

Entrepreneurship Development in Bangladesh

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Abstract: *Developing countries are confronted with serious unemployment and underemployment problems. This problem is particularly crucial among the educated youths of these countries. One of the major reasons for this situation is that the education system is not designed in a way to motivate the graduates to take business profession as an alternative source of employment. Moreover the support services towards this end are not adequate. Entrepreneurship education which aims at creating awareness and motivating the graduates to take business as profession has not been widely included in the various level of education system. Training is particularly important for developing skills. As a result the graduates rush to the opportunities for salaried jobs, the market of which is already saturated. The main objectives of the study will be to review the existing education and training system.*

While preparing the paper the existing education system will be critically evaluated as well as the experience of scholars working on entrepreneurship education and problems in different counties. The typical home for entrepreneurship programs has been in schools of business. Undergraduates and graduate students studying business have had increasing opportunities to study topics related to the entrepreneurial career track (as opposed to the corporate track). The entrepreneurship education they gain while in college will enable them to be flexible and agile in the workplace. What is it about entrepreneurship education in particular that helps students become leaders, innovators and creative problem-solvers? This paper aims to provide an entrepreneurship education and training framework using MIRACLE Approach.

Keywords: Entrepreneurship; Entrepreneurship Education; Bangladesh; Miracle Approach

Introduction

Entrepreneurship is a key factor in the economic development process of a country. Its role is particularly important for industrialization of an economy. Study of economic development history of developed countries shows that present status of their development lies in the active role of the entrepreneurs. The role of entrepreneurs in perceiving business opportunities, bringing together inputs of production to produce the desired product/service, taking risk, decision making, technology transfer and adaptation, overcoming obstacles, response to change and transforming innovative activities into reality is indeed great. Entrepreneurship and self employed are often misunderstood. A self employed is a person who earn his livelihood by selling his serves, on the other hand

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an entrepreneurs is a person who builds an organization and runs it successfully and thereby create employment opportunity for self and others. Entrepreneurship is growth orientated activity, generating incremental growth resulting in economic high growth and creating employment opportunities. The impact of these activities is high standard of living for the people. Entrepreneurship is the engine of growth of an economy. Entrepreneurship works as catalyst in the economic development process of a country.

The role of the entrepreneur is particularly important for generating employment opportunities and reducing the extent of under employment and unemployment and in providing the strategy for developing agro-based and other business in the country. Unemployment and under employment are most crucial in developing countries. The dimensions of the problem are increasing day by day with the growth of population and complexity in the job market. The creation of job opportunities lags behind demand for the job. The youths, generally 16 to 25 years of age who form the major part of labor-force are the victims of this problem. The disadvantaged or under-privileged groups consisting of landless laborers, marginal farmers and educated unemployed youths form the substantial part of the labor force. It is the normal duty of the nation to offer productive and income generating activities for the mass unemployed persons, so that they get access to the basic necessities of life like food, cloth, shelter, health and education.

Background & Objectives of the Study

Bangladesh came into existence as an independent state on December 16, 1971 after a war of liberation. The total area of Bangladesh is 147570 square kilo meters surrounded by India in the West and North, India and Myanmar in the East and the Bay of Bengal in the South. Bangladesh has received special importance due to its strategic location in the South-East region of the world. It has a population of 150.60 million (2011) with an annual growth rate of about 1.37 percent. The sex ratio is 103 males per 100 females.

The economy of Bangladesh was initially characterized by a dominant agriculture sector, low industrial base, acute unemployment and under employment and low per capita income. But over the years there has been significant structural change in the economy. The structural changes of the share of broad sectors of GDP are as 19.29% in 2011-2012 from 33.0% in 1980-81 in agriculture and 31.26% in 2011-2012 from 17.31% in 1980-81 in industry sector. Service sector remains almost constant and stands at 49.45% in 2011-2012 from 49.62% in 1980-81 at constant price over 1995-96.

The country as a nation faces massive problem of unemployment and underemployment. The problem of unemployment is particularly crucial among the educated youths from the major part of labor force. According to Labor force survey 2010, total active manpower is 5.41 crore. The economy in its present structure of investment and industrial growth is unable to create matching salary employment for more than a fraction of the total unemployed youths. In many countries, attempts have been made to attract educated youth to take entrepreneurship as a profession by introducing entrepreneurship course in

the education system as well as entrepreneurship development training programs for the youths. In Bangladesh entrepreneurship course has been introduced in limited scale in the education system recently. Entrepreneurship training is organized by some organization sporadically. The impact of these activities is yet to be evaluated properly.

The main objectives of the present paper are to review the present status of entrepreneurship education and training, identify the weaknesses of the education and training systems, and suggest an entrepreneurship education and training framework using MIRACLE Approach.

Entrepreneurial Qualities

The overriding importance of entrepreneurship in the economic development processes motivated the scholars interested in the subject to seek the answer of the question what qualities of a person make him a successful entrepreneur. After though research in the subject they identified some qualities and traits which make one a successful entrepreneur. The attributes are high need for achievement, high need for power, commitment of to the task, taking calculated risk, seizing opportunities, objectivity, need for feedback, optimism in novel institutions attitude toward money, proactive management, capacity to influence others, motivation for independence, innovative and creative, perceptive, concern for improvement etc. In addition successful entrepreneurs were capable for preparing business plan, managing growth and development, planning for competitive advantage. The competency of the successful entrepreneur was also excellent.

To be a success entrepreneur the above qualities are required. However, all these qualities may not be present in one individual. But a good mix of the qualities can be found in a man, who may be developed as an Entrepreneur through concerted efforts. Some of the qualities are inborn or inherited by birth; some can be acquired through training and education.

There exists a belief in the mind of some that "entrepreneurs are born and not made". They mean that entrepreneurial qualities are born and cannot be developed by education, training or any other means. This myth is no longer true. It is now evidently proved that some qualities can be developed and improved by education, training and support assistance. It is of course true, to become an entrepreneur one must have some qualities (e.g. high need for achievement motivation, common sense) but there are many other qualities, say, management technique could be learned. In fact many entrepreneurial are acquired knowledge.

Entrepreneurship Development Potentiality in Bangladesh

Bangladesh is a relatively young nation although its people inherit a country which looks back upon a rich cultural heritage. Innovative industrial activities date back to ancient period, when the manufacture "Muslin" fabric earned fame throughout the known world. Due to the country's central position in the Bay of Bengal and its many waterways, trade

and commerce have a long tradition. Needless to say that, the colonial period and the subsequent partition of Bengal between India and Pakistan did not support a healthy and self-reliant economic development. In the wake of the independence war, that led to the establishment of the people's Republic of Bangladesh, the newly-born nation did not only suffer from physical destruction, but also from managerial brain-drain.

Bangladesh's industrial development efforts initially focused on public enterprises, to the extent that even a number of small enterprises were taken over and managed by the Government following independence. Results were discouraging, and starting from the late seventies increasing emphasis was placed on enhancing the role of the private sector in economic development. However, many observers feel that Bangladeshis are still averse to long-term investments and risk-taking.

Yet, one could say that Bangladeshis are among the greatest risk takers in the world, and the way they live and survive on a land exposed to natural calamities shows some truly entrepreneurial trait. Ethnic or religious variations have not been occupational barriers, although power structures at the village level still tend to impede the upward social mobility of the poor. The country is rich in agricultural and human resources and offers a potentially vast domestic market. Bangladesh's relative proximity to the booming East and South explored. However, whereas earlier studies found that entrepreneurial spirit and initiative exist among the people of Bangladesh, it was also observed that in many cases entrepreneurs who showed great enthusiasm in setting up an industrial venture later retreated from the field on account of a multitude of problems faced in carrying through the paper.

The major contribution of entrepreneurs towards socio-economic development can be seen in the maximization of opportunities, which includes observing the environment for venture with growth potential, securing capital, adapting technologies and combining production factors in an efficient manner. The useful role entrepreneurs can play as change-agents in socio-economic development and employment generation is generally accepted. It needs to be clearly stated at this point, that the majority of Bangladesh entrepreneurs are first generation entrepreneurs. The development of the entrepreneurial class however does take time and is subject to skill and capital constraints.

The educational system is so designed that it does not encourage students to be entrepreneurial in the pursuits of their lives. Rather, it orientates graduates towards wage employment instead of self-employment as an alternative source of income.

Inefficiencies in managerial functions were identified as major small enterprise growth constraints in many developing countries. A country like Bangladesh equipped with abundant human and relatively limited natural resources, is challenged to make the best possible use of this potential. This implies concerted efforts into manpower development through education and training, whereby promotion of entrepreneurship should be awarded strategic importance. Experience from other developing countries has clearly demonstrated that the growth of an entrepreneurial class can be accelerated by specifically designed programs geared at this target group.

The major source of entrepreneurs could be passed out university and college graduates, drop outs and educated youths in general. In a country where industrial experience is low, this educated graduates may be the target groups. But unfortunately educational programs do not include such inputs to create awareness about the entrepreneurial career. As a result there is great need to reform education system. So that students with entrepreneurial quality could be motivated towards this career.

Education System of Bangladesh

Education plays a vital role in the development of awareness among the students for taking entrepreneurship as a career. Education system in Bangladesh may broadly be classified into two divisions, namely, General Education, Technical Education and Madrasha Education.

- **General Education**

Again the general education system in Bangladesh is divided into three phases: Primary, Secondary and Higher Education. Primary education is a 5-year cycle while secondary education is a 7- year one with three sub-stages: 3 years of junior secondary, 2 years of secondary and 2 years of higher secondary. The higher education (3-5 years) is provided through universities (34 public and 60 private universities) affiliated under the supervision of University Grants Commission. On the other hand near about 2500 higher educational college and institute affiliated under the academic and administrative supervision of National University. Establishment of National University and private universities has gained momentum in recent years.

- **Technical Education**

Technical education in Bangladesh is organized in three phases: Via Certificate, Diploma and Degrees. The Certificate Course which prepare skilled workers in different trades of two years duration after 8th grade of schooling imparted in Vocational Training Institutes (VTI) and technical training centers (TTC). Polytechnic Institutes and Mono technique Institutes offer Diploma courses in Engineering, Commerce and Industry subjects. The duration of polytechnic courses is four years. The duration of Commercial courses is two years after secondary school certificates examination. The Engineering University, Institute of Technologies offer degree courses of technical education system. The Engineering University and the BIT council awards degrees respectively. Bangladesh Technical Education Board awards diploma certificates to the students who pass the public examination held at the end of terminal year of the course. The Board has full academic control over vocational and institutes which require its affiliation for all academic purposes.

- **Madrasha Education**

There are also Madrasah (religiously inclined) and which are enrolled under Madrasah Education Board. Madrasha education also perform three phases: Primary, Secondary

And Higher Education. Primary education is a 5-year cycle while secondary education is a 7-year one with three sub-stages: 3 years of junior secondary, 2 years of secondary and 2 years of higher secondary. Entrepreneurship course has been included in undergraduate and post graduate level business education in universities and colleges. This course not yet been included in under graduate and graduate programs in Science, Arts, Social Science, Engineering and Medical education. In Higher secondary Level Entrepreneurship is taught as optional subject in business as a compulsory subject in business studies discipline. In the Madrasha education Entrepreneurship subject is totally absent from their curriculum.

Present Status of Entrepreneurship Education and Training in Bangladesh

Entrepreneurship education creates awareness about entrepreneurship as a career plan and motivates students towards this career. But to become an entrepreneur particularly those are first generation entrepreneurs need training to need acquire skill to prepare business plan and management skill. Training is particularly important for acquiring skill in specific trade or business management. At present some organizations like Small and Cottage Training Institute, Micro Industries Development Societies and some other private organization offer training on specific areas of entrepreneurship development. Training programs for more educated youths are sporadic. The scale of unmet needs appears enormous. It means entrepreneurship development training is partial but not comprehensive.

The contents of the Entrepreneurship development course include-among others concept, entrepreneurship as career plan, entrepreneurship theory, entrepreneurial motivation, business environment, the role of entrepreneurs in economic development, project ideas generation, selection of project, preparation of business plan, Project management, social responsibility of the Entrepreneurs in developed & newly industrialized countries, Entrepreneurship, development programs. The courses for different levels of education have been designed keeping in view the requirements and absorbing capacity of the students. However, inconsistency exists in the course contents of the curriculum.

Text books and reading materials for the courses are very scarce. Entrepreneurship course is a special type of education. To teach this course trained and experienced teachers are needed. There is an absolute shortage of trained teachers for this course. Moreover, there is no provision for assistance for those students who are willing to entrepreneurship as a career. In the Present curriculum teaching is mainly theory-based rather than practical. As a result this education is not so effective for taking entrepreneurship as a Career.

Teaching & training methodologies are wide ranging. For better delivery of training programmes the trainers should be equipped with the knowledge of different training approaches and be capable to select the right methodology keeping in view the skill level of participants and depth of training required. The trainer may select any combination the following methods: (i) Lectures, (ii) Case studies (iii) business games, (iv) problem oriented exercises and projects, (v) syndicate methods (vi) films (vii) T. group, (viii) role

play, (ix) industry visits, (xi) internship program. The most common methods used in Bangladesh are lectures, case studies, industry visits, which however, need strengthening and adaptation to Bangladesh conditions. Necessary initiatives should be taken to apply other methods as and when necessary.

An effective curriculum for an Entrepreneurship Education Development Program should be able to help the potential entrepreneurs to (i) strengthen their entrepreneurial quality/motivation, (ii) analyze the environment related to small industry and small business, (iii) select a project/product, (iv) formulate a project plan (v) understand the process and procedures of setting up a small enterprise, (vi) know and the sources of support available for launching an enterprise (vii) acquire basic management skills, (viii) know the pros and cons of being an entrepreneur, and (ix) acquire and appreciate social responsibility. However, in order to make an Entrepreneurship Development Program even more effective, it should be followed up by appropriate support and sustaining assistance.

Major Gaps in the Areas of Entrepreneurship Education and Training

Following are the major gaps in the education and training programs:

- Missing needed attention at the policy level;
- Lack of program relevant research and training needs analysis;
- Virtual absence of comprehensive advanced entrepreneurship development programs with outreach and regularity;
- Hardly any programs are geared at entrepreneurs who want to graduate out of income generating activities;
- Shortage of qualified trainers and motivators;
- Insufficient application of innovative training methods and materials;
- No orientation and awareness towards entrepreneurship with the educational system;
- Entrepreneurship development training programs in most cases were not followed by support and sustaining assistance which are vitally important for the sound promotion of Entrepreneurship;
- Lack of coordination between concerned institutions;
- Absence of course entrepreneurship courses at different level of education system;
- Inadequate investment in entrepreneurship education, training and research
- Lack of co-ordination between concerned institutions at National, Regional and International level

Miracle Approach

Nowadays, very important aspect concerns the orientation of graduates towards entrepreneurship and self-employment and the development of their capabilities in this respect. This issue has received prominence in many countries because of the inability to provide sufficient jobs for graduates in conventional employment sectors. This has led to the development of activities both during higher education and immediately after in respect of the process of “transfer to work”, particularly graduate transition to entrepreneurship. The aim of the approach is to provide a framework which will allow clear choices to be made. To do this, it will seek to clarify some integrated approaches using MIRACLE (Motivation, Ideas, Resources, Abilities, Confidence Learning & Emotion) model and make distinctions between engineers, manager and entrepreneurs (see Table 1). This model has been used effectively to support engineering/business/entrepreneurship students through the business start up process. It shows the development of first idea through business creation and presents a logical developmental approach. Lastly, this paper also highlights key factors in the enterprise approach to entrepreneurship education and some challenges to the various groups for the range of programs and approaches that might be offered in Bangladesh.

Table 1: Differences in Work Done By Engineers, Managers and Entrepreneurs

Characteristics	Engineers	Managers	Entrepreneurs
Focus	Technical/scientific tasks	People (talent, innovation, relationship); resources(capital,knowledge, process, know-how); Projects (tasks, procedure, policy)	Vision, Desire to Create Innovate, develop and improve
Decision-Making Basis	Adequate technical information with great certainty	Fuzzy information under uncertainty(people behavior, customer needs, market forecasts)	Imaginative, forward looking, optimistic, goal orientated, risk taking
Involvement	Perform individual assignments	Direct work of others(planning, organizing, controlling)	“Ideas people”
Work Output	Quantitative, measurable	Qualitative, less measurable, except financial results when applicable	Qualitative and Quantitative output

Effectiveness	Rely on technical expertise and personal dedication	Rely on interpersonal skills to get work done through people(motivation, delegation)	Multitasking, problems solver
Dependency	Autonomous	Interdependent with others	Development principally by on job training and experience, high autonomy
Responsibility	Pursue one job at a time concurrently	Pursue multiple objectives	Opportunity to learn from one's own mistakes and mistakes of others through personal networks
Creativity	Technology centered	People centered (conflict resolution, problem solving, political alliance, network building)	Technology and people centered
Bottom Line	"How" (operational)	"What" and "Why" (strategic)	Both operational and strategic "How", "Who", "What" and "Why".
Concern	Will it work technically?	Will it add value (market share, financial, core technology, customer satisfaction)?	Lead changes

The **'MIRACLE Approach'** presents the personal capacity required to start up – the knowledge, support, learning, emotion and confidence. From its origins, **'MIRACLE'** has been adapted and developed and is now more relevant for under/graduates with limited work experience, as it includes more softer elements, such as confidence to start up, as well as the learning and knowledge of strategy and planning (See Exhibit 1). Together these models provide a phased understanding of the learning required throughout the business start up process. This understanding can then be placed in context of a discipline, sector or subject centre to develop an approach to supporting entrepreneurial skills.

These materials have been created to support enterprise learning within all subject areas. The focus has been on skill development, and to support the understanding that the creation of the business plan is not the only way to explore and assess entrepreneurial skills. By recognizing the business plan as only one elements of learning, other areas of skills development, including softer skills of networking, negotiation, promoting (pitching) and motivation and emotion are recognized as the key to the business start up process. This allows students to gain confidence as they work through a range of sessions and develop the full range of personal strengths required.

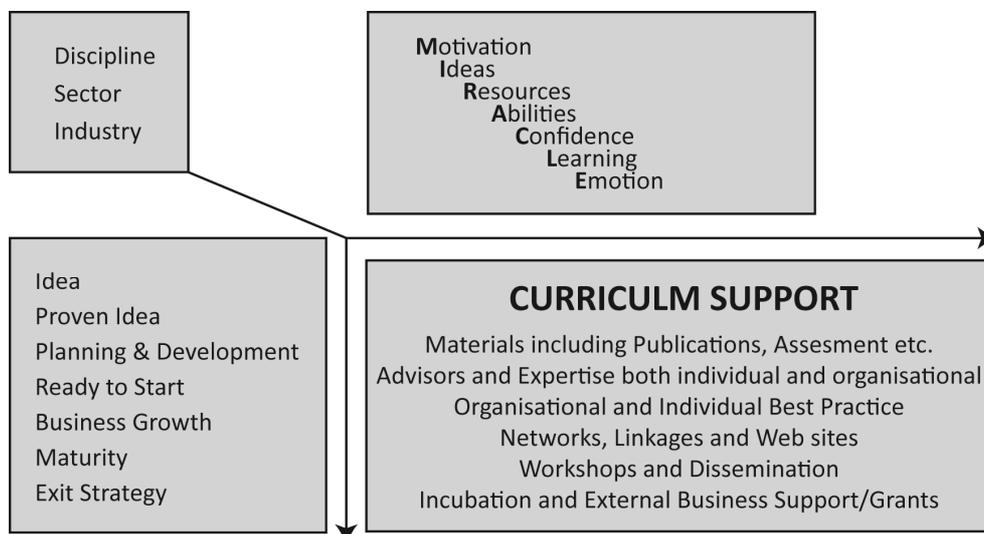


Exhibit-I Integrated Approach to Business Start Up

Exhibit-I aims to show the importance of curriculum support, yet demonstrates the other support elements which enhance this model of learning and awareness building—publications, external support, advisors etc. Curriculum development is only part of the teaching supporting package and extra support for teaching can be sought from local specialists, guest speakers and related support resources. This matrix has been deliberately designed to reduce the ‘influence’ of the ‘business plan’ – seen by many to be the start and end point of business start up. This matrix aims to reflect the journey of self development of an entrepreneur and reduce the ‘fear factor’ of the business plan through skill development (see Appendix I).

The Enterprise Approach to Small Business Entrepreneurship Education

The motivations, preferences and environment of owner-managers can arguably be translated into educational approach likely to develop enterprising individuals. Such an approach will embody the key components of the enterprise environment including: ownership, freedom, autonomy, responsibility, holistic project management exposure, funding assistance, provision for learning flexibility, informal and unstructured learning environment, allowing students to make and learn from mistakes, allowing students to see through, and providing elements of uncertainty in learning tasks. This “enterprise” approach is summarized in Exhibit-II. The success of the enterprise approach to small business and entrepreneurship education depends upon linking together four key elements, namely: the learner/student, the enterprising teachers/lecturers, the enterprising learning/teaching environment, and the enterprising learning mode (Using MIRACLE Approach). The learner and the element of enterprise approach are concise in Exhibit-III

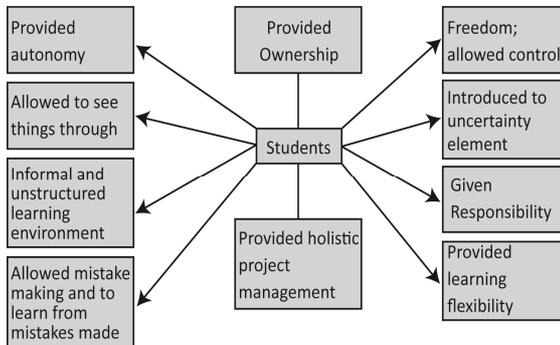


Exhibit-II Key Factors in the Enterprise Approach to Education

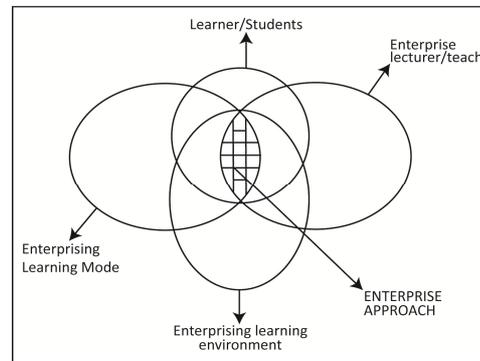


Exhibit-III The Learner and the Elements of Enterprise Approach

Conclusion

This “ideal” model may demand major changes in approach and may represent a radical a shift for many institutions. MIRACLE Approach is one of the appropriate approaches in teaching and learning mode, facilitating students in terms of learning by doing, gaining insight as well as knowledge through problem solving tasks from the beginning till its completion. Arguably, the long term goals of facilitating the creation of more entrepreneurially qualified young people and ultimately growth oriented entrepreneurs in Bangladesh can be achieved by adopting the broad components of the MIRACLE approach as one of several other approaches.

**Appendix: 1
Matrix of Enterprise approach to Entrepreneurship Education**

	A	B	C	D	E	F	G
	Motivation	Ideas	Resources	Abilities	Confidence	Learning	Emotion
A Idea	Triggers to start-up	Idea generation	Gap in the market	Resources	Emerging strategy development	Idea generation technique	Feeling
B Proven Idea	Drivers	Self Knowledge	Feasibility Study	Market Information	Market Segmentation	Techniques	Establishing
C Planning & Development	Personal Motivation	Planning Skills	Market Analysis	Professional Expectations	Strategy Development	Business Plan	Implementing
D Ready to Start-Up	Personal needs	Negotiation	Communication strategy	Utilizing Professional resources	Entrepreneurial Marketing	Practicalities	Enjoying

E	Business Growth	Personal needs & Business needs	Management Skills	Market Analysis	Team Building	Strategic growth	5 Years business Planning	Sustainable
F	Maturity	Need Development	Management Skills	Market Analysis development	Staffing	Strategy diversification	Benchmarking	Passion
G	Exit Strategy	Personal Needs	Exit Opinion	External Network	Management Skill	Communication Skills	Exit Opinion	Practical

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