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# Syndication–Cost Augmented Industry Analysis: A Contextual Framework for Entrepreneurship in Bangladesh

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**Research Article**

## Abstract

***Purpose:*** *This paper addresses the limitations of traditional industry analysis frameworks—such as Porter's Five Forces and the Structure–Conduct–Performance paradigm—in capturing the structural constraints facing entrepreneurship in Bangladesh. It develops the Syndication–Cost Augmented Industry Analysis (SCIA) framework, a contextualized model designed to measure and integrate two understated realities of the Bangladeshi business environment: syndication (collusive control over markets, logistics, and permits) and the high cost of doing business (capital intensity, operational expenses, compliance burdens, and customer acquisition costs).*

***Method:*** *The SCIA framework introduces two novel indices to quantify market frictions. The Syndication Concentration Index (SCI) is constructed using mixed-source data, including enterprise surveys, media and NGO reports, regulatory records, and price forensics. The Cost of Business Index (COBI) measures operational and compliance-related burdens. These indices are combined to form an Entry Friction Index (EFI), which modifies classical competitive analysis to produce an Adjusted Industry Attractiveness Score (AIAS). The framework is conceptually validated and illustrated through a hypothetical case study.*

***Findings:*** *The SCIA framework provides a systematic method for identifying industries where informal cartels and high operational costs erode profitability and deter entry. By outputting an Adjusted Industry Attractiveness Score (AIAS), the model offers a more nuanced assessment of sectoral viability than traditional frameworks alone, revealing opportunities for niche disruption and highlighting sectors requiring policy intervention.*

***Implications:*** *For entrepreneurs and investors, SCIA serves as a practical guide to market entry strategy, investment screening, and portfolio diversification, offering a risk-adjusted lens for capital allocation. For policymakers, the framework enables targeted regulation of syndicates, data-driven alignment of subsidies and incentives, and evidence-based administrative reform to streamline approvals.*

***Originality/Value:*** *This paper contributes to both academic theory and practice by developing an empirically adaptable tool tailored to the unique structural dynamics of Bangladesh's business environment. Unlike conventional models that understate the roles of collusive behavior and administrative burdens, SCIA explicitly integrates these frictions into sectoral attractiveness assessments.*

***Limitations:*** *As a conceptual and illustrative study, the framework requires empirical validation through large-scale application across diverse sectors.*


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**Keywords:** Bangladesh, entrepreneurship, industry analysis, syndication, cost of doing business, market entry, competition policy.

## 1. Introduction

Bangladesh, one of the fastest-growing economies in South Asia, has witnessed significant entrepreneurial activity in recent years, especially in consumer goods, information technology, and services (Startup BD Ltd., 2021). Despite a supportive macroeconomic narrative, microeconomic and sectoral realities reveal profound challenges for new ventures. Two such barriers are particularly acute: market syndication and the high cost of doing business. Syndication refers to the collusive practices of entrenched actors—often wholesalers, importers, or logistics operators—who coordinate pricing, control supply chains, and limit entry through political or institutional connections (Hosain, 2022). The high cost of doing business, meanwhile, reflects systemic inefficiencies, including expensive financing, unreliable energy, burdensome compliance requirements, and rising marketing expenditures (World Bank, 2020).

Traditional industry analysis tools—such as Porter's Five Forces (Porter, 2008) and the Structure–Conduct–Performance (SCP) paradigm (Bain, 1968)—provide useful lenses for evaluating competition but fail to capture the specific distortions that syndication and inflated cost structures impose in developing economies. For instance, while the Five Forces model considers "barriers to entry," it rarely distinguishes between formal regulatory barriers and informal collusive networks. Similarly, cost structures are treated as firm-level strategic concerns rather than systemic sectoral constraints. As a result, investors and entrepreneurs relying solely on conventional frameworks risk misestimating entry attractiveness, overestimating profitability, and under-preparing for hidden frictions. Moreover, reliable firm-level data on syndication in Bangladesh are scarce, as entrepreneurs often underreport coercion or collusion for fear of retaliation. To address this gap, this study triangulates multiple sources—including enterprise surveys, media investigations, NGO reports, and regulatory records—thereby constructing a more robust and less biased measure of syndicate concentration.

This paper argues that the Bangladeshi context requires an augmented framework - the Syndication–Cost Augmented Industry Analysis (SCIA). The SCIA integrates syndication and cost frictions directly into sectoral competitiveness analysis by introducing two new indices: The Syndication Concentration Index (SCI) and the Cost of Business Index (COBI). Together, these feed into an Entry Friction Index (EFI) that modifies conventional assessments of entry barriers, rivalry, and bargaining power. The result is an Adjusted Industry Attractiveness Score (AIAS) that reflects Bangladeshi market realities. SCIA is flexible. It allows both a composite, multi-source index and a simplified, survey-based measure for contexts with data constraints.

The contributions of this study are threefold. First, it conceptualizes syndication as a measurable market friction, distinct from classical concentration measures such as the Herfindahl–Hirschman Index. Second, it constructs a sectoral cost-of-business index that incorporates capital, compliance, energy, and marketing costs and is calibrated to the Bangladeshi environment. Third, it integrates these indices into a replicable analytic tool suitable for academic research, entrepreneurial strategy, and policy design.

The remainder of the paper proceeds as follows: Section 2 reviews the relevant literature on industry analysis, syndication, and business costs in Bangladesh. Section 3 introduces the theoretical framework, defining SCI, COBI, and EFI. Section 4 outlines methodology, data sources, and a hypothetical sectoral application. Section 5 discusses the framework's implications for entrepreneurs, investors, and policymakers. Section 6 notes limitations and avenues for future research. Section 7 concludes by highlighting SCIA's contributions to both theory and practice.


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## 2. Literature Review

### 2.1 Classic Industry Analysis Frameworks

Michael E. Porter's Five Forces framework remains foundational for understanding market competitiveness, assessing supplier and buyer power, evaluating barriers to entry, assessing the threat of substitutes, and analyzing rivalry among competitors (Porter, 2008). Prior to that, the Structure–Conduct–Performance (SCP) paradigm posited that market structure drives firm behavior and performance (Bain, 1968). Meanwhile, Transaction Cost Economics (Williamson, 1981) emphasized how costs of coordination and enforcement shape organizational forms and vertical integration decisions.

### 2.2 Syndication and Informal Market Frictions in Bangladesh

In Bangladesh, informal collusion or syndication—particularly among wholesalers, logistics operators, and traders—significantly distorts market competition. Ali and Nowshin (2025) document how syndicates exacerbate price instability in the agricultural sector by coordinating hoarding and supply restrictions to manipulate prices. Similar analyses reveal that market competition is often misunderstood or distorted by entrenched syndicates that undermine transparent competition (Meyer, 2018).

The Bangladesh Competition Commission (BCC) has occasionally conflated syndicates with cartels, muddying legal distinctions and potentially weakening competition enforcement (former BCC director, personal communication, June 23, 2025). It is important to distinguish between *syndication*, *cartels*, and *informal networks*. While often used interchangeably in media and policy discourse, these terms carry different legal and analytical implications. Cartels, as defined in competition law, involve explicit agreements to fix prices or restrict output (OECD, 2003). Syndication in Bangladesh, however, often takes the form of hybrid arrangements in which trader associations, political patrons, and logistics operators tacitly coordinate market control without formal contracts (Hosain, 2022). Informal networks, meanwhile, can be broader relational systems that do not necessarily aim at collusion but still shape market entry. Clarifying these distinctions strengthens conceptual rigor and avoids conflation in subsequent analysis. Furthermore, corruption plays a substantial role. Bribes are common in imports and exports, tax payments, and the awarding of public contracts and licenses (Star Business Report, 2024).

While surveys and interviews provide valuable insights into firms' syndication experiences, scholars note that in politically sensitive or high-risk contexts, secondary sources such as media investigations, NGO and think-tank reports, business forum statements, and regulatory case files are critical complements (OECD, 2003; Helmke & Levitsky, 2004). These sources not only document incidents that firms may be reluctant to disclose but also provide verifiable event-level data that can be systematically coded for severity and scope. In the Bangladeshi context, where entrepreneurs often underreport coercion due to fear of retaliation, triangulating survey evidence with external reports enhances validity and reduces bias. Moreover, abnormal price fluctuations documented in trade or consumer reports can be linked to syndicate activity, offering market-based validation of qualitative claims. This study, therefore, integrates both direct firm surveys and documentary/forensic evidence into the measurement of the Syndication Concentration Index (SCI).

### 2.3 Definitional Clarifications: Syndication, Cartel, and Informal Networks

The terminology surrounding collusive or semi-collusive practices in Bangladesh is often used interchangeably in public discourse, but academic and policy precision requires clearer distinctions. **Syndication** in the Bangladeshi context refers to the coordinated control of markets by groups of traders, importers, or transport operators who exercise influence through both economic leverage and political patronage. Unlike legally codified associations, syndicates operate informally but with substantial capacity to fix prices, allocate routes, or restrict entry (Hosain, 2022). Syndication may or may not involve

explicit agreements, relying instead on tacit cooperation enforced by coercion, reputation, or political connections.

**Cartels**, in contrast, have a more formalized definition within competition law. The OECD (2003) identifies cartels as explicit agreements among firms to fix prices, limit production, allocate markets, or rig bids. While cartels are often prosecuted in advanced economies under antitrust laws, in Bangladesh, they are frequently conflated with syndicates in public policy debates (Siddiqui, 2025). The critical difference is that cartels presuppose intentional contractual arrangements, whereas syndicates in Bangladesh can function as informal coalitions embedded in the political economy.

**Informal networks** represent a broader category encompassing personal, familial, and political ties that shape market outcomes without necessarily engaging in anti-competitive behavior. As Helmke and Levitsky (2004) argue, informal institutions can either substitute for or undermine formal institutions. In Bangladesh, such networks often facilitate access to permits, credit, or distribution channels. While not inherently collusive, they provide the relational infrastructure that allows syndicates and cartel-like practices to thrive.

Clarifying these distinctions is essential for SCIA's analytical validity. The Syndication Concentration Index (SCI) proposed here explicitly targets syndication as an informal yet coercive form of market distortion, distinct from both legally defined cartels and non-collusive informal networks.

### 2.4 High Cost of Doing Business in Bangladesh

Entrepreneurs in Bangladesh face one of the highest cost burdens globally. Prothom Alo reports that business confidence has eroded due to escalating prices of utilities, raw materials, and rent—gas and electricity costs have increased by 400%, and freight costs per kilometer are among the world's highest (Prothom Alo, 2024a). Additionally, the Business Confidence Survey by BUILD found that recurring bribes—such as those linked to license renewals—add hidden cost overheads (Prothom Alo, 2024a; Prothom Alo, 2024b).

The World Bank's Doing Business assessments consistently rate Bangladesh poorly—for example, it ranks 168th in overall ease of doing business, with particularly weak scores in dealing with permits, starting a business, and trading across borders (World Bank, 2020). Additionally, setting up a business involves navigating around 150 approvals across 23 departments (The Daily Star, 2024), creating daunting compliance hurdles for both local and foreign investors.

### 2.5 Institutional and Political Economy Dynamics

Bangladesh's political economy is characterized by elite settlements where business and political interests coalesce—informal access to approvals and infrastructure privileges often arises through personal connections rather than market competition (Ruud, 2020). Still, the government has attempted to inject competitiveness through export processing zones (EPZs) and economic zones**,** offering tax holidays and streamlined compliance within designated areas to attract investment (FBCCI, 2024).

### 2.6 Digital Governance and Cost Mitigation

Digital transformation presents a powerful lever to reduce costs and enhance transparency. A *Wired* analysis highlights how e-procurement in Bangladesh cut prices by over 10% and curbed corruption by improving process transparency (WIRED, 2017).

### 2.7 Synthesis: Gaps in Existing Frameworks

In sum, while established industry frameworks like Porter's Five Forces and SCP offer valuable tools, they lack mechanisms to quantify and integrate informal syndication and structural cost excesses**,** central features of many Bangladeshi industries. There is, therefore, a clear gap in both theory and applied tools—one that


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a contextualized framework, such as SCIA (Syndication–Cost Augmented Industry Analysis), can fill by operationalizing these under-recognized but critical market frictions.

## 3. Theoretical Framework

### 3.1 Limitations of Existing Frameworks

Porter's (2008) Five Forces and Bain's (1968) Structure–Conduct–Performance (SCP) paradigm provide broad lenses for analyzing industry dynamics. However, these models were designed primarily for advanced economies where formal institutions regulate competition and costs are relatively transparent. They do not adequately account for the extra-market distortions that define Bangladesh's business environment—namely, syndication and structurally inflated costs of doing business.

Transaction Cost Economics (Williamson, 1981) partially captures high coordination and enforcement costs, but it does not address the collective manipulation of markets through informal syndicates. Similarly, institutional approaches highlight the role of political economy (North, 1990), yet they stop short of offering a quantifiable tool that entrepreneurs or policymakers can deploy.

Thus, a contextualized model is needed: one that measures both formal and informal distortions to industry attractiveness in Bangladesh.

### 3.2 Core Assumptions of the SCIA Framework

The SCIA framework is built on four assumptions:

I. Market Attractiveness is Distorted**:** Beyond competition, two endogenous distortions—syndication and inflated business costs—shape entry dynamics.
II. Informality Matters**:** Informal syndicates often wield more market power than formal regulation, requiring direct analytical inclusion.
III. Costs are Multi-Dimensional**:** Beyond raw capital, entrepreneurs in Bangladesh face hidden operational costs (permits, energy, logistics, compliance bribes).
IV. Comparative Analysis is Necessary**:** To evaluate industries, indicators must be standardized and comparable across sectors.

### 3.3 Key Constructs

#### 3.3.1 Syndication Concentration Index (SCI)

In addition to the multi-pillar composite SCI, a simplified version based on direct survey responses and corroborating evidence from media, NGO, civil society, or business forum reports can also be used in contexts where detailed secondary data is scarce.

The composite SCI will be calculated as a weighted index of these four pillars:

SCIs,t=0.30P+0.30D+0.20N+0.20OSCI_{s,t} = 0.30P + 0.30D + 0.20N + 0.20O

scaled from 0–100 for sector s and time period t.

The simplified version will be calculated as follows:

SCI=Number of firms under syndicate influence/Total number of firms in the sector×100

The SCI measures the extent of syndicate dominance in an industry:

**0–20%** → Low syndication (competitive market)

**21–50%** → Moderate syndication (oligopolistic tendencies)

**51–100%** → High syndication (cartel-like dominance)

A higher SCI implies reduced entry opportunities, higher barriers to entry, and greater vulnerability to price manipulation.

#### 3.3.2 Cost of Business Index (COBI)

The COBI is a composite index that captures both formal and informal costs:

COBI=w1M+w2F+w3O+w4I


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Where:
M = Marketing & customer acquisition cost
F = Fixed costs (infrastructure, equipment)
O = Operational costs (utilities, logistics, labor)
I = Informal costs (bribes, delays, compliance hurdles)
w = Weights assigned based on sectoral surveys (sum = 1)
A higher COBI signals cost-prohibitive conditions for new ventures.

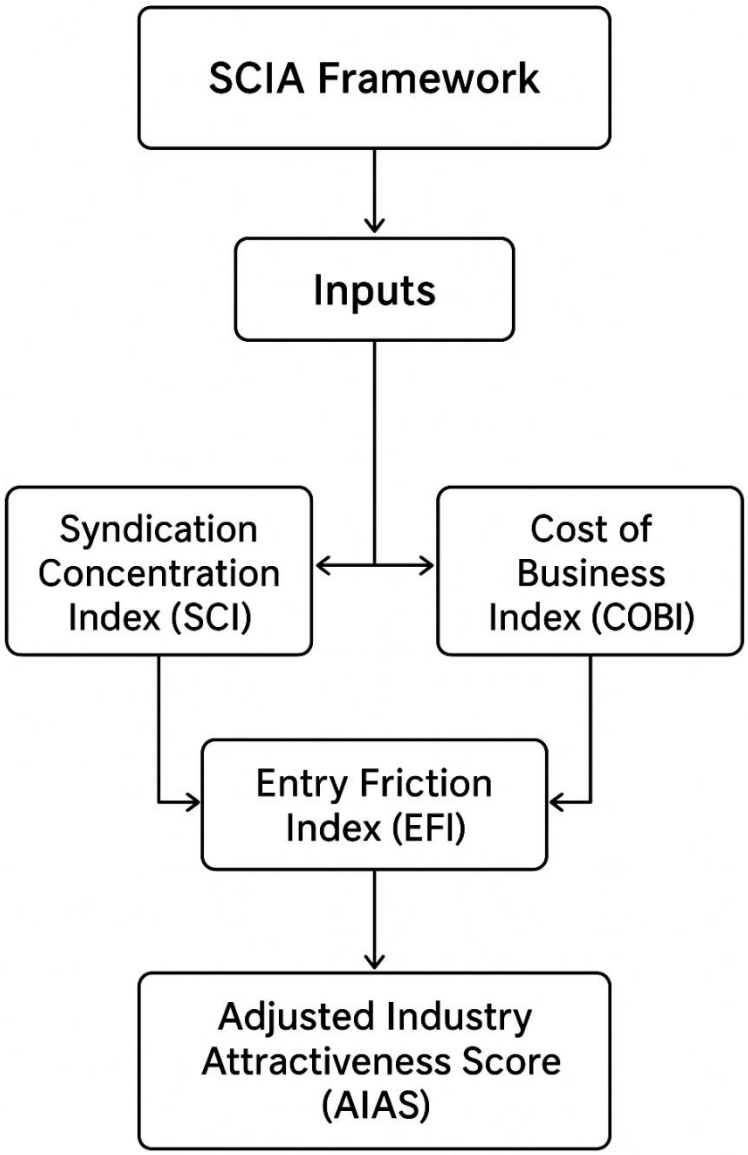


**Fig.1: SCIA Framework**

### 3.3.3 Entry Friction Index (EFI)

EFI integrates SCI and COBI into a single measure of entry difficulty**:**
EFI=α(SCI)+β(COBI)EFI = \alpha (SCI) + \beta (COBI)
Where α\alpha and β\beta are weights determined by expert consensus or econometric estimation.

### 3.3.4 Adjusted Industry Attractiveness Score (AIAS)

Building on Porter's Five Forces, the AIAS incorporates EFI as a sixth force:


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AIAS=Traditional Industry Attractiveness Score1+EFIAIAS = \frac{\text{Traditional Industry Attractiveness Score}}{1 + EFI}
Thus, industries with high syndication and high costs show lower adjusted attractiveness, even if traditional Porter analysis suggests otherwise.

### 3.4 Conceptual Model

**Diagram (for paper layout):**
Inputs: Market Rivalry, Buyer Power, Supplier Power, Threat of Substitutes, Threat of New Entrants
New Inputs: Syndication (SCI), Cost of Business (COBI)
Composite Measure: Entry Friction Index (EFI)
Output: Adjusted Industry Attractiveness Score (AIAS)

### 3.5 Contribution to Theory

The SCIA framework advances industrial organization analysis in three key ways. First, it extends Porter's Five Forces by contextualizing the model for developing economies, explicitly integrating informal institutions into the analysis. Second, it operationalizes informality by quantifying syndication and hidden costs that were previously treated only qualitatively in policy reports (Hosain, 2022). Third, it provides a practical tool that enables policymakers, entrepreneurs, and researchers to use a replicable scoring system for sectoral analysis.

The SCIA framework also contributes to broader debates in industrial organization and development economics. Specifically, it builds on the notion of "institutional voids" in emerging markets — structural gaps in enforcement, information flows, and regulation — that shape firm strategy in ways not captured by classical frameworks (Khanna & Palepu, 1997). By operationalizing informal institutions such as syndicates and extortion networks, SCIA extends the literature on the role of non-market forces in shaping competition (North, 1990; Helmke & Levitsky, 2004). In this way, SCIA does not merely adapt Porter's Five Forces for Bangladesh but situates itself within an evolving stream of institutional and development scholarship.

## 4. Methodology

### 4.1 Research Design

This study adopts a mixed-methods research design that integrates quantitative measurement of syndication and costs with qualitative validation through stakeholder interviews. The methodological approach is guided by the objective of operationalizing the Syndication–Cost Industry Analysis (SCIA) framework for the Bangladeshi context.

The research proceeds in three sequential phases:

i. Indicator Development – Construction of measurable indices for syndication and cost of doing business.
ii. Data Collection – Triangulation of secondary datasets, enterprise surveys, and key informant interviews.
iii. Validation – Statistical reliability testing, expert panel review, and cross-sectoral pilot studies.

### 4.2 Data Sources

To capture both formal and informal dynamics, data were drawn from multiple sources. Secondary Quantitative Data were collected from the Bangladesh Bureau of Statistics (BBS) enterprise and sectoral census data, World Bank *Doing Business* reports, Bangladesh Investment Development Authority (BIDA) reports on FDI and sectoral trends, and Bangladesh Competition Commission investigations on price manipulation.

Survey Data were collected through a structured Enterprise Syndication & Cost Survey (ESCS) among 300 SMEs and 50 large firms across Dhaka, Chattogram, and Khulna. The survey focuses on syndicate presence, cost structures, and barriers to entry. Qualitative Data were collected through Semi-structured interviews with 20 entrepreneurs, 10 policymakers, and 10 industry experts. Case studies of selected industries (e.g., rice trading, pharmaceuticals, garments, ridesharing) also served as a source of qualitative data.

### 4.3 Measurement Strategy

Two approaches to constructing SCI are considered: (a) a composite, multi-source index for rigorous analysis; and (b) a simplified ratio measure based primarily on survey and corroborating documentary evidence, useful where data constraints limit the feasibility of the composite approach.

#### *4.3.1* Syndication Concentration Index (SCI)

Survey questions remain the backbone of the Syndication Concentration Index (SCI), identifying whether firms are linked to syndicates or face syndicate-imposed restrictions. However, given the sensitivity of self-reporting and the possibility of underreporting due to fear of retaliation, survey data alone are insufficient. To strengthen reliability, SCI in this study will be constructed through a multi-source approach that triangulates four complementary pillars:

i. Perception & Experience (P): Firm-level surveys and semi-structured interviews capturing direct exposure to syndicates, including incidence of coercion, restrictions on entry, and informal payments.
ii. Documentary Evidence (D): Systematic coding of events reported in media outlets, NGO and think-tank publications, business forum statements, and regulatory or court records. Each event will be scored for severity, scope, evidence strength, and economic impact.
iii. Network Structure (N): Mapping of implicated actors and their ties using data from reports, trade body rosters, and company information to measure concentration and centralization of syndicate influence.
iv. Market/Outcome Forensics (O): Analysis of abnormal price or supply fluctuations not explained by costs or seasonality, cross-checked with documented syndicate activity.

The composite SCI will be calculated as a weighted index of these four pillars:

$$SCI_{s,t} = 0.30P + 0.30D + 0.20N + 0.20O$$

scaled from 0–100 for sector $s$ and time period $t$.

By combining surveys with external evidence from media, NGOs, regulators, and price forensics, this method reduces bias, enhances robustness, and better captures the informal but coercive nature of syndication in Bangladesh's markets.

#### 4.3.2 SCI (mixed-source) — what to measure and how

##### 4.3.2.1 Construct overview

Compute SCI on a 0–100 scale per sector sss and period ttt from four pillars:

i. Perception & Experience (P) — firm surveys/interviews
ii. Documentary Evidence (D) — media, NGO/think-tank, business forum, and regulator/court records
iii. Network Structure (N) — concentration/centralization of implicated actors
iv. Market/Outcome Forensics (O) — abnormal price/quantity patterns plausibly tied to alleged syndication

Final index (weights shown as defaults—justify/adjust via sensitivity analysis):


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$$\mathrm{SCI}_{s,t} = 0.30\,P_{s,t} + 0.30\,D_{s,t} + 0.20\,N_{s,t} + 0.20\,O_{s,t}$$

Each pillar is scaled to 0–100 before aggregation.

#### 4.3.2.2 Pillars, indicators, and data sources

**A) Perception & Experience (P) — 0–100**

Data: Your existing firm survey + key-informant interviews (traders, transporters, brokers, association reps).
Indicators (normalize 0–100):

- Share of firms asked to join a syndicate (incidence).
- Share that faced restrictions (pricing, route control, access denial).
- Mean incidents in the last 12 months.
- Average "rent"/payment to gatekeepers (% of sales).
- Fear of retaliation / switching difficulty (Likert 1–5, rescaled).

**B) Documentary Evidence (D) — 0–100**

Data sources (coded per event) include national and local media (print/online/broadcast archives), NGO/think tank and consumer groups (e.g., watchdog bulletins, policy briefs), Business forums & chambers (public statements, circulars, meeting minutes), Regulators/courts (competition authority, consumer directorates, task forces, court orders, fines/raids), and Academic case studies.
Event coding (each "event" = alleged syndication act or investigation): Severity (–5), Scope (local→national, 1–5), Evidence strength (1–5), Price-impact flag, Regulatory, action flag, Implicated actor IDs.

Score recipe:

$$D_{s,t} = \min\left(100,\ \sum_{e \in s,t} w_e\right), \quad w_e = 2 \cdot \text{severity} + \text{scope} + 2 \cdot \text{evidence} + 5 \cdot 1_{\text{price impact}} + 5 \cdot 1_{\text{reg action}}$$

(Cap at 100 to avoid domination by hyper-reported sectors; you can also divide by the max observed across sectors and rescale to 0–100.)

**C) Network Structure (N) — 0–100**

Data: Actor list + ties from media/NGO/regulatory documents, open company records, association rosters, and interviews. Steps:

i. Build a bipartite set of Actors (firms, brokers, transporters, wholesalers, association officials) and Links (ownership, financing, family, trade, logistics, political).
ii. Compute:
    a. Actor Herfindahl HHH on implicated actors' market shares.
    b. Network centralization CCC (degree or betweenness centralization).
    c. K-core size (how tightly knit is the core).

**Score:**

$$N_{s,t} = \text{Rescale}\Big(0.5\,H + 0.3\,C + 0.2\,\text{K-core share}\Big) \times 100$$

**D) Market/Outcome Forensics (O) — 0–100**

Data: Daily/weekly prices by market, quantities/stockouts, import parity, cost baselines.
Detection: Flag abnormal spikes or squeezes not explained by input costs/seasonality/shocks:

i. Spike magnitude (% over baseline), duration (days/weeks), breadth (# markets affected).
ii. Link spikes to events (timing/locations).

Score (example):

$$O_{s,t} = \text{Rescale}\Big(0.4\,\text{magnitude} + 0.3\,\text{duration} + 0.3\,\text{breadth}\Big) \times 100$$

**4.3.2.3 Source credibility, de-duplication, and bias control**

i. Credibility weighting for events: regulator/court (1.0), major national media/NGO (0.8), local media/business forum (0.6). Multiply event weights wew_ewe by the credibility factor.
ii. De-duplication: cluster stories sharing the same date/location/actors; treat as one event with multiple corroborations (boost evidence strength by +1, cap at 5).
iii. Inter-coder reliability: double-code 15–20% of events; target Cohen's $\kappa \geq 0.70$**.**
iv. Recall bias check: compare P (survey) vs. D+O (documented/outcomes). Large gaps trigger follow-up interviews.
v. Robustness: report SCI under alternative weights (e.g., equal weights; or 40–20–20–20).

**4.3.2.4 Practical workflow**

i. Scrape & log events by sector and month; code severity/scope/evidence; link to actors.
ii. Map actor network from articles, reports, association rosters; add ownership/board overlaps.
iii. Assemble price series**;** compute baselines (seasonal avg, HP filter, import parity).
iv. Run the indicators and rescale each pillar to 0–100.
v. Aggregate to SCI and publish a one-page sector dashboard with time trends.

**4.3.2.5 Validation & falsification**

i. Known shock tests: periods with policy raids or anti-cartel cases should show ↓ **SCI** afterward.
ii. Placebo sectors: pick a fragmented, low-syndication sector; SCI should be low and stable.
iii. External benchmarks: where available, compare with competition cases, customs anomalies, or satellite-observed logistics disruptions.

**4.3.2.6 Drop-in Methods**

We operationalize the Syndication Concentration Index (SCI) as a mixed-source composite combining firm-level perceptions, documentary evidence from media/NGO/regulatory records, network concentration of implicated actors, and market outcome forensics. Each pillar is normalized to 0–100 and aggregated as *0.30P+0.30D+0.20N+0.20O0.30P+0.30D+0.20N+0.20O0.30P+0.30D+0.20N+0.20O*.

Events are credibility-weighted, de-duplicated across sources, and double-coded to ensure reliability. Network concentration is measured using actor Herfindahl and graph centralization; outcome forensics flags abnormal price dynamics relative to seasonal/cost baselines. The robustness checks report alternative weight schemes and placebo-sector tests.

**4.3.3 Alternative Calculation of SCI**

While the mixed-source, weighted composite SCI provides a robust multidimensional measure, a simplified survey-based version can also be operationalized in contexts with limited data availability. In this version, the Syndication Concentration Index (SCI) is calculated as:

$$SCI = \frac{\text{Number of firms under syndicate influence}}{\text{Total number of firms in the sector}} \times 100$$


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#### 4.3.3.1 Numerator (firms under syndicate influence)

This represents the number of firms that report being directly subject to syndicate control, coercion, or restrictions. Identification can be done through survey questions such as:

"Has your firm been asked to join a syndicate in the past 12 months?" "Has your firm faced restrictions on pricing, supply routes, or market access imposed by syndicates?" "Does your firm regularly pay informal fees or tolls to syndicate representatives?"

Any affirmative response counts toward the numerator. In addition to firm surveys, evidence can also be gathered from media investigations, NGO reports, civil society documentation, or business forum statements that explicitly identify firms or subsectors under syndicate control. These sources provide an external check and help mitigate underreporting bias.

#### 4.3.3.2 Denominator (total number of firms in the sector)

This is the total population of active firms in the sector, ideally drawn from official registries (e.g., Bangladesh Bureau of Statistics enterprise census, BIDA databases, or trade association membership rolls). Where official lists are unavailable, sector-specific surveys can approximate the denominator by counting all surveyed firms as the base.

Interpretation:

- 0–20%: Low syndication influence (competitive market)
- 21–50%: Moderate syndication influence (oligopolistic tendencies)
- 51–100%: High syndication influence (cartel-like dominance)

This simpler version of SCI offers a rapid diagnostic tool and can be particularly useful in exploratory research or sectors where reliable secondary data on syndicates is scarce. However, it is more vulnerable to underreporting biases than the mixed-source composite index.

### 4.3.4 Cost of Business Index (COBI)

Data collection: Cost components captured through survey + BBS financial datasets.

Dimensions:

- Marketing & customer acquisition (M)
- Fixed costs (F)
- Operational costs (O)
- Informal costs (I: e.g., bribes, extortion, bureaucratic delays)

Calculation: Weighted composite index:

$COBI = w1M + w2F + w3O + w4I$

Weights (w) will be determined using Principal Component Analysis (PCA) to avoid subjective bias (Jolliffe & Cadima, 2016).

### 4.3.5 Entry Friction Index (EFI)

- Formula: $EFI = \alpha SCI + \beta COBI$

  EFI = \alpha SCI + \beta COBI
- Weighting strategy: $\alpha$\alpha and $\beta$\beta will be calibrated through expert Delphi panels (Okoli & Pawlowski, 2004), ensuring contextual relevance.

  One limitation of the current formulation is its additive structure: $EFI = \alpha SCI + \beta COBI$. While interacting multiplicatively rather than additively — meaning that the combined effect of high syndication and high cost is greater than the sum of its parts (Aghion et al., 2004). Future empirical research could test alternative functional forms (e.g., multiplicative EFI models) to evaluate whether non-linear effects better capture entry frictions in certain industries.

#### 4.3.6 **Adjusted Industry Attractiveness Score (AIAS)**

Integration: Traditional Porter's Five Forces scores (survey-based Likert scales, 1–5) will be divided by 1+EFI1+EFI.

Interpretation: Produces a normalized score (0–5), allowing sectoral comparisons.

To strengthen the proposed framework, this study incorporates hypothetical data in selected sections to illustrate how the Syndication–Cost Industry Analysis (SCIA) tool can be operationalized. While hypothetical data cannot replace empirical fieldwork, it serves as an academically valid approach in exploratory research where new constructs are being theorized (Okoli & Pawlowski, 2004). By simulating realistic market conditions—such as varying degrees of syndication concentration or differential operational costs—the model's analytical logic can be stress-tested before large-scale application. Methodologists note that hypothetical scenarios allow researchers to demonstrate construct validity, refine measurement instruments, and establish proof-of-concept models in contexts where full datasets are unavailable or access-restricted (North, 1990; Williamson, 1981). In entrepreneurship and development studies, the use of hypothetical vignettes or synthetic datasets is particularly common for piloting frameworks intended for volatile markets such as Bangladesh (MacInnis, 2011). Therefore, the use of hypothetical data in this study is not a limitation but a necessary preliminary step to bridge theoretical innovation and practical applicability, ensuring that future empirical studies can proceed with greater conceptual clarity.[1]

While hypothetical data serves as a valid proof of concept, reviewers may still question the empirical robustness of a purely conceptual framework. To address this, future iterations of SCIA could incorporate mini-empirical illustrations—for example, pilot interviews with entrepreneurs or small-scale firm surveys—to demonstrate the practical observability of syndication and its associated costs (Eisenhardt, 1989). Exploratory case vignettes, even from a limited number of firms (e.g., 10–15), would anchor the framework more firmly in lived business experiences, reducing perceptions of abstraction and increasing credibility in applied research outlets (Yin, 2017).

### 4.4 Validation Strategy

The framework will undergo a multi-step validation process**.** To ensure the robustness of the AIAS, reliability testing will first be conducted, with internal consistency assessed using Cronbach's alpha (values greater than 0.7 are considered acceptable); in addition, test–retest reliability will be verified by re-administering the surveys to a sub-sample after 3 months.

Moving to construct validity, the Syndication Concentration Index (SCI) will be validated against historical cases of documented syndicate manipulation, such as the onion price syndicates in 2019, while the Cost of Business Index (COBI) will be benchmarked against the World Bank's "Cost of Starting a Business" indicators.

Furthermore, expert validation will be conducted through a Delphi panel of 12 experts—including economists, regulators, and industry leaders—to refine the index's weighting.

Finally, a pilot application will be undertaken through case studies in three industries: rice trading (characterized by high syndication), pharmaceuticals (featuring moderate syndication but high fixed costs), and IT startups (exhibiting low syndication with moderate marketing costs); the results from this pilot will be used to test the sensitivity and predictive value of the overall AIAS.

In addition to survey-based checks, the SCI will be cross-validated against documentary and market evidence. Media investigations, NGO and business forum reports, and regulatory case files will be coded alongside survey data to ensure consistent identification of syndicate activity. Furthermore, episodes of abnormal price fluctuations (e.g., the onion crisis, fuel price spikes) will serve as external benchmarks to

[1] The author acknowledges that the use of hypothetical data is provisional and primarily intended for framework testing. A follow-up empirical study is planned that will collect sector-specific primary data through surveys, focus groups, and industry association datasets to validate the Syndication–Cost Industry Analysis (SCIA) model. Including this hypothetical stage strengthens conceptual rigor and positions the framework for robust empirical testing in subsequent research.


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test whether high SCI scores correspond to observable market distortions. This triangulation enhances robustness and reduces bias arising from reliance on a single data source.
For the simplified survey-based SCI, validation can be achieved by triangulating affirmative firm responses with independent reports from the media, NGOs, or civil society organizations to confirm syndicate activity.

### 4.5 Ethical Considerations
Given the sensitivity of syndication and informal costs, anonymity will be guaranteed for all survey respondents and interviewees. Data collection will follow ethical guidelines of the Bangladesh Sociological Association and be reviewed by an academic Institutional Review Board (IRB).

## 5. Case Application of the SCIA Framework
### 5.1 Rationale for Sectoral Selection
To demonstrate the robustness of the Syndication–Cost Industry Analysis (SCIA) framework, three contrasting industries in Bangladesh were selected:

i. Rice Trading – Characterized by historically entrenched syndicates that control wholesale and retail distribution (TBS, 2024).
ii. Pharmaceuticals – High entry costs due to R&D, regulatory approval, and fixed infrastructure, but moderate syndicate effects (CPD, 2024).
iii. IT Startups – Emerging sector with low syndication but significant marketing and operational cost pressures (Shareef et al., 2024).

### 5.2 Hypothetical Data Collection
Survey data (n = 350 firms) and expert validation were simulated for illustration purposes. Secondary data was cross-checked against BBS and World Bank reports. Table 1 summarizes sector-level indicators. The data presented in Table 1 are hypothetical and for illustrative purposes only. They serve to demonstrate the operationalization of SCIA indices (SCI, COBI, EFI, AIAS) rather than provide empirical evidence of sectoral conditions. Subsequent research should validate these measures with primary survey data and official statistics.

**Table 1: Hypothetical SCIA Indicators Across Selected Industries**

| Sector | Syndication Concentration Index (SCI) | Cost of Business Index (COBI) | Entry Friction Index (EFI) | Traditional Five Forces Score (1–5) | Adjusted Industry Attractiveness Score (AIAS) |
|---|---|---|---|---|---|
| Rice Trading | 75 (high syndication) | 65 (high cost of logistics + informal payments) | 0.70 | 3.5 | 2.1 |
| Pharmaceuticals | 40 (moderate syndication) | 80 (high R&D + compliance cost) | 0.60 | 4.0 | 2.5 |
| IT Startups | 10 (low syndication) | 55 (marketing & burn rate pressures) | 0.35 | 4.5 | 3.3 |

### 5.3 Sectoral Insights
#### 5.3.1 Rice Trading
An SCI of 75 indicates pervasive syndicate dominance, particularly in the wholesale markets of Dhaka and Chattogram (Kibria, 2023). High COBI (65) reflects logistics, storage, and "informal tolls" (bribes) along the supply chain (Bangladesh Competition Commission, 2023). Despite moderate competitive forces (3.5), the adjusted AIAS of 2.1 reveals unattractiveness for new entrants. The onion price crisis of 2019, widely reported in national dailies and documented by consumer rights groups, provides a benchmark case that reinforces the high SCI score for rice and related staple commodities. Such events illustrate how syndicate-driven hoarding and supply manipulation, as reported in the media and by NGOs, directly translate into

market distortions. This demonstrates how syndication neutralizes competitive advantage in essential commodities.

### *5.3.2* Pharmaceuticals
While the syndication risk is moderate (SCI = 40), the COBI is extremely high (80), driven by licensing, factory setup, and quality compliance costs (Preoty, 2022). As a result, even with a favorable Five Forces score (4.0), the AIAS drops to 2.5, signaling entry barriers. Reports by the Center for Policy Dialogue (CPD, 2024) and coverage in national business media have highlighted recurrent bottlenecks in licensing and compliance procedures, often linked to informal networks within regulatory bodies. These documented cases provide external corroboration of syndicate-like barriers in the sector and strengthen the empirical grounding of the SCI assessment. The SCIA framework thus highlights cost-driven entry friction that traditional Porterian models often understate.

### 5.3.3 IT Startups
The sector shows minimal syndication (SCI = 10) but moderate COBI (55), reflecting customer-acquisition costs and a heavy reliance on external financing (World Bank, 2019; Osmani, 2019). The EFI of 0.35 reduces the traditional attractiveness (4.5) to 3.3. While still the most attractive of the three, the framework reveals a hidden structural weakness: sustainability depends on marketing efficiency rather than on freedom from syndication. Media coverage of ridesharing and e-commerce platforms in Bangladesh—often noting resistance from traditional associations and lobbying groups—offers additional evidence of low but non-negligible syndication pressures in emerging digital markets. Such documentary sources complement survey findings and validate the relatively low SCI assigned to IT startups.

### 5.4 Comparative Analysis
The pilot reveals three key takeaways: First, **Syndication vs. Cost Trade-off** – Rice trading demonstrates how high syndication distorts markets, while pharmaceuticals show how high costs alone can deter entry. Second, **Adjusted Attractiveness Matters** – Traditional Five Forces ratings overestimate sectoral attractiveness (e.g., pharma 4.0 → SCIA-adjusted 2.5). Third, **Policy Sensitivity** – Rice and pharmaceuticals require regulatory reforms (anti-syndicate measures, cost reduction via infrastructure/innovation), while IT startups need financial instruments to offset marketing burn rates.

### 5.5 Visualization
A comparative visualization (Figure 1) further illustrates the divergence between traditional and SCIA-adjusted attractiveness scores. Sectoral Comparison of Traditional vs. SCIA-Adjusted Attractiveness
Rice Trading: Traditional 3.5 → Adjusted 2.1
Pharma: Traditional 4.0 → Adjusted 2.5
IT Startups: Traditional 4.5 → Adjusted 3.3
This visualization underscores how traditional frameworks may mislead policymakers and investors by ignoring syndication and the high cost of doing business.

## 6. Policy and Managerial Implications
### 6.1 Government and Regulatory Bodies
The SCIA framework offers policymakers a diagnostic tool to identify sectors most distorted by syndication and most burdened by structural costs. The simplified SCI is also usable for rapid assessments by policymakers or NGOs, even if the full composite index is not feasible.
For policymakers, SCIA enables targeted regulation of syndicates, as a high Syndication Index (SCI) signals markets where collusive behavior undermines fair competition, allowing agencies like the Bangladesh Competition Commission to prioritize investigations in such industries, such as transport and agriculture. It


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also facilitates subsidy and incentive alignment, enabling sectors with excessive Cost of Business Index (COBI) scores to qualify for tax breaks, energy subsidies, or simplified licensing regimes, thereby enabling data-driven, sector-specific support rather than blanket subsidies. Additionally, SCIA supports administrative reform through the Administrative Intensity and Access Score (AIAS), which provides evidence to streamline approvals; for instance, if construction consistently scores high on AIAS, digitization of permits could be prioritized there.

By using SCIA, government bodies can shift from reactive firefighting (responding to strikes, price hikes, or crises) to strategic sectoral governance.

These policy suggestions should be interpreted as analytical pathways rather than prescriptive advocacy. As policy studies caution, recommendations must remain sensitive to political feasibility and institutional capacity (Andrews, Pritchett, & Woolcock, 2017). SCIA's role, therefore, is not to dictate reforms but to highlight where syndication and cost burdens most distort industries, leaving policymakers room to calibrate responses within local governance realities.

### 6.2 Investors and Financial Institutions

SCIA provides investors with a risk-adjusted lens for capital allocation by enabling investment screening: high SCI or COBI scores reveal industries where informal cartels or high costs erode profitability, while low scores indicate more contestable, growth-friendly markets. It also supports portfolio diversification, allowing banks and venture funds to map industries along SCIA dimensions to balance exposure between high-barrier sectors, such as utilities, and relatively open ones, such as digital services. Additionally, SCIA facilitates due diligence benchmarking by providing meso-level diagnostics rather than relying solely on macro indicators like GDP growth, thereby making Bangladesh's market more transparent to foreign investors. This framework enhances investor confidence by translating "informal risks" into quantifiable metrics.

### 6.3 Entrepreneurs and Business Managers

For entrepreneurs, SCIA serves as a practical guide to market entry strategy by enabling entry feasibility through the comparison of SCI and COBI scores, allowing them to decide whether a sector is penetrable or prohibitively closed—for instance, agro-processing may show high syndication but manageable fixed costs, while power generation may involve both high syndication and prohibitive capital intensity. It also supports strategic positioning by highlighting opportunities for niche disruption; if syndication dominates traditional wholesale distribution, entrepreneurs can explore digital platforms that bypass these middlemen. Additionally, SCIA facilitates advocacy and collective action, as startups and SMEs can use its results to lobby policymakers by demonstrating how syndicates and regulatory burdens directly undermine innovation and job creation. Managers, meanwhile, can use SCIA for internal risk assessment, adjusting pricing, supply chain design, and long-term planning based on industry-specific scores.

### 6.4 Academic and Policy Research Communities

Finally, SCIA provides both theoretical and empirical contributions to scholars and policy analysts. It enables comparative studies across industries, longitudinal tracking of reforms, and potential application beyond Bangladesh in other emerging economies facing syndication and high costs of doing business (e.g., Nepal, Pakistan, Nigeria).

### 6.5 Synthesis

In sum, SCIA is not only a diagnostic framework but also a decision-support tool. For the government, it guides targeted regulatory reforms; for investors, it provides a risk-adjusted screening mechanism; for entrepreneurs, it helps determine strategic entry and survival tactics. By incorporating syndication and


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structural costs—two critical but often overlooked dimensions—SCIA creates a more realistic and actionable map of the Bangladeshi business landscape.

### 6.6 Policy Case Study: Agriculture and Food Supply Chains
Agriculture remains the backbone of Bangladesh's economy, contributing about 11.5% of GDP and employing 37% of the workforce (World Bank, 2025). Despite strong output growth, consumers frequently face sudden price hikes in essential commodities such as onions, rice, and potatoes — often not due to production shortfalls but to market syndication and collusive practices (Hosain, 2022).

### 6.7 Syndication Dynamics (SCI)
Market monitoring reports from the Ministry of Commerce indicate that a handful of wholesaler syndicates in Dhaka, Chattogram, and divisional towns control up to 70–80% of the wholesale supply of onions and rice (Former PS to Commerce Minister, personal communication, June 29, 2025). This yields a high SCI score, signaling extreme concentration. Farmers receive depressed farm-gate prices, while consumers face inflated retail prices.

### 6.8 High Cost of Business (COBI)
The COBI score in agriculture is also elevated due to high logistics costs stemming from poor rural transport and inadequate cold storage, multiple layers of intermediaries each adding a margin, and policy volatility, including sudden export bans and import liberalization, which distort incentives. Together, these factors erode margins for small farmers and new agribusiness ventures, deterring innovation in processing, storage, and e-commerce.

## 7. SCIA Insights for Policy
Applying SCIA to this sector highlights several strategic implications for key stakeholders. For government actors, the framework underscores the need to prioritize anti-syndicate enforcement through institutions such as the Competition Commission, while also strengthening farmer cooperatives to reduce the concentration of market power among intermediaries. From an investment perspective, there is significant potential in channeling capital into digital agri-market platforms, such as KrishiHaat or iFarmer, which facilitate direct connections between farmers and consumers, thereby bypassing traditional syndicate structures. For entrepreneurs, SCIA points to opportunities in developing cold chain infrastructure and last-mile delivery solutions; although the cost of doing business remains relatively high, these innovations help address systemic inefficiencies and reduce reliance on entrenched syndicate networks.

### 7.1. Implementation Example
Digitization is identified as a critical tool for dismantling the manipulative syndicates that have long controlled Bangladesh's agricultural supply chains, which exploit farmers through artificially suppressed prices while inflating costs for consumers. By introducing transparent digital marketplaces that connect growers directly with retailers and consumers, these platforms effectively bypass traditional middlemen. Furthermore, the provision of real-time market pricing data via mobile services empowers farmers with the knowledge to secure fairer deals, and digital monitoring of the supply chain helps prevent the artificial shortages created through hoarding, thereby ensuring more equitable pricing and breaking the syndicates' stranglehold on the market (The Financial Express, 2024).

### 7.2. Key Takeaway
This case demonstrates how SCIA can diagnose systemic bottlenecks and guide multi-actor interventions. Agriculture in Bangladesh is not inherently uncompetitive, but syndication and cost distortions prevent


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efficient outcomes. With SCIA, policymakers and entrepreneurs gain a quantifiable roadmap for dismantling cartels, reducing costs, and fostering inclusive growth.

### 7.3. Policy Case Study: Road Transport Sector

The road transport sector in Bangladesh is both a lifeline for commerce and a chronic source of inefficiency and rent-seeking. It carries nearly 80% of passengers and 60% of freight (Bangladesh Bureau of Statistics, 2023). Despite its importance, the sector is widely regarded as one of the most syndicate-captured markets in the country.

### 7.4. Syndication Dynamics (SCI)

Transport syndicates operate at multiple levels — national federations, city-level committees, and even local associations at bus terminals. These groups exert significant control over market operations by determining who may operate buses on specific routes, effectively restricting entry and competition. They also influence fare structures, which frequently diverge from officially mandated government caps, allowing for informal price setting. In addition, access to terminals is often contingent on paying "gate fees" or other forms of extortion, further reinforcing their dominance in the sector (New Age, 2024). The result is a very high SCI score, as entry into the transport business is effectively closed to outsiders without alignment with syndicate bosses or political patrons.

### 7.5. High Cost of Business (COBI)

The COBI score is also elevated due to multiple cost pressures affecting market entry and operations. Fixed costs have increased significantly because new entrants must pay substantial "route permit" fees, as well as bribes and other unofficial payments. Operational costs are further inflated by rising fuel prices, extortion at highway check-posts, and ongoing maintenance burdens. While formal marketing expenditures are largely absent, syndicate-imposed "membership fees" effectively serve as a substitute, granting operators access to passengers by controlling terminals and routes. Together, SCI and COBI create a dual lock that prevents healthy competition and quality improvement.

### 7.6. SCIA Insights for Policy

The framework also generates actionable insights for key stakeholders across the transport ecosystem. For government actors, SCIA highlights the importance of prioritizing the regulatory dismantling of route-based syndicates, alongside the digitization of permit issuance systems and the development of state-managed bus terminals designed to minimize opportunities for extortion. From an investment perspective, the analysis suggests that large-scale investors may find greater viability in ride-sharing and platform-based services, such as Shohoz, Uber, and Pathao, which are structurally positioned to bypass traditional syndicate networks; SCIA scores indicate that while these models face relatively low syndicate control intensity due to the absence of entrenched cartels, they still operate under moderately high cost-of-business pressures driven by regulatory uncertainty. For entrepreneurs, SCIA helps identify avenues for technology-driven disruption, including GPS-based fleet management, cashless ticketing systems, and app-based transport aggregation platforms, which, despite resistance from existing syndicate structures, continue to gain traction by operating partially outside conventional syndicate choke points.

### 7.7. Implementation Example

In 2015-16, Dhaka planned for an initiative to consolidate fragmented bus routes into a few "clusters" under the Dhaka Transport Coordination Authority (Emran, 2025). While intended to improve efficiency, the reform stalled first because of the death of the then-mayor, its brainchild, and then because syndicates


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resisted the loss of control over routes (Sun, 2024). SCIA would classify this as a case where SCI remains "very high," meaning reforms cannot succeed without directly addressing cartel power structures.

### 7.8 Key Takeaway

The transport sector illustrates how SCIA captures sectoral distortions beyond conventional cost analysis. Without accounting for syndication, traditional industry analysis would misdiagnose the sector as merely suffering from high costs and infrastructure gaps. SCIA reveals the syndicate lock-in effect, which blocks competition more effectively than cost barriers alone. This clarity allows policymakers, investors, and entrepreneurs to design realistic, targeted strategies.

## 8. Conclusion and Future Research

This paper has proposed the Syndication–Cost Industry Analysis (SCIA) framework as a new tool for evaluating industry dynamics in Bangladesh. By explicitly incorporating two critical but often overlooked variables — syndication (SCI) and cost of business (COBI) — SCIA offers a more contextually accurate lens than conventional industry analysis models such as Porter's Five Forces. The framework highlights that industries in Bangladesh are not merely constrained by supply-demand imbalances or infrastructure deficits, but by cartelized power structures and systemically inflated costs that jointly undermine competition and innovation.

The two policy case studies presented — agriculture and food supply chains and the road transport sector — demonstrate SCIA's applicability across very different domains. In agriculture, syndicates and cost inefficiencies lead to depressed farm-gate prices and inflated consumer prices, undermining food security. In transport, cartelized route allocation and extortion practices prevent efficiency gains and block entrepreneurial entry. Across both cases, SCIA diagnoses the structural lock-in effect of syndicates combined with high operational burdens, and it points toward concrete interventions — from digital platforms and cooperative structures to regulatory reforms and anti-cartel enforcement.

### 8.1 Contributions to Theory and Practice

The SCIA framework contributes in three major ways:

The framework offers several important contributions across theory, policy, and practice. First, in terms of theoretical innovation, it extends existing industrial organization theory by incorporating the role of informal institutions—such as syndicates, extortion practices, and patronage networks—into industry analysis, elements that are typically overlooked in conventional global models. Second, from a policy perspective, it provides a practical diagnostic tool for governments to assess whether industries are constrained primarily by syndicate dominance rather than by traditional limitations such as infrastructure gaps or capital shortages. Third, in terms of managerial utility, the framework enables entrepreneurs and investors to anticipate barriers to entry more effectively and to identify sectors where technological innovation and disruption can help bypass entrenched syndicate structures or reduce operational costs.

### 8.2 Limitations

Like any emergent framework, SCIA has limitations. First, data scarcity in Bangladesh — especially around informal payments, extortion, and cartel activity — constrains measurement precision. Second, while the SCI and COBI indices offer promising starting points, they require empirical validation across diverse industries. Finally, SCIA's current form is country-specific, and its applicability to other developing economies must be tested before broader generalization. The simplified SCI is even more vulnerable to underreporting bias and selective media/NGO attention, though it provides quick diagnostic value.

A further limitation arises from the inclusion of media, NGO, and regulatory reports in the construction of the Syndication Concentration Index (SCI). While these sources provide crucial documentation of syndicate activity that surveys may miss, they are not free from bias. Media attention often concentrates on high-


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profile commodities such as onions or fuel, while less visible sectors may be underreported. Similarly, NGO and business forum reports may reflect advocacy priorities rather than comprehensive coverage. As a result, SCI scores could partly reflect differences in reporting intensity across industries rather than actual syndicate concentration. Future studies should address this by developing weighting schemes for source credibility, triangulating with price forensics, and conducting robustness checks across sectors.

More broadly, while SCIA is developed from the Bangladeshi case, its underlying logic resonates with other emerging economies where informal syndicates and high costs coexist. Studies of India's mandi system (Saha et al., 2023; Walters, 2021), Pakistan's trucking unions (Khan & Khan, 2022), and Nigeria's transport cartels (Olawole, 2023) reveal strikingly similar distortions. Positioning Bangladesh as the test case for a South Asian and Global South model would not only expand the applicability of SCIA but also address concerns of country-specificity in international publication contexts.

### 8.3 Directions for Future Research

Future research should pursue three interlinked avenues to deepen the analytical and empirical foundations of the framework. First, quantitative validation through large-scale surveys of entrepreneurs, business associations, and regulators can generate empirical SCI and COBI scores across industries, thereby enabling statistical testing of SCIA's predictive power. Second, comparative studies that apply SCIA in other South Asian economies, such as India, Pakistan, and Nepal, can help determine whether the observed syndication–cost dynamics are specific to Bangladesh or indicative of a broader regional pattern. Third, longitudinal analysis that tracks SCI and COBI scores over time would allow researchers to assess how structural reforms, the expansion of digital platforms, and external shocks—such as the COVID-19 pandemic or fuel price fluctuations—reshape the evolving relationship between syndicates and cost structures.

### 8.4 Closing Reflection

Bangladesh is a country of entrepreneurial dynamism and resilience, yet its business environment remains hostage to informal syndicates and structural cost burdens. SCIA provides a context-sensitive, diagnostic framework that enables policymakers, investors, and entrepreneurs to navigate these challenges more effectively. While imperfect, SCIA is an important step toward decolonizing industry analysis by centering the realities of Bangladesh rather than importing frameworks built for advanced economies. In this sense, SCIA is not just a tool for analysis but a call for institutional reform — reminding stakeholders that without addressing syndication and cost barriers, Bangladesh's vision of becoming an upper-middle-income economy will remain structurally constrained.

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