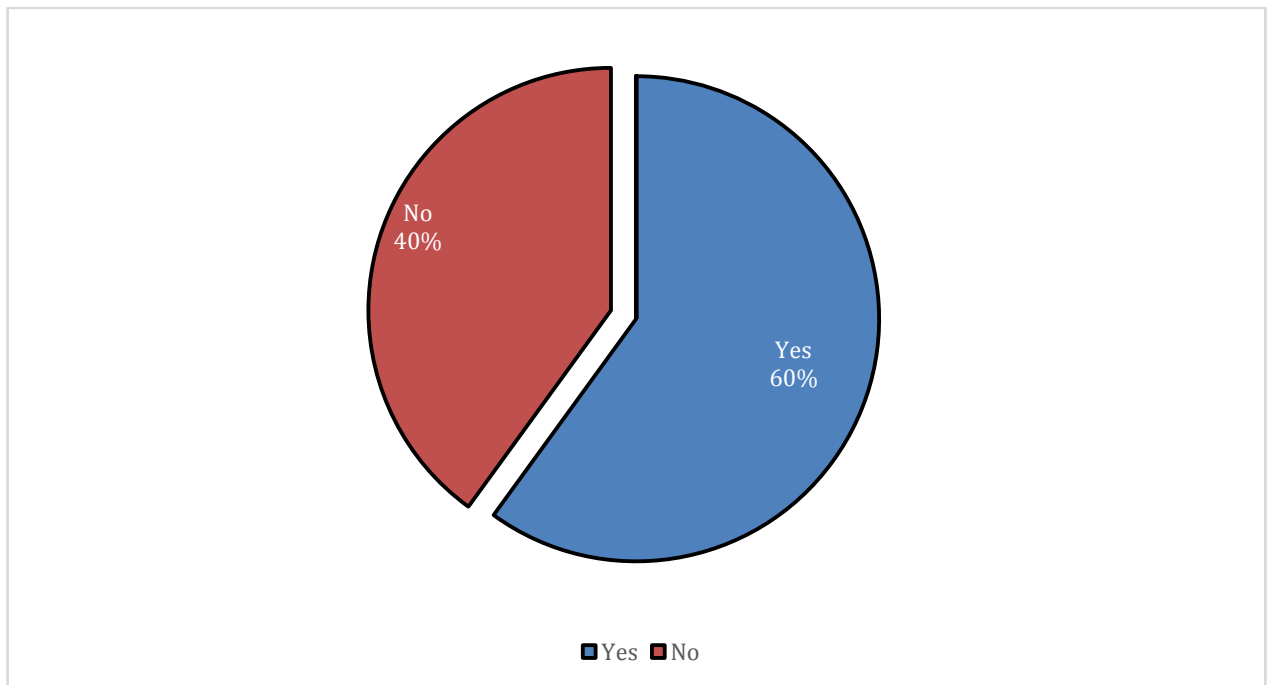


Figure 5.3: Achievement of SCIs Financial Goals & Objectives

Explanation:

Table 4.3 and pie chart 4.3 show that 40% respondents replied "No" and 60 % respondents replied "Yes" in case of question 2. So 60% the employees think that training program enable them to achieve organization's goal and objective.

Table 4.4: Economic Prosperity

Do you think BSCIC Skill Development Training has brought great economic prosperity in your business than before?					
Scale	x_i	f_i	$f_i x_i$	$(x_i - \bar{x})$	$(x_i - \bar{x})^2$
Strongly disagree	1	0	0	-3.0625	9.3789
Disagree	2	0	0	-2.0625	4.2539
Neutral	3	6	18	-1.0625	1.1289
Agree	4	18	72	-0.0625	0.0039
Strongly Agree	5	8	40	0.9375	0.8789
		$\Sigma f_i=32$	$\Sigma f_i x_i=130$		15.6445

The value based on Mean is-

$$\bar{x} = \frac{\Sigma f_i x_i}{N} = \frac{130}{32} = 4.0625$$

The Value of Standard Deviation is-

$$SD = \sqrt{\frac{(x_i - \bar{x})^2}{N-1}} = \sqrt{\frac{15.6445}{31}} = \sqrt{0.50466} = 0.71$$

Explanation:

It is seen that the average value is 4.0625 which is more than the standard average value 3. It indicates that the respondents agree with the statement. Moreover, as the value of standard deviation is only 0.71, so there is lower variance in feedback of the respondents. It means that the feedback of every respondent is consistent.

Table 4.5
Features of GDP and SCIs in Bangladesh

Factors	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Contribution of Small and Cottage Industry Sector to GDP (in %)	7.64	7.67	7.73	4.26	7.29	8.28
Growth of Small and Cottage Industry Sector to (in %)	7.45	14.17	3.67	10.27	11.75	12.08

Source: Ministry of Finance, Government of Bangladesh (GOB), Bangladesh Economic Review -2023

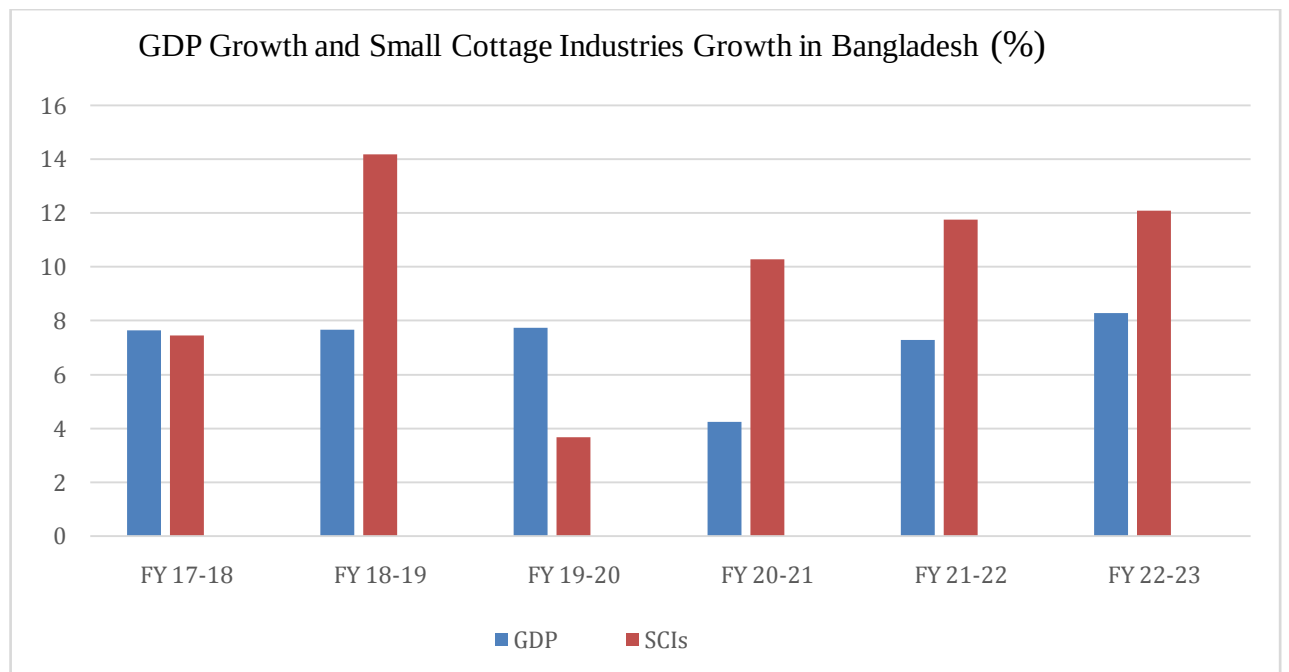


Figure: GDP and SCIs Growth in Bangladesh (%)

Explanation:

The provided data outlines the contribution of the Small and Cottage Industry sector to the Gross Domestic Product (GDP) of a certain region, along with the growth rate of this sector over six fiscal years, spanning from FY17-18 to FY22-23.

Beginning with the contribution of the Small and Cottage Industry sector to GDP, we observe fluctuations across the years under consideration. In FY17-18 and FY18-19, the sector's contribution remained relatively stable, hovering around the 7.6% mark. However, in FY19-20, there was a slight increase to 7.73%. A notable decline occurred in FY20-21, where the

contribution dropped to 4.26%, signifying a substantial decrease. This decline was followed by a recovery in FY21-22, with the contribution rising to 7.29%, and further growth in FY22-23, reaching 8.28%. This upward trajectory suggests an increasing role of the Small and Cottage Industry sector in bolstering the overall GDP of the region.

Turning to the growth of the Small and Cottage Industry sector itself, we witness a more varied pattern over the same period. FY18-19 stands out as a year of exceptional growth, with the sector expanding by 14.17%. This surge in growth is noteworthy and may reflect various factors such as increased investment, favorable government policies, or heightened consumer demand. However, this rapid growth was followed by a notable decline in FY19-20, where the growth rate dropped to 3.67%. Despite this setback, the sector rebounded impressively in FY20-21, registering a growth rate of 10.27%, indicative of resilience and adaptability. This positive momentum continued in subsequent years, with the growth rates for FY21-22 and FY22-23 reaching 11.75% and 12.08%, respectively. These consistent growth rates underscore the sector's ability to evolve and thrive, contributing positively to economic development.

4.6 Hypotheses Testing

During the study, a questionnaire encompassing various factors associated with economic development was crafted. Respondents articulated their viewpoints, along with anticipated frequencies, as outlined below. The table also specifies the count of individuals who provided negative responses.

Table 6
Observed and Expected frequencies

Factors	Observed (%)	Expectation (%)
Improvement of Business	20	100
Decrease of Poverty Rates	15	100
Having Financial Stability	14	100
Increase Woman Participation	16	100
Reduce Unemployment	14	100
Create Opportunity For New Entrant	12	100

Source: Own Field Survey, March 2024

For hypothesis testing we have used Chi-Square static. We know,

$$\chi^2 = \frac{(O - E)^2}{E}$$

Where,

χ^2 =chi-square Statistic

O = Observed Frequency

E = Expected Frequency

Calculation of χ^2 (chi-square)

Observed	Expected	$(O-E)$	$(O - E)^2$	$\frac{(O - E)^2}{E}$
20	100	-80	6400	64.00
15	100	-85	7225	72.25
14	100	-86	7396	73.96
16	100	-84	7056	70.56
14	100	-86	7396	73.96
12	100	-88	7744	77.44
				$\sum \frac{(O - E)^2}{E} = 432.17$

Here,

Calculated value of $\chi^2 = 432.17$

And degree of freedom (df) = $k-1 = 6-1 = 5$

(k = number of cells associated with row or column data)

The critical /table value of χ^2 for 5 degree of freedom is at 0.05 level of significance is 12.60

In this instance, the computed value of χ^2 surpasses the tabulated value, leading to the rejection of the null hypothesis. Therefore, we can infer that BSCIC positively impacts the business performance of cottage industries owners and contribute to economic development in Thakurgaon Zone.

Chapter 5

Findings and Suggestions

5.1 Findings of The Study

- i. There is a shortage of capital in these sectors.
- ii. Our survey indicates that the majority of those involved in boutique businesses are women. Therefore, boutique businesses may provide some level of empowerment for women as they generate earnings.
- iii. Some owners reinvest their profits into their boutique shops, while others solely use profits for daily expenses, and some engage in both reinvestment and covering expenses.
- iv. Boutique shops contribute significantly to alleviating poverty.
- v. Entrepreneurs in these industries often lack entrepreneurial skills.
- vi. Manpower shortage is common in cottage industries, which are typically operated either full-time or part-time by family members. Small-scale establishments typically employ fewer than 10 workers.
- vii. The demand for jute products has declined significantly with the introduction of substitute goods, leading to a gradual decrease in jute production.
- viii. Cottage industry provides more opportunities for women to engage in economic activities.

5.2 Suggestions of the Study

- i. Development of transport and communication infrastructure is essential.
- ii. Comprehensive training programs are required in underprivileged areas of the country.
- iii. Entrepreneurs in deprived regions should receive necessary support from both governmental (GOs) and non-governmental organizations (NGOs).
- iv. Small and cottage industries engaged in producing handicrafts for international trade fairs should receive adequate government support.
- v. To address credit scarcity, sufficient credit facilities should be provided. The immediate activation of a specialized credit department like BSCIC in urban areas is recommended, with easily accessible terms and conditions for entrepreneurs.
- vi. Modernization efforts are essential for enhancing product quality and increasing demand. Utilizing modern machinery for improved product finishing is essential.

- vii. Providing easy access to loans for entrepreneurs is essential.
- viii. Increasing the wage levels of laborers is imperative.
- ix. Implementing measures to protect products from natural disasters is necessary.
- x. Effective sales personnel are required to boost sales rates.

Chapter 6

Conclusions, Policy Implication and Future Work

6.1 Conclusion of the Study

This report represents the current state of the cottage industry in Thakurgaon, as well as across the country. However, it holds significant importance in our economy. Therefore, there is an urgent need to enhance the current condition of the cottage industry. Expanding the market for cottage products would not only benefit our economy but also enrich our cultural heritage.

Cottage industries play a vital role in providing economic opportunities to the poor and middle-income groups through employment in Bangladesh. While these industries have a long-standing tradition, they were predominantly rural-based. However, with advancements in technology, they are now expanding into urban areas, producing more appealing and high-quality exportable goods.

Unfortunately, the growth of small and cottage industries is hindered by various factors such as the dominance of large industries, limited government intervention, and challenges related to access to credit programs. Despite these obstacles, the contribution of the cottage industry sector remains significant. It offers ample opportunities for employment generation, enables people to become self-employed, and not only fulfills local demand but also caters to international markets.

6.2 Policy Implications of the Study

To ensure effective policy implications, several key strategies can be considered:

- i. **Infrastructure Development:** BSCIC should focus on improving infrastructure in this zone to facilitate the growth of small cottage industries. This includes developing industrial estates, providing access to utilities such as electricity and water, and improving transportation networks to facilitate the movement of goods.
- ii. **Capacity Building:** BSCIC can implement programs aimed at enhancing the skills and capabilities of entrepreneurs and workers in this zone. This can involve providing training in modern production techniques, quality control, marketing strategies, and financial management to improve the overall competitiveness of small cottage industries.

- iii. Access to Finance: BSCIC should work towards improving access to finance for small cottage industries in this area. This can be achieved through the provision of credit facilities, loan guarantees, and support for microfinance initiatives tailored to the needs of small entrepreneurs.
- iv. Market Linkages: BSCIC can play a vital role in facilitating market linkages for small cottage industries in this area. This includes connecting them with domestic and international markets, providing marketing support, and facilitating participation in trade fairs and exhibitions to showcase their products.
- v. Policy Support: BSCIC should advocate for favorable policy measures to support the growth of small cottage industries in this zone. This includes policy reforms to streamline regulatory processes, reduce bureaucratic hurdles, and provide incentives such as tax breaks and subsidies to encourage investment in the sector.

6.3 Future Work of the Study

In the future, one can actively contribute to the economic development of Thakurgaon by focusing on enhancing the role of BSCIC in supporting small cottage industries. This can be achieved through various means such as conducting thorough research to understand the specific needs and challenges faced by cottage industries in the region. Additionally, efforts can be directed towards organizing capacity-building workshops aimed at providing training and skill development opportunities to cottage industry entrepreneurs and workers. Promoting BSCIC's services and initiatives through awareness campaigns can also be instrumental in encouraging participation and uptake among local stakeholders. Moreover, fostering partnerships with relevant government agencies, NGOs, and other organizations can facilitate resource-sharing and collaborative efforts towards supporting cottage industries. Finally, actively engaging in monitoring and evaluation activities to assess the impact of BSCIC's interventions and identify areas for improvement will be crucial for ensuring sustainable economic growth in Thakurgaon.

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Appendix

Survey on the Role of BSCIC in Economic Development of Thakurgaon District

Dear Participant,

Thank you for participating in our survey. Your participation in this survey is entirely voluntary. Your insights are important for our research on the role of BSCIC in economic development. Your responses will be kept strictly confidential and anonymous. No personally identifiable information will be collected unless explicitly provided by you. The data collected from this survey will be used for academic purposes only.

Thank again for your valuable contribution.

Sincerely,

Md. Moktarul Islam

Dept. Finance and Banking

Faculty of Business Study

Hajee Mohammad Danesh Science and Technology University, Dinajpur.

.....
Name:

Gender: Male/Female

Age:

Type of Small Cottage Industry-

☐ Agro Farm

☐ Boutique

☐ Packaging

☐ Leather

☐ Bakery Food

☐ Jute

☐ Cattle Feed

1. Have you benefited from BSCIC Skill Development Training? ☐ Yes ☐ No

2. Has BSCIC Skill Development Training encouraged people to SCIs? ☐ Yes ☐ No

3. Do you think BSCIC Skill Development Training Programs enable you to achieve your financial goals and objectives? ☐ Yes ☐ No

4. Do you think BSCIC Skill Development Training has brought great economic prosperity in your business than before?

☐ 1 - Strongly Disagree

☐ 2 - Disagree

☐ 3 - Neutral

☐ 4 - Agree

☐ 5 - Strongly Agree

5. Do you think BSCIC Skill Development Training has improved your business?

☐ 1 - Strongly Disagree

☐ 2 - Disagree

- ☐ 3 - Neutral
- ☐ 4 - Agree
- ☐ 5 - Strongly Agree

6. Do you think BSCIC Skill Development Training has improved your business communication?

- ☐ 1 - Strongly Disagree
- ☐ 2 - Disagree
- ☐ 3 - Neutral
- ☐ 4 - Agree
- ☐ 5 - Strongly Agree

7. Do you think –Poverty rate is decreased due to Small Cottage Industries?

- ☐ 1 - Strongly Disagree
- ☐ 2 - Disagree
- ☐ 3 - Neutral
- ☐ 4 - Agree
- ☐ 5 - Strongly Agree

8. Do you think-Small Cottage Industries help to have Stable Economy?

- ☐ 1 - Strongly Disagree
- ☐ 2 - Disagree
- ☐ 3 - Neutral
- ☐ 4 - Agree
- ☐ 5 - Strongly Agree

9. Do you think-Women participation is increased in Small Cottage Industries?

- ☐ 1 - Strongly Disagree
- ☐ 2 - Disagree
- ☐ 3 - Neutral
- ☐ 4 - Agree
- ☐ 5 - Strongly Agree

10. Do you think-Unemployment problem is reduced to Small Cottage Industries?

- ☐ 1 - Strongly Disagree
- ☐ 2 - Disagree
- ☐ 3 - Neutral
- ☐ 4 - Agree
- ☐ 5 - Strongly Agree

11. Do you think-Small Cottage Industries create opportunity for the New Entrant?

- ☐ 1 - Strongly Disagree
- ☐ 2 - Disagree
- ☐ 3 - Neutral
- ☐ 4 - Agree
- ☐ 5 - Strongly Agree