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The Socioeconomic Impacts of BSCIC Leather Industrial City on the Local Population in Hemayetpur, Savar, Bangladesh

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Abstract

This study investigates the socioeconomic impact of the recently relocated tannery industries in Hemayetpur, Savar, Dhaka. The relocation has introduced significant changes in the local socioeconomic landscape. To achieve the research objective, this study employs a quantitative research approach, utilizing statistical tools such as tables, graphs, percentages, and ratios to systematically analyze the data. The findings indicate that the relocation has had a positive impact on key socioeconomic indicators, including housing development, transportation infrastructure, social security, and employment generation. The expansion of industrial activities has contributed to improved residential facilities, enhanced connectivity, increased community safety, and greater employment opportunities for the local workforce. These results highlight the broader implications of industrial relocation for regional development and economic growth.

Key Words: economic growth, development, sustainable development

1. Introduction

The leather industry in Bangladesh was established in 1970 with the primary objective of meeting domestic demand. Initially, only a small proportion of leather products were designated for export (Khan, 2014). Over time, the sector has gained prominence, contributing approximately 2.5 percent to the country's total export earnings (Economic Review, 2024). Recognizing its growth potential, Bangladesh is poised to emerge as a key player in the global leather value chain (ADB, 2018). The leather industry plays a vital role in the country's manufacturing sector, contributing to gross industrial output, poverty alleviation, and income generation while serving as a significant socioeconomic driver (Ahmed, 1994).

In response to growing environmental concerns, the Government of Bangladesh relocated the leather industry from Hazaribagh to Hemayetpur, Savar, through the establishment of the BSCIC Leather Industrial City (Eusuf et al., 2019). This relocation aimed to modernize production processes, enhance environmental compliance, and improve the sector's overall competitiveness. Completed in 2021, the industrial city spans 1,994 acres and accommodates 140 operational tanneries (Eusuf et al., 2019). While this initiative has enhanced infrastructure and employment opportunities, it has also introduced complex socioeconomic dynamics within the local community. These include shifts in housing, utilities, community welfare, and economic opportunities, particularly affecting low-income labor groups that form a substantial portion of the workforce.

Given these transformations, this study aims to investigate the socioeconomic impact of the newly relocated leather industry in

Hemayetpur, Savar. Specifically, the research seeks to achieve the following objectives: (a) assess the availability and quality of essential services, including housing and utilities, that have emerged in response to industrialization; (b) examine changes in social security, encompassing community safety and welfare; and (c) analyze the economic implications of the relocation, including shifts in employment patterns and income levels. By addressing these dimensions, this study aims to contribute to the existing body of literature and provide policymakers and industry stakeholders with insights to ensure a balanced approach to economic development and community well-being.

2. Literature Review

The leather industry in Bangladesh is a vital driver of economic growth but presents significant environmental and socioeconomic challenges, necessitating strategic interventions for sustainable development. Research highlights barriers such as inadequate R&D investment, limited workforce training, insufficient government support, and competition from artificial leather (Rahman, 2022). Potential solutions include market diversification, particularly in Africa, alongside improving raw hide quality, adhering to ISO standards, and enhancing waste management and by-product utilization (Islam, 2018). The relocation of tanneries to Savar has led to environmental improvements (Islam et al., 2021), but unresolved challenges remain in cost evaluation, pollution mitigation, and the broader socioeconomic implications for local communities (Bhowmik, 2012). Addressing skill shortages, modernizing outdated technologies, and adopting sustainable practices are critical to strengthening environmental compliance

and infrastructure (Chowdhury et al., 2024). Moktadir et al. (2018) propose circular economy models to improve resource efficiency, while Rakib (2020) underscores the resilience of segments like leather footwear despite competition from the RMG sector. The environmental impacts of untreated effluents from the tanning industry are severe, emphasizing the need for sustainable practices and stringent policy enforcement (Abul Hasnat et al., 2013; Rahman et al., 2018). The role of intermediaries, such as buyer agents, is critical in fostering international trade through quality appraisal, consignment management, and financial facilitation (Bushra, 2017). Addressing hazardous child labor and implementing effective social security measures remain essential to safeguard vulnerable groups (Mollah and Subarna, 2012). Moreover, enhancing marketing strategies aligned with domestic conditions is crucial for international competitiveness (Asmina, 2019). However, existing research often overlooks localized socioeconomic impacts, necessitating this study's focus on the effects of the BSCIC Leather Industrial City on livelihoods, social security, and infrastructure in the Hemayetpur community, contributing to a more nuanced understanding of the sector's role in sustainable development.

3. Methodology

The primary objective of this study is to assess the socioeconomic impact of the recently relocated tannery industries in Hemayetpur, Savar, Dhaka. To achieve this objective, the study employs a quantitative research approach, utilizing various analytical tools to interpret and present data. Specifically, the study makes use of statistical techniques such as tables, graphs, percentages, and ratios to effectively analyze and illustrate key trends and patterns emerging from the data. These tools facilitate a clearer understanding of the socioeconomic changes brought about by the tannery relocation, allowing for a systematic assessment of both positive and negative impacts. The study primarily relies on primary data collected directly from households residing in close proximity to the newly established BSCIC Leather Industrial City in Hemayetpur. To ensure the relevance and accuracy of the findings, a total of 200 households were selected using a purposive sampling technique. This method was chosen to target respondents who have directly experienced the socioeconomic changes associated with the industrial relocation, thereby ensuring that the data collected is both meaningful and representative of the local population most affected by the transition.

Data collection was conducted through a structured questionnaire specifically designed to capture essential information related to the study's objectives. The questionnaire was developed to investigate multiple dimensions of the socioeconomic impact, including infrastructure development, social security conditions, public health concerns, and economic opportunities in Hemayetpur. In terms of infrastructure development, the study examines changes in access to basic utilities such as water supply, sanitation, electricity, roads, and transportation networks that may have been influenced by the establishment of the industrial zone. Additionally, the study explores the broader implications for social security, including changes in community safety, crime rates, and social cohesion.

Public health is another critical aspect addressed in the study, as the relocation of the tanneries has potential implications for air and water quality, which may, in turn, affect the health and well-being of residents. The study also assesses economic opportunities that have emerged due to industrial expansion, particularly in terms of employment generation, income levels, and shifts in occupational

patterns among the local workforce. By systematically analyzing these key dimensions, this research aims to provide a holistic understanding of the socioeconomic transformations taking place in Hemayetpur as a result of the tannery industry relocation.

4. Results and Discussion

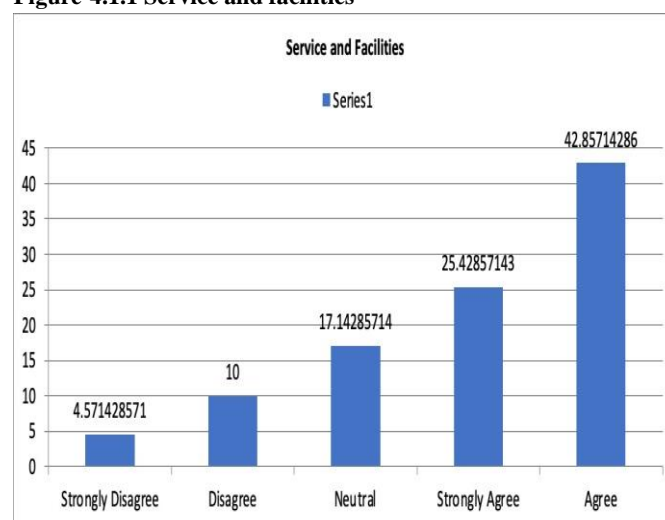
4.1 Social Impacts

The social impacts of the BSCIC Leather Industrial City on Hemayetpur are both positive and challenging. While it has improved infrastructure, including housing, transportation, and utilities, and enhanced social security, issues like rising inequality and strain on social services (education and healthcare) persist. The growing population has increased pressure on local amenities, potentially widening disparities. While the industrial city has fostered social improvements, these challenges highlight the need for careful consideration in future development planning.

4.1.1 Services and Facilities

The relocation of the leather industry to Savar has yielded notable improvements in local infrastructure, as evidenced by survey findings. A combined 67% of respondents (42% agreeing and 25% strongly agreeing) reported positive developments in housing, transportation, and utility services, reflecting enhanced accessibility and living standards in the area. However, 10% of respondents expressed disagreement, highlighting gaps such as insufficient educational facilities, which remain unaddressed despite the broader infrastructural advancements. Among the key improvements, the construction of new roads and the increased demand for residential housing emerged as significant indicators of the area's transformation, demonstrating the mixed outcomes of industrial relocation.

Figure-4.1.1 Service and facilities



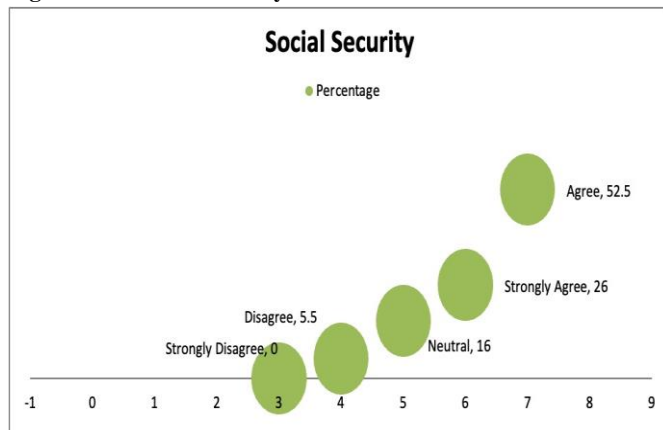
Source: Author's Compilation of Field Survey Data

4.1.2 Social Security:

The graph illustrates community perceptions of social security following the establishment of the BSCIC Leather Industrial City. A majority of respondents, 52.5%, agreed, while 26% strongly agreed that social security has improved, indicating positive sentiments about safety and community welfare in the area. A smaller proportion, 16%, expressed neutrality, suggesting no perceived significant change. Meanwhile, 5.5% disagreed, and no respondents strongly disagreed, signaling limited dissent regarding the impact on social security. These findings highlight overall

improvements in social stability while suggesting room for addressing residual concerns among a minority.

Figure-4.1.2 Social security

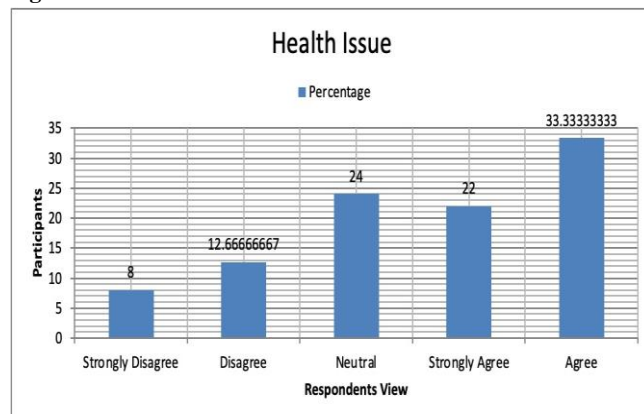


Source: Author's Compilation of Field Survey Data

4.1.3 Health Issues

The graph illustrates participants' perceptions of health issues associated with the establishment of the BSCIC Leather Industrial City. Among the respondents, 33.33% agreed that health issues have been impacted, and 22% strongly agreed, indicating that a majority recognize notable health implications. Meanwhile, 24% remained neutral, reflecting a lack of definitive opinion. A smaller proportion, 12.67%, disagreed, and 8% strongly disagreed, showing limited opposition to the perceived health impacts. These results suggest that health concerns are significant but not unanimously recognized, emphasizing the need for further investigation into environmental and occupational health conditions in the area.

Figure-4.1.3 Health issue

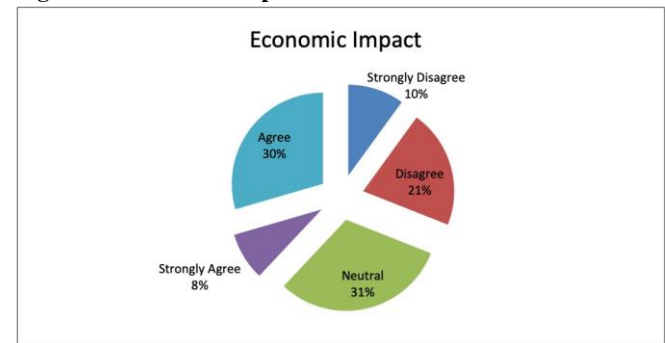


Source: Author's Compilation of Field Survey Data

4.2 Economic Impacts

The pie chart presents participants' views on the economic impact of the BSCIC Leather Industrial City. The majority of respondents (30%) agree that the industrial city has had a positive economic impact, while 8% strongly agree, indicating a favorable perception of the project's economic benefits. However, 31% of participants expressed a neutral stance, suggesting uncertainty or lack of strong opinion on the economic effects. On the contrary, 21% disagreed, and 10% strongly disagreed, indicating a notable minority who perceive the economic impacts less positively. This distribution reflects mixed opinions on the economic outcomes of the industrial development, highlighting the need for further examination of its actual economic effects on the local community.

Figure-4.2 Economic impact

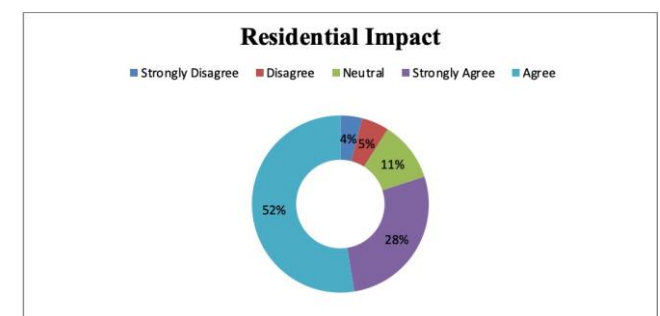


Source: Author's Compilation of Field Survey Data

4.2.1 Housing and Rent

The relocation of the leather industry has had a notable effect on the housing market in Hemayetpur. Over 80% of respondents indicated a marked increase in housing demand and rising rental prices. Homeowners have benefited from these rent increases, enhancing their financial returns. However, tenants have expressed concerns regarding the growing affordability issues, highlighting the socioeconomic disparity between property owners and renters in the area.

Figure-4.2.1 Housing and rent

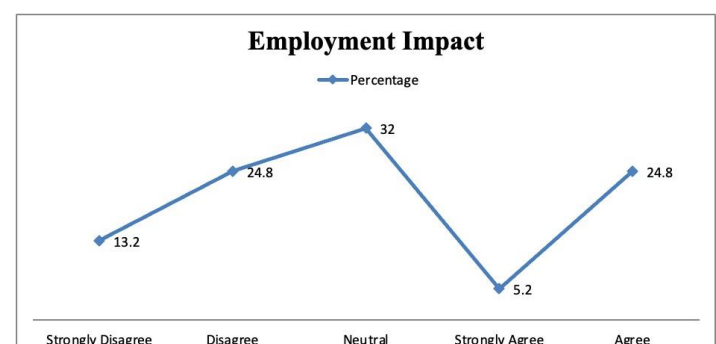


Source: Author's Compilation of Field Survey Data

4.2.2 Employment Opportunities

The employment impacts of the industrial relocation exhibit a mixed trend. While 24.8% of respondents acknowledged an increase in job opportunities, an equal proportion disagreed, reflecting divided perceptions regarding employment benefits. The industry's reliance on seasonal labor, particularly during Eid-ul-Azha, highlights the predominance of temporary employment, which undermines long-term job security and sustainable livelihood opportunities for the local workforce.

Figure-4.2.2 Employment impact

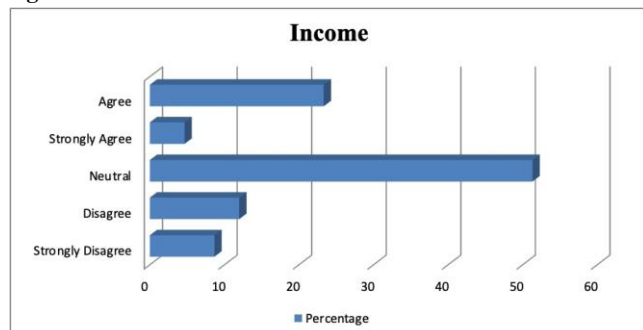


Source: Author's Compilation of Field Survey Data

4.2.3 Income Levels

Approximately 20% of respondents reported an increase in income, while 50% refrained from commenting, indicating potential sensitivity regarding financial disclosures. Although the relocation has generated income opportunities for some, the distribution of these economic benefits appears to be uneven, highlighting disparities within the community.

Figure-4.2.3 Income level



Source: Author's Compilation of Field Survey Data

Conclusion

In conclusion, the establishment of the BSCIC Leather Industrial City in Hemayetpur has led to significant socioeconomic changes, both positive and challenging, for the local community. The industrial relocation has notably improved infrastructure, including housing, transportation, and utilities, with a majority of residents acknowledging these enhancements. Social security perceptions have also improved, with increased safety and community welfare, although concerns regarding rising inequality and pressures on social services such as education and healthcare remain. Health issues associated with the industrial development have been recognized, suggesting the need for further investigation into environmental and occupational health impacts.

Economically, the relocation has contributed to rising housing demand and rental prices, benefitting homeowners but presenting affordability challenges for tenants. Employment opportunities have increased, particularly during peak seasons, though the reliance on temporary labor limits long-term job security. Income increases have been reported by a minority, with benefits unevenly distributed across the community, highlighting disparities in economic gains.

Overall, while the BSCIC Leather Industrial City has brought notable improvements in local infrastructure and economic opportunities, it has also introduced challenges such as unequal distribution of benefits, environmental concerns, and pressure on social services. To maximize the positive impacts and address these challenges, policymakers and industry stakeholders must focus on skill development, effective housing planning, environmental regulation enforcement, and fostering greater community engagement in future development efforts.

Data Availability

This study relies exclusively on primary data, which were collected directly from the field through a survey.

Conflicts of Interest

The author declares that there are no competing interests that could have influenced the research, analysis, or conclusions presented in

this study. All efforts were made to ensure transparency and objectivity throughout the research process.

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