

# The 5th BDS Seminar

## Study Tour to Bangladesh

02 – 6 October 2004

Dhaka - Faridpur

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## Why a study tour in Bangladesh?

The 5th BDS Seminar was followed by an optional Study Tour from 3 to 6 October in Bangladesh. Bangladesh offers a unique mix of projects to develop service markets, using our approach, and NGOs subsidizing a wide range of service provision. All of them are substantial, in a densely-populated country with a particular set of opportunities and challenges. The aims of the study tour were to complement the theory examined in Chiang Mai with visits to some of the most innovative projects in terms of BDS in one of the poorest countries in the world, to give participants the opportunity to interact with project staff and partners, and to see the particular features of the national context at first hand.

**“I learned more by seeing and experiencing than by reading or listening to a speaker.”**

**“It is better to see one time than to hear one hundred times.”**

**“Bangladesh was a good choice to see what development is about.”**

## Arrival, welcome and opening

On Saturday 2 October, a group of 20 participants left Chiang Mai for Dhaka. The participants met at the Hotel Sarina, where they found a folder with detailed information on the study tour. After some time to relax, the participants had the opportunity to informally meet the heads of the projects they would visit and to introduce themselves to each other. Subsequently, Imran Shauket, Country Director of USAID/JOBS/IRIS, invited everybody to a welcoming reception at the American Club.

**“It is great to have fun and also work hard and have hospitable people and organisations for company!”**

At the official opening session on the morning of Sunday 3 October, Mr. Ali Imam Majumder, Secretary of Labour and Employment of the Government of Bangladesh, welcomed the group. He outlined the history of the relatively young nation state (founded in 1971). Mr. Majumder emphasised the huge challenges Bangladesh faces in terms of poverty reduction. He stressed that Bangladesh covers a relatively small territory (similar to that of Switzerland) with a population close to 140,000,000. Another challenge for Bangladesh is its geographical position and the subsequent climatic conditions. Every year the country suffers from flooding during the rainy season and lacks water during the dry season. The participants had the opportunity to ask questions and opinions of the representative of the ministry regarding the informal economy, the importance of business development services, the role of local governments in creating an enabling environment, etc.



## Day 1: JOBS project in Savar



Right after the opening session, the participants left Dhaka in three minivans (kindly escorted by local police) for Savar (north-west of Dhaka). A 2-hour car ride in the extremely heavy traffic of Dhaka and then a river-crossing by boat gave the participants a first taste of how difficult it is simply to move in Bangladesh.



On the other side of the river, the participants were met by the JOBS team and the owner of Bengal Braided Rugs Ltd (BBRL), a company producing rugs made of jute for the US market.



Imran Shauket and Asif Ahmed presented the JOBS project, a multi-year \$12.1 million project being implemented by the IRIS Centre at the University of Maryland. It aims to create sustainable employment by helping small, micro and medium-scale entrepreneurs to make their enterprises grow. JOBS looks into developing opportunities in areas other than ready-made garments to help diversify the production and export base.



JOBS focuses heavily on identifying productive sectors with the potential to grow in local and as well as international markets. JOBS offers assistance in areas like business management enhancement, introduction of improved production techniques and technologies, development of credible business and marketing plans, and participation in overseas technology transfer and trade fairs.

**“The Jobs Project illustrates that enterprises do pay for services.”**



After the general presentation of the JOBS project, the owner of BBRL invited the participants to visit the production site (see photos).

BBRL is one of the most successful firms in the country’s floor-covering sector. JOBS has been involved with the firm for the last two years, providing skills development training for its workers, supervisors and designers. More than 200 women are employed in the factory and 300 families in the village provide backward linkage support to the factory by producing jute braided ropes, the main material for its rugs.



As the factory expands, middlemen are beginning to enter the chain between the factory and the households supplying it. Participants could see how this was affecting the relationship, in particular the embedded services which the factory has been supplying.

**“At BBRL it was especially interesting to see the value chain right from its beginning.”**

After the site visit, the participants went back to the meeting



room at BBRL, where they were offered a snack for lunch and where they had the chance to put questions to both JOBS and the owner of BBRL. The participants were particularly interested in knowing how JOBS had selected that enterprise, how far JOBS' services added value to BBRL, how far the services provided were sustainable and to what extent the firm obtained the design information it needed to identify niches with high added value.

## Day 2: Swisscontact/Katalyst project in Faridpur



In the early afternoon, the group left BBRL with a new goal: the Swisscontact/Katalyst Project in Faridpur. The 3-hour ride from Savar to Faridpur (further west of Savar and Dhaka) included a boat trip, a 2-hour minivan ride, the crossing of the Ganges river by ferry and another 30 minutes in a minivan to the hotels in Faridpur, where Steven Hornshaw and his Swisscontact/Katalyst team were already waiting for them.

KATALYST is a 5-year (2003-2007) SME development project being implemented by Swisscontact, funded by DFID, SDC and SIDA.

**“[The visit] challenged me to think about creative ways of using the BDS market development approach to reach the poor.”**

KATALYST's purpose is to develop more effective markets for business services following a comprehensive approach to business service markets. It is organized into three operational divisions:



(a) The Services Division aims to develop cross-sector business service markets including accounting, finance and taxation, quality management services, marketing, IT-related services and legal services.

(b) The Industry and Rural Services Division focuses on specific sub-sectors, including plastics, knitwear, and agro-tools as well as specific rural areas.



(c) The Centres of Expertise and Regulations/ Media Services contribute to the project's purpose by directing and supporting KATALYST's activities concerning the enabling environment, media, and three cross-cutting issues: gender, socially responsible business and environmentally responsible business.

The Katalyst team accompanied the participants first to the local wholesale and retail fish market and then to a nursery, fish pond and fingerling market place to observe fishing sub-sector activities. In cooperation with IDE, KATALYST had previously carried out a rural market development analysis of the pond fishery sub-sector to determine the major constraints on it. They had identified two service markets within the sub-sector: 1) provision of good quality brood fish in the market; and 2) provision of good quality fingerlings of the desired





size and types in the market.

**“It was good to be able to talk to various actors (both within private sector and donor programmes) on one to one basis / small groups, as well as the questions and answers sessions in a large group.”**



Katalyst acknowledges that local government authorities have important roles to play in SME development as they are involved in the provision of services to the business community including licensing, registration, utilities and services related to VAT and other taxes. A visit to the local government enabled the participants to understand how Katalyst’s local governance section is sensitising local governments and making government officials more aware of various constraints faced by SMEs.

**“The visit to the local government of Faridpur was an eye-opener to understand how easy it is to talk about enabling environment and how difficult it is to do something about it.”**

## **Day 3: The BS-NET project by the GTZ-GFA and the visit to Old Dhaka**



On the third day of the study tour, the participants visited the training institution of the Christian Commission for Development (CCDB), one of the BS-Net members of the GTZ-GFA project in Mirpur (an area in Dhaka). At the CCDB, the Programme Coordinator, Paul Weijers, and the team leader of the business management component, Christine von Harrach, introduced the overall objectives of the programme, the project approach in general and the BS-Net in particular.



Following the general introduction of GTZ-GFA objectives and activities, two representatives of Tarango [www.tarango.org](http://www.tarango.org), a Women Uplift Organisation established in 1989, and the CCDB presented their organisations and illustrated the types of service provided by BS-Net, with an emphasis on their marketing strategies, interaction with clients, cost recovery techniques, the benefits of BS-Net membership and interaction within BS-Net.



**“The visit to GTZ-GFA was a revelation with respect to especially interesting approaches towards women.”**

After the presentations, the participants had the opportunity to interact with some NGO clients and lead buyers of BS-Net (CCDB, Tarango, Buro Tangail, TMSS, Shell Craft, Wax Lyrical), who displayed some of their products in the meeting



room.

**“...[the visit] was very useful to compare and to contrast the experiences in Bangladesh with those in my country.”**

Following sandwiches and tea offered at the CCDB, the last day’s programme continued with a trip to Old Dhaka, the historical and entrepreneurial heart of Dhaka. The plan was for a guided visit to an old shirt factory and to the Lalbagh Fort to be followed by a rickshaw ride through the narrow streets of Old Dhaka. However, the adverse traffic and weather conditions persuaded the group to visit one of the oldest areas of Dhaka on foot instead.



**“Keep the fun, it stays longer in memory and builds a sense of togetherness in development. The local challenges (traffic jams!!!) are actually, in retrospect, a flavour!”**

At the closing session on Wednesday morning, the participants had the chance to share their impressions, views and lessons learnt with each other and the managers of the projects visited.

Please download the PowerPoint presentations and other information regarding the projects visited during the study tour from the “past seminars” section of the BDS website: <http://learning.itcilo.it/bdsseminar/>

