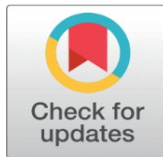


# ROLE OF COTTAGE INDUSTRY FOR POVERTY ALLEVIATION IN BANGLADESH: A STUDY

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## ABSTRACT

Cottage industries in Bangladesh play a significant role in poverty reduction by providing employment and income opportunities, particularly for the rural poor and women. The Bangladesh Small and Cottage Industries Corporation (BSCIC) actively supports these industries, leading to increased household consumption and reduced poverty gaps. Cottage industry refers to the traditional artisanship of the rural people of Bangladesh, who produce various household items using locally available raw materials and artistic skills inherited from past generations. Cottage industries provide economic opportunities for the poor or the middle-income section of people through employment and income generation schemes all over the world, and especially in low-income and technologically underdeveloped countries such as Bangladesh. The objective of the study is to find out the contribution of cottage industry to alleviating the poverty of rural people in Bangladesh. The study adopts a descriptive approach to describe the products as well as the stages of their formation and analyzes the relationship between cottage industry and popular heritage sites. The study found that this industry helps to create employment opportunities and reduce poverty. The study concludes that cottage industries in Bangladesh face a lot of problems, such as a shortage of working capital, high cost of raw materials, lack of organizing capability, inadequate technology & efficiency, lack of policy support, great knowledge gap, lack of power supply, shortage of credit facilities, infrastructural problems, inadequate government support, low return from production, reduced customer demand, inability to face market competition, lack of social recognition, and lack of social status. The study suggests that increasing capital investment, making good marketing channels, developing product quality, developing infrastructural facilities, meeting immediate needs for the organization of cooperative societies, and motivating the young generation and women to engage in this profession and government patronization are very essential for the development of cottage industries.

**Keywords:** Cottage Industry, Poverty, Bangladesh



## 1. INTRODUCTION

Cottage, Micro, Small and Medium Enterprises (CMSMEs) are considered as a potential sector for resolving unemployment problem. This sector has been playing a significant role for achieving economic growth and earning foreign currency by encouraging and expanding the business activities. With a view to enhancing the living standard of the mass people, to ensure women empowerment along with reducing gender discrimination for the development of this sector. Bank and Non-Bank Financial Institutions (NBFIs) have come forward for financing and

development of SMEs sector under close monitoring and supervision of Bangladesh Bank [Bangladesh Economic Review \(2024\)](#).

A cottage industry is an industry primarily manufacturing which includes many producers, working from their homes, typically part time. The term originally referred to home workers who were engaged in a task such as sewing, lace-making, wall hangings, or household manufacturing [Rahman and Kumar \(2018\)](#). Cottage industries were very common in the time when a large proportion of the population was engaged in agriculture, because the farmers (and their families) often had both the time and the desire to earn additional income during the part of the year (winter) when there was little work to do farming or selling produce by the farm's roadside. At present the cottage industry has expanded to urban area. Industrialization is a prerequisite for sustainable economic development and achievement of social progress in a developing country like Bangladesh [Tasneem and Biswas \(2014\)](#). The key determinants of National Industrial Policy 2016 are infrastructural transformation, diversification of the economic base, acceleration of economic growth, employment generation, increasing income level and development of livelihood of the people. The important and underlying objective of the policy is to contribute to Bangladesh's transition to mid income country by 2021. Proper strategies have been set out in the industrial policy to implement this objective. Combined efforts are being taken to implement the policy. A time bound action plan has been framed in consultation with concerned ministries and other stakeholders to achieve the desired industrial growth [Bangladesh Economic Review \(2017\)](#).

According to the international standard of classification of cottage industries, the cottage industries are categorized into eight groups. These are: (1) Food, drinks, tobacco processing industries: milk products, fruit processing and canning, fish processing and canning, ginger drying, pulse grinding mills, flour mills, rice mills, oil mills, spice grinding factories, bakery, molasses making, fodder and poultry feeds, ice factory, salt plant, catechu making, sweet meat making, honey processing, bidi factory, apiculture, fish farming, poultry farming, flattened and puffed rice making; (2) Textile and leather factories: cotton yarn spinning, sericulture and making of silk products, handloom, cloth printing, zamdani weaving, stitching and embroidery, hosiery, socks and woolen goods making, coconut-coir products, jute yarn and rope making, netting, fishing net making, garments factory, leather processing, leather product making, batik printing, shataranji weaving and carpet making; (3) Timber and wooden furniture industries: boat making, wooden toy and furniture making, cane and bamboo goods and furniture making, sports goods production, musical instruments and hookah making, mat preparing, wood curving, wooden agricultural equipment like plough, house decorating materials and timber by-products making; (4) Printing, packaging and paper industries: recycling of old and wastage papers and making goods there from, printing press, book binding, paper based handicrafts, paper bags, paper-made flowers making etc; (5) Chemical and petroleum group of cottage industries: allopathic, unani and ayurvedic medicine preparation, printing ink and dyeing industries, paints and polish items, auger and candles, cosmetics, soap factories, shoe-shiners, combs and buttons, pottery and glass factories, chalk making, slate and pencil, plastic toys and bags etc; (6) Non-metallic industries: limestone and snail-based lime, chalk powder and color chalk, shell crafts including buttons and bracelets; (7) Metallic products machinery and equipment: steel furniture, electroplating, metallic nets, metal plate making and printing, nails, brass and bell-metal utensils, steel tanks, hair clips, machinery and agricultural equipment, electrical goods, jewelry products, light engineering and blacksmiths production and (8) Handicraft products and other cottage industry.

Basic characteristics of the cottage industries are place of location, registration status, type of operation of activities (seasonal or round the year), year of commencement, i.e. starting year of production having license/approval for quality control and marketing of the products. Ownership of cottage establishment, having any bank account, and the accounts keeping system of the establishment, electricity connection and type of energy used, sales procedure of goods etc, are also presented. The age, sex and level of owner of the cottage establishments are highlighted to assess the entrepreneurship characteristics in cottage industry sector. Whether the cottage establishments received any credit, source of credit and impact of credit on production as well as in business operation are also discussed.

This study focuses on the role of cottage industry in economic development and poverty alleviation. Cottage industries are labor intensive and have the ability to utilize the excess labor. Cottage industries can help a lot in this respect by providing forward and backward linkages with agriculture, manufacturing, and the mainstay of the economy. It uses local raw materials and energy supplies i.e. it tries to ensure domestic resource mobilization. It satisfies local market demand, encourages local initiative and entrepreneurship.

## 2. OBJECTIVE OF THE STUDY

- 1) To find out significance of the cottage industries to create employment opportunities and alleviation poverty.
- 2) To assess the impact of cottage industries for economic development.

## 3. LITERATURE REVIEW

Many researchers have conducted research works on different aspects regarding problems of cottage industry and policies for development. Several important empirical research findings have been taken into consideration.

[Keane and Velde \(2008\)](#) they examined that role of textile and clothing (T&C) industries in growth and development strategies in developing countries. It suggests that textiles and clothing industries are important in economic and social terms, in the short run by providing incomes, jobs, especially for women, and foreign currency receipts and in the long run by providing countries the opportunity for sustained economic development in those countries with appropriate policies and institutions to enhance the dynamic effects of textiles and clothing.

[Jahan \(2010\)](#) indicates that the collective impact of the competitive forces is moderate to weak; hence, the ceramic industry of Bangladesh is considered to be competitively attractive in the sense that industry members can reasonably expect to earn decent profits and a nice return on investment.

[Yunus \(2010\)](#) the study attempts to explore the following issues by focusing on a selective number of knitwear firms in Narayanganj. How has the knitwear industry evolved? How has it sustained the successful performance? What are the sources of the industry's competitive strength? How are the structures of the constituting firms placed to productivity differentials within the dynamic performance of the industry? Are all firms growing at the same pace or the composition is changing over time with some firms falling and some going ahead? What are the proximate factors that are causing the differential changes?

[Forkan and Ahmed \(2011\)](#) the study found that companies set different segmentation and targeting strategies to compete in the overseas markets. Study also found some general and specific positioning strategies, i.e., product strategies,

pricing strategies, distribution strategies, promotion strategies etc. set by companies to take room in the mind of the overseas customers.

Hasan and Dey (2013) the study suggest that entrepreneurs should create demand to all classes of people through proper promotional programs, newest designing, adding new features, extending the usages of cane furniture, improving quality considering customer demand. Government also should patronize this industry by giving logistic supports.

Khan (2013) the study conducted to assess the role of BHB to generate employment in rural area of Enaitpur Thana in Sirajgonj District. The study selected Enaitpur Thana in Sirajgonj District as a selective sampling and then 50 respondents (weavers) were interviewed with questionnaire and followed by random sampling. Out of 50 respondents, 22 have got only credit facilities and 28 have not got. Researcher tried to find out how handloom board can implement their functions and generate employment in rural area.

Rahman (2013) the study felt that there are some predetermined factors, like - shortage of working capital, high cost of raw materials, lack of organizing capability, inadequate technology & efficiency, lack of policy support, great knowledge gap, lack of power supply and shortage of credit facilities, those are the main forces that directly hit the Handloom industry in Pabna, Bangladesh.

Mahmood et al. (2013) the paper discussed the factors affecting this revolution and reflects on likely future developments. In the domestic market as well as in the comparative international market Bangladeshi suppliers are making a remarkable business. Especially in the international market, high quality ceramic and porcelain wares, such as dinner sets, tea and coffee sets, has created a great impression. This market is spreading rapidly throughout the world. There are some reasons to have this extraordinary achievement in the field of Glass and Ceramics in Bangladesh. Those factors have been described here in comparison with some other related areas. The current revolution of this sector and its impact on the country's economy together with future prospect has also been explicated in this research.

Kasemi (2014) stated that the market of the handicraft products is mainly local and partly extended to urban areas. Besides, middlemen play a powerful role in marketing these indigenous products. They usually place order with the artisan and collect materials at less than the market price. The competition from the substitutes like plastic items is a major problem for its development.

Tasneem and Biswas (2014) focused on the contribution of each handicraft sector to the economic development of Bangladesh. The researcher recommended that the development of cottage industry so that this industry can thrive and contribute more to the economic development of Bangladesh.

Liton et al. (2016) the study found that in Bangladesh there are about 183512 handlooms weaving units with about 505556 looms. The total operational looms are 311851, which are 61.7 percent of total looms, and the rest 193705 looms are non-operational. The researchers found some reasons for shutting down of looms: lack of capital, lack of raw materials, inadequate technology, poor marketing system, inadequate government support etc. So, government should take necessary steps to overcome these challenges for the development of the handloom industry.

Rahman and Kumar (2018) the study identify that some major problems that the cottage industry in Bangladesh faced during the period under study. These problems were shortage of working capital, high cost of raw materials, lack of organizing capability, inadequate technology and efficiency, lack of policy support, great knowledge gap, lack of power supply, shortage of credit facilities,

infrastructural problem, inadequate government support, low return from production, reduce customer demand, unable to face market competition, lack of social recognition and social status etc. Based on the findings of the study the researcher made a good number of recommendations for an all-round development of cottage industry in Bangladesh.

Verma and Tiwari (2019) the oldest sector in India is the cottage industry, which is currently up against competition from medium- and large-scale sectors. This study demonstrates the enormous potential of the cottage industry. Handicrafts and ethnic craft goods are highly sought-after in both home and foreign markets. Foreign traders are drawn to a variety of indigenous and ethnic products. Some of the items are more expensive than those made by major corporations. The product is not promoted through advertising or other promotional activities in cottage industries. Large-scale enterprises continue to pose a danger to cottage industries in spite of government agencies' efforts. The government should put more of an emphasis on marketing and promotion, alter conventional marketing strategies, and offer sufficient funding, infrastructure, and technological assistance. Products in the cottage business need to be branded.

Nag (2023) with a lengthy and distinguished history, India's cottage industries continue to play a vital role in the nation's economic and cultural landscape. They preserve traditional craftsmanship, encourage environmentally friendly practices, and generate employment opportunities. Meanwhile, they struggle to compete with mass production, sell their products, and secure funding. India's cottage businesses can prosper in the digital era if they receive the proper government assistance, have easier access to markets, and incorporate contemporary technology. These companies have the potential to proudly showcase India's rich cultural heritage to the world in addition to boosting rural economies.

Kundu and Chakrabarti (2023) the cottage industry sector has a lot of potential to advance economic development and cultural preservation. By taking our suggestions and implementing strategic interventions, stakeholders may build a robust and prosperous cottage industry sector that creates jobs and strengthens India's cultural fabric. Therefore, to ensure the success of cottage businesses and their substantial contribution to the overall economic growth of the country, coordinated measures are needed.

Rahman (2024) all other businesses in Bangladesh are small and medium-sized enterprises (SMEs), with the exception of a small number of fertilizer, pharmaceutical, cement, and telecom manufacturers. In Bangladesh, there are thought to be roughly 7.8 million (78 Lac) of these SMEs. They produce around half of our industrial output annually, provide the most jobs, help save foreign exchange by replacing imports, and generate the greatest number of employments. SMEs provide a huge contribution in a variety of ways, including job creation, the production of high-quality goods at affordable prices, the creation of import substitutes, the preservation of foreign exchange, and much more.

Aktar and Kabir (2024). The study made an effort to look into the variables influencing the sustainability of entrepreneurship in CMSMEs. The study's conclusions could be viewed as suggestive rather than definitive. Government backing, product sales opportunities, and funding and lending sources have been identified as the main determinants of CMSME business sustainability. CMSMEs are thought to be a way to boost an economy more quickly, which helps achieve a number of socioeconomic objectives, such as reducing poverty.

A significant research gap exists in understanding the long-term, multi-dimensional impacts of cottage industries on poverty alleviation in Bangladesh,

particularly regarding their contribution to sustainable development and social mobility. While studies acknowledge the sector's role in income generation and employment, there's a need for more in-depth research on its impact on factors beyond basic income, such as health, education, and social inclusion, and how these interact to affect poverty reduction over time. Many studies focus on the immediate, short-term impacts of cottage industries on poverty, such as increased income and consumption. Research tends to focus on economic indicators like income and consumption, neglecting other crucial social dimensions of poverty. There's a need to understand how cottage industries impact access to healthcare, education, and other essential services, and how these factors contribute to poverty reduction. More research is needed on the effectiveness of current policies in promoting the growth and development of cottage industries, particularly in addressing issues like access to finance, skills development, and market access.

#### 4. METHODOLOGY OF THE STUDY

This study used a survey methodology, with questionnaires as the main tool that were developed based on goals. A semi-structured questionnaire was used to collect data of the study. Both primary and secondary data have been collected for the purpose of the study. The natures of the data are both quantitative and qualitative. All type of data has been collected by the researchers personally.

The primary data have been collected through personal interview of cottage industry entrepreneurs and workers. The secondary data have been collected from published economic review of Bangladesh, related books, journals, articles, seminar paper, publications from national and international research institutions, report of different financial institutions, public records and statistics, different research reports etc. Purposive sampling and judgment sampling have been used under non-probability sampling techniques for sample design. Purposive Sampling Technique is used to select the survey industry. Total three categories of cottage industries were selected. Selected three cottage industries are: Cane Industry; Handloom Industry; and Pottery Industry. Two districts namely, Kushtia and Jhenidah are selected from Khulna division. Judgment sampling Technique is used to select the survey district. The questionnaire was designed for only two categories of respondents' viz. entrepreneurs and workers of cottage Industry. A total of 170 respondents (taking 85 from each district) were taken from three categories of industry. All data have been processed through computer based Statistical Package for Social Science (SPSS) developed by [Nie et al. \(1975\)](#). Before feeding the data into computer, all data were converted into numerical codes, and the details of these coding were recorded in a code book. For quantitative analysis some simple statistical tool is used to analyze the data, such as descriptive statistics. For qualitative analysis content analysis is conducted here.

#### 5. DATA ANALYSIS AND INTERPRETATION OF DATA

**Table 1**

Table 1 Gender of Respondents			
Construct	Frequency	Percent	Valid Percent
Male	149	87.6	87.6
Female	21	12.4	12.4
Total	170	100.0	100.0

**Source** Personal Survey (Calculated by SPSS 26)

**Table 1** presents the frequencies and percentages of information regarding gender of employees who participated on questionnaire survey. It showed that among 170 respondents, 149 were male and 21 were female and their percentage were respectively 87.60% and 12.40%.

**Table 2**

**Table 2 Respondents Age Profile**

Construct	Frequency	Percent	Valid Percent
20-29 years	19	11.2	11.2
30-39 years	78	45.9	45.9
40-49 years	58	34.1	34.1
Above 50 years	15	8.8	8.8
Total	170	100.0	100.0

**Source** Personal Survey (Calculated by SPSS 26)

**Table 2** reveals that the majority of respondents, total 78 (45.9%), fall within the age bracket 30 to 39 years. Additionally, 34.10% of the respondents were categorized in the age group of 40-49 years, 11.20% of the respondents were categorized in the age group of 20-29 years, and only 8.8 3% were above 50 Years.

**Table 3**

**Table 3 Marital Status of Respondents**

Construct	Frequency	Percent	Valid Percent
Single	17	10.0	10.0
Married	152	89.4	89.4
Separated/divorced	1	0.6	0.6
Total	170	100.0	100.0

**Source** Personal Survey (Calculated by SPSS 26)

**Table 3** reveals that among the 170 respondents surveyed, 17 (10%) were single, 152 (89.40%) were married and only 1 (0.6) was divorced.

**Table 4**

**Table 4 What is the Important Problem that You Are Facing?**

Construct	Frequency	Percent	Valid Percent
Financial problem	48	28.2	28.2
High interest rates	9	5.3	5.3
Poor infrastructure	12	7.1	7.1
Credit information gap	14	8.2	8.2
Marketing problem	37	21.8	21.8
High employee turnover rate	6	3.5	3.5
Quality assurance	19	11.2	11.2
Technological problem	8	4.7	4.7
Lack of quality manpower	17	10.0	10.0
Total	170	100.0	100.0

**Source** Personal Survey (Calculated by SPSS 26)

**Table 4** reveals that among the 170 respondents surveyed, majority 48(28.2%) were faced financial problem, 9(5.3%) were faced high interest rates, 12(7.1%) faced poor infrastructure, 14(8.2%) faced credit information gap, 37(21.8%) faced

marketing problem, 6(3.5%) faced high employee turnover rate, 19(11.2%) faced quality assurance, 8(4.7%) faced technological problem and 17(10%) faced lack of quality manpower problem also.

**Table 5**

**Table 5 What are the Major Challenges Do You Face When Maintaining the Relationship with Customers?**

Construct	Frequency	Percent	Valid Percent
Inexperience in business	33	19.4	19.4
Lack of technical knowledge	30	17.6	17.6
Poor managerial skills	24	14.1	14.1
Lack of planning skills	26	15.3	15.3
Market research skills	33	19.4	19.4
Technological change	12	7.1	7.1
All	12	7.1	7.1
Total	170	100.0	100.0

Source Personal Survey (Calculated by SPSS 26)

Table 5 reveals that among the 170 respondents surveyed, 33(19.4%) claimed Inexperience in business is the big challenge, 30(17.6%) were claimed lack of technological knowledge, 24(14.1%) claimed poor technological skills, 26(15.30%) claimed of planning skills, 33(19.4%) claimed market research skills, 12(7.1%) claimed technological change, and all challenges claimed by 12(7.1%).

**Table 6**

**Table 6 Income from Cottage Industry Help End Poverty in All Its Forms.**

Construct	Frequency	Percent	Valid Percent
Disagree	7	4.1	4.1
Neither agree nor disagree	12	7.0	7.0
Agree	138	81.1	81.1
Strongly agree	13	7.6	7.6
Total	170	100.0	100.0

Source Personal Survey (Calculated by SPSS 26)

Table 6 reveals that among the 170 respondents surveyed, majority 138 (81.10%) think that income from cottage industry help end poverty in all its forms. 7(4.1%) disagree this statement, 12(7.0%) made no comments about this statement and 13(7.6%) strongly agree this statement.

**Table 7**

**Table 7 Income from Cottage Industry Help End Hunger, Achieve Food Security.**

Construct	Frequency	Percent	Valid Percent
Disagree	9	5.2	5.2
Neither agree nor disagree	16	9.4	9.4
Agree	130	76.4	76.4
Strongly agree	15	8.8	8.8
Total	170	100.0	100.0

Source Personal Survey (Calculated by SPSS 26)

Table 7 reveals that among the 170 respondents surveyed, majority 130 (76.40%) think that income from cottage industry are not properly help end hunger, achieve food security. 9(5.2%) disagree this statement, 16(9.4%) made no comments about this statement and 15(8.8%) strongly agree this statement.

## 6. MAJOR FINDINGS OF THE STUDY

- Most of the respondents said that they will shift their business into other sector because they do not get right price of their products.
- Some factors have led to the limited use of pottery products such as the appearance of refrigerators, and the use of glass, plastic and ceramic products, as well as the availability of potable water in houses.
- The first problem is the collection of raw materials mainly the raw cane due to the much dependent on the cane of the outside country.
- In Bangladesh, cane is not cultivated commercially. The country has to import good quality cane from outside, which raises the price of cane products. The price of cane, oil and other chemicals used in production are gradually increased day by day. For this reason entrepreneurs leaving their existing business.
- Lack of capital is the first and foremost reason for which the success of this sector is interrupted.
- Infrastructural problem (e.g., roads, electricity problem, limited access to market opportunities, technology, expertise and business information and communication).
- Natural disaster is the main problem for cottage industries basically for pottery industries.
- All of the respondents agreed that without government aids it's not possible to enrich the growth of this cottage industries sector in Bangladesh.
- Modern technology is not practicing for growth of cottage industries.
- Transportation facilities are another problem for this sector.
- Expected profit is very poor to the product.
- Lack of flexible loan facilities. Because high rate of interest of loan.
- There is no experienced labor in this sector.
- The respondents mentioned that they cannot export their products.
- Lack of raw materials is another big problem in this sector.
- High price of raw materials.
- The physical conditions of pottery makers have deteriorated compared to other crafts and professions.
- There are problems in marketing of traditional products.
- The lack of an association or syndicate led to the fragmentation of individual efforts to enhance the living standard of pottery makers.
- Due to limited demand on pottery products, labor has moved out of pottery making.
- Pottery makers face problems such as the absence of banks to give loans and lack of markets for pottery products.

- Availability of substitutes is the main threat for cane products. Substitutes like plastic furniture are sold comparatively at lower cost. For this reason, customers shift their demand cane product to plastic product.
- As modern machinery is not used in the cane industry, laborers cannot produce such quickly as they can produce a single product at a time. So it is a time-consuming production process and thus requires more labor wage. As a result, the price of cane products becomes higher and the demand of the consumer decline.
- Weavers suffer from scarcity of working capital. Most of the time, weavers acquire their working capital from their own money and sometimes they acquire capital from various in situations like govt. banks, private banks and some other financial institutions. According to Handloom Census, 2003, more than 79% handloom units shut down their business due to lack of capital.
- Weavers in our country don't get quality raw materials at right time and at right price. The issue of easy sourcing of raw materials (both yarn and dyes & chemicals) at reasonable prices has been a key problem across centers of handloom production. The problem is far more acute for individual weavers. Cotton and silk yarn is the major input for handloom weaving. In recent years, there has been a phenomenal rise in the prices of yarn. The main reason for this is the sharp increase in the prices of cotton.
- Infrastructure in the handloom sector continues to be inadequate. Facilities such as clean drinking water, sanitation, effluent treatment plants and electricity, are not available in all hubs of handlooms production.
- Poor marketing and insufficient market linkage outside the state ails the industry from growing and earning more revenue. Most the handloom product markets are located in special region. For example, Markets for Jamdani are located in Narayanganj zone where markets for Tangail Sharee are located in Tangail district. On the other hand, most of the buyers are not concern about the quality and the price of different products.
- Our handloom products quality is not up to the mark. It's made a problem that cannot expand product market within and outside the country.
- Due to the lower income and instable work, the young generation of weavers has been migrating to other occupations. This has reduced the weaver community.

## 7. RECOMMENDATIONS OF THE STUDY

Cottage industries play an important role for income and employment generation at rural area in Bangladesh. Cottage industries help to create more than 90% employment opportunities of industrial sector in Bangladesh. It is important part in our national economy. So, it is crying needs to develop the cottage industry and solve all types of problems that are behind it. Some recommendations are given below:

- To develop the growth of cottage industries, need to increase the invested capital.
- Infrastructure development is a prerequisite to efficient development and financing of cottage industries. Currently, the most severe constraint that hinders the development of cottage industries is the lack of Infrastructure (e.g., roads, electricity problem, limited access to market opportunities, technology, expertise and business information and communication). Providing appropriate infrastructure for cottage industries growth should be given priority.
- Poor quality of products is a big setback for expansion of cottage industries sector. Measures for quality improvement and standardization of cottage industries products have to be one of the targets.
- Bangladeshi workers are very good at learning production skills and copying them. However, training facilities for cottage industries workers are not adequate in our country. To increase the growth of this sector we need to enhance the training facilities of the workers.
- Technology is the part and parcel for the development of any industries. But after conducting our field survey we are informed that most of the owner of the cottage industries uses old technology. To ensure the development of this sector use of modern technology must be needed.
- Government and non-government financial institutions take necessary steps to provide unsecured loan and to ensure uninterrupted financial support to the prospective cottage industries in Bangladesh.
- There is an immediate need for the organization of cooperative societies on the sound footing so that they give a lead in the manufacture of quality and standard products (Bhattacharya, 1980). Cooperative societies should be established to give a lead in the manufacture of the quality and standard products. Such societies can make the artisans of the study area cooperative minded. These cooperative societies should take up the supply of raw material, purchase of finished goods from artisans, marketing and provision of credits. For this purpose, the cooperative societies should be given adequate financial assistance by the state government. Once the cooperative societies are formed, further developmental measure such as usual facilities of loan, grants, subsidies, marketing, mechanization and equitable distribution of products can be effectively channeled.

## 8. CONCLUSION

The country's cottage industry, recognized as the backbone of small entrepreneurs and rural employment, has long suffered due to various challenges, primarily stemming from a lack of structured data. Until recently, there was no comprehensive database detailing the sector, which hindered effective planning at both the macro and micro levels. The absence of a structured database has long impeded the planned growth of this sector. Recognizing this gap, the Bangladesh Bureau of Statistics [Bangladesh Bureau of Statistics \(BBS\) \(2005\)](#) conducted an extensive field survey some time ago to compile a detailed database on the cottage industry. The survey captures crucial aspects such as the overall characteristics of different sub-sectors, regional variations, and specific challenges facing cottage industries across the country. According to the survey, Bangladesh has a total of

830,000 cottage industry units, employing over 29 million workers. An encouraging aspect is that nearly 97 per cent of these units operate throughout the year, indicating the resilience and sustainability of the industry. The survey also highlights that the sector contributes significantly to the economy, producing goods worth approximately Tk 395.38 billion annually, with a value addition of about Tk 314.86 billion [Ahmed \(2025\)](#). Cottage industry is an industry whose labor force consists of family units or individuals working at home with their own equipment. Now it is obvious that the present status of cottage industry in Khulna division as well as in the whole country is not so good. It is clear that it has a great role in our economy. So, it is very necessary to improve the present condition of cottage industry. If the market for cottage products is expanded, this will improve our own culture. Cottage industries provide economic opportunities to the poor or the middle-income section of people through employment in Bangladesh. Cottage industries have already achieved its own tradition, but it was mainly rural based. On account of modern technological development, this sector finds its spreading in urban areas and is making more attractive and highly finished exportable products. Now a day due to pressure of large industry and less government intervention as well as various problems associated with credit programme etc. impede the dynamic growth of small and cottage industries. The contribution of this sector is satisfactory as there is huge opportunity of employment generation, it helps the people to be self-employed, and it fulfils not only our local demand but also the demand outside the country. But in our country the cottage industry is mainly regulated by non-technical persons who possess very little technical knowledge and there is no involvement of textile engineers (thus product development and quality product is quite impossible). The workers are mainly unskilled women and children.

### **CONFLICT OF INTERESTS**

None.

### **ACKNOWLEDGMENTS**

None.

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- Clause (cc) was Substituted by Section 2 of the Bangladesh Small and Cottage Industries Corporation (Amendment) Act, 1990 (Act No. LVII of 1990).
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