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THE NATURE AND PROBLEMS OF MARKETING MANAGEMENT OF PAPER INDUSTRY IN BANGLADESH

Dr. Mokhlesur Rahman*

ABSTRACT

This study aims at analyzing the existing practices and problems of marketing management of public sector paper enterprises in Bangladesh and suggesting some measures to mitigate the problems in the light of the study and findings.

For the purpose of the study, both primary and secondary data were used. Locally published journals, magazines and newspapers were searched for related information and comments about paper enterprises.

The study reveals that the marketing management of the public sector paper enterprises is not free from defects. The distribution channel of the mills were found defective, the respective mill could not sell their product to the genuine customers because these are largely regulated by the government. The selling price is fixed by the government. It is observed that selling price was always lower than the cost of production. As a result, the enterprises have been incurring losses every year. Furthermore, the marketing operations of paper enterprises are seriously hampered because of the unplanned and unrestricted import of paper products by the private sector. The other problems associated with marketing management are absence of marketing information and research activities, absence of promotional activities, inadequate communication, etc.

The measures suggested are that the authority of price fixation should be given to the respective mill management, absolute authority should be given to mill management to select the right customer, promotional programmes should be strengthened, marketing research activities should be geared up, import policy of the government should be more effective, system of management audit should be introduced etc.

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*Professor, Department of Management, Rajshahi University.

1. Introduction

Marketing (Management) is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational objectives.

The other useful definitions of marketing (management) are (i) Marketing is a process by which an organisation relates creativity, productivity and profitability to the market place; (ii) Marketing is the art of creating and satisfying customers at a profit; (iii) Marketing is getting the right goods and services to the right people at the right place at the right time at the right price with the right communications and promotions.[1]

Marketing is as important to a small firm as it is to a large one. "No firm, large or small can stay in business if it does not sell its products."[2] Similarly in a wider context no country, great or small can prosper by ignoring this important aspect of economic life.

Marketing has traditionally been the forgotten area of economic thinking in our country. Marketing contributes to the greatest needs: that for the rapid development of entrepreneurs and managers, and at the same time it may be the easiest area of managerial work to get going.[3]

Marketing can convert latest demand into effective demand. It cannot, by itself, create purchasing power. But it can uncover and channel all purchasing power that exists.[4]

Sales is the end purpose of production of any commodity. It generates revenue, creates flow of cost in an organisation. A sale with considerable profit margin improves profitability also which in turn increase the financial strength of an organisation. A marketing department of any manufacturing concern is bestowed with the duties of its entire sales management.

Paper industry is one of the key and major industries of the country. It has a special significance in the country for the

educational, cultural and economic development of the people.[5] Marketing environment for the products of paper enterprises of Bangladesh is of still a questionable dimension. This is due to problems in pricing, absence of promotional activities, problem in distributional channel, anomalies in quota allocation, blackmarketing, absence of information and research activities, etc.

Considering the significance of marketing management, this study aims at analyzing and identifying the natures and problems of marketing management in the public sector paper enterprises of Bangladesh and suggesting some measures to mitigate the problems in the light of the findings of the study.

2. Objectives of the Study

The main objectives of the study is to bring into focus the marketing management system followed by public sector paper enterprises in Bangladesh. To achieve the main objective, the study covers the following specific objectives:

(1) To examine the existing marketing practices of paper products of the mills concerned.

(2) To highlight marketing mix policies of selected enterprises.

(3) To analyse the distribution practices of the mills' management.

(4) To identify the marketing management problems associated with the paper industry of Bangladesh.

(5) To offer some suggestions to overcome these problems.

3. Methodology of the Study

Both primary and secondary sources of information were collected and used for the purpose of the study. Primary data have been collected by interviewing the employees of three selected public sector paper mills namely: Karnaphuli Paper Mills, Khulna Newsprint Mills and North Bengal Paper Mills.

Two sets of questionnaires had been prepared in the light of research objectives, one for the workers and another for the executives of mills concerned. The main source of secondary data were Annual Reports of the selected enterprises, publication of BCIC, Government publications and other relevant publications. Locally published journals, magazines, and newspapers were searched for related information and comments about paper enterprises.

4. Findings and Analysis

One of the significant aspect of paper enterprise management in respect of production and sales activities is that the management of the individual unit concerned was given the responsibility to turn out production of fulfil the target set for them by the corporation but they did not have the power to sell the product to the best and genuine customer at the best possible price.

The government regulates largely the marketing of paper and newsprint. Physical distribution is effected through dealers and agent who are appointed by the government with definite quota for each. Mill management is under an obligation to supply the dealers and agents their designated quota. These middlemen collect the paper at fair price from the mill and sell it in the open market at excessively high price.

It is a common phenomena that most of the time acute scarcity and high price of white paper in the country specially in rural areas causes much inconveniences to the people particularly to the students. The unscrupulous traders take full advantage of the situation and sell white paper at an exorbitant rate in different markets of the country. The poorer section of the people are worst hit and find it extremely difficult to purchase white paper for their school and college going children. The price of newsprint along with all other kinds of paper very often shoot up abnormally due to irregular supply, blackmarketing and speculation.[6]

4.1 Sales Mix Analysis

The sales mix analysis of Karnaphuli Paper Mill shows that the enterprise while under private management, had market for its products in Bangladesh, the then West Pakistan and foreign countries. It lost its market in West Pakistan after liberation. During the pre-liberation period, outside sale was predominant and domestic consumption was only less than 40 per cent on the average. But the trend had changed tremendously after liberation. The KPM had to bank upon domestic market and the local consumption became more than 90 per cent of the total sale after liberation. During 1981-82 to 1993-94, the Karnaphuli Paper Mill has been exporting its products to foreign countries, although the quantity is not so significant. It could not export its production in 1985-86, 1990-91 and 1993-94. The sales mix analysis of Khulna Newsprint Mill shows that during pre-liberation time, the total sales volume of the enterprise had an increasing trend. But just after liberation it went down sharply. In recent years, the sales performance again has improved substantially.[7] The information reveals that export sales during pre-liberation time accounted for about 20 per cent of the total sales, whereas it is 45 per cent during post-liberation time. It is further observed that the quantum of export sales during early years of the post-liberation period went up very sharply showing more dependence on exports. Concerted effort was made to develop export market firstly for earning foreign exchange and secondly, for maintaining continuous production and employment.

The paper product of North Bengal Paper Mill is very bright and therefore have acceptability in foreign market. The products have both consumer and industrial demand. The purpose of establishing NBPM was to satisfy the paper needs of the country as well as to export the surplus product abroad. At the moment, no export is made of NBPM products. All the paper products are sold within the country. The mill does not maintain any sales

offices in the various markets of the country. The appointed dealers deposit money in the bank and lift paper from the mill at specified price.

4.2 Sales Revenue Analysis

Sales revenue is the product of the quantity sold and the selling price per unit of sales quantity. The profitability of an enterprise depends on the ability to earn more sales revenue. The information about sales revenue of Karnaphuli Paper Mill reveals that upto the year 1970, more than 60 per cent of gross revenue came from outside sales whereas after liberation of Bangladesh, it came down to less than 10 per cent of the total revenue.

The analysis of sales revenue of Khulna Newsprint Mill shows that the total revenue in post-liberation days went up by 10 times compared with that of pre-liberation days whereas revenue from export came down sharply. In recent times, the sales revenue per ton of paper is found always lower than the cost of production. The sales revenue analyses of North Bengal Paper Mill shows that the revenue of selling has gone up by more than ten times over the last couple of years. Although the quantity of sales was doubled over the same period, this was due to slight increase in price.

4.3 Pricing Aspect

Pricing is the key element of marketing mix because it is only element which fetches revenue. Ironically the paper enterprises of their own have no authority to fix the prices of their product. Even the Corporation does not have the authority to fix the price. It is the government who controls the selling price of paper products. Prices of paper products are very much unrepresentative of cost of production. Virtually all the mills had to sell below cost of production since liberation of Bangladesh.

During pre-liberation period the selling price of paper products was always more than the cost of psroduction, whereas after liberation, the government always fixed prices below the

cost of production. In spite of the increase in cost of production of paper and newsprint, the government fails to increase the selling prices. The information also reveals that some increase in selling price after liberation was never sufficient to meet the increase in cost of production. It is interesting to see that whether the price increase was sufficient to cover the cost increase due to external causes. The finding is not at all encouraging. The price was far below the cost increase due to external factors. This is an indication of the existence of defective pricing policy.

The pricing policy of KPM products in respect of domestic sales and foreign sales shows that domestic price is always higher than the outside price. Maximum benefit is received by the foreign customers. During the pre-liberation period, like other countries, West Pakistan also received benefit of lower price than the then East Pakistani consumers perhaps to face competition from paper mills in West Pakistan.

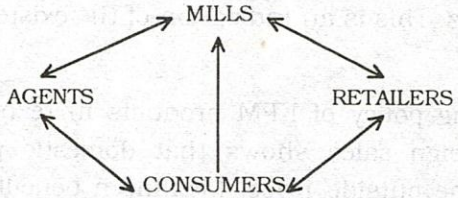
After liberation, Bangladesh had been selling paper products to foreign countries about 25 per cent below the domestic price at least upto 10 years. This was being done because of the limited absorption capacity of the domestic market, shortage of storing facilities, blocking of working capital borrowed at higher rate of interest from banks.

The price of newsprint of KNM and other paper product of NBPM are also fixed by the government without taking into consideration the cost of production and it is always lower than the cost. If the situation remains like this, no plant can be able to make profit unless attempts are made to increase the selling price or to reduce the cost of production.

The five year plans of Bangladesh proposed a few guidelines for price fixation in the nationalised sector. It has been proposed that all corporations/enterprises are free to fix their prices up to 10 per cent over their costs of production and that a special prices and Tariff Commission will keep watch on these costs and prices. However, this commission is yet to be established.[8]

4.4 Distribution System

Any manufacturing concern has to make arrangements for distribution of its products to the consumers. For this purpose, it requires middlemen or media through which goods are distributed to the ultimate buyers. The paper enterprises of Bangladesh under study sell their products through the different distributional channels. The distribution channel is shown as under:



The above diagram shows that there are four types of channels for distributing paper products by the enterprises. These are (a) Mill-Agents-Consumers; (b) Mill-Agents-Retailers-Consumers; (c) Mill-Retailers-Consumers; (d) Mill-Consumers.

The dealers and publishers who lift a major portion of paper products from the mill are appointed by the BCIC. They get their specific quota against their allotment letter which also is issued by the Corporation head office. The marketing department of the mills concerned thus work as a post office i.e. they receive letters from BCIC and issue goods to these channels.

It is observed that many of these traders and publishers get their quota without proper justification. There also have been found tremendous anomalies in quota allocation. Most of the time the dealers and publishers adopt unfair means in distributing papers in the market. They collect papers at fair prices from the mill and sell in the open market at excessively high price. Ultimately the consumers suffer from the shortage of paper and for the high price of paper.

Although the prices of paper in the market has gone up, the mill does not get the increased price because of defective pricing and distribution policy.

4.5 Marketing Communication and Promotion

Marketing communication is the continuous sharing of views and ideas between the buyers and sellers. The manufacturer or seller should communicate to the buyers about their product offering in many ways. The observation reveals that the authority of all the paper enterprises under study does not have a good communication activities in order to sell their product. The promotional programmes such as advertising, personal selling, sales promotion, publicity etc. are almost nil in the paper sector industry. Perhaps the main reason behind it is the absence of competition. BCIC as a corporate office do not have any initiative regarding promotional programmes. It was observed that BCIC does not realise the importance of the promotional activities.

4.6 Marketing Information System (MIS)

A marketing information system is a continuing and interacting structure of people, equipment and procedures to gather, sort, analyze, evaluate and distribute pertinent, timely, and accurate information for use by marketing decision makers to their marketing planning, implementation and control.[9]

Actually MIS is the source for the management to know various data like target markets, marketing channels, prices, competitions, market share, future prospects etc. on the basis of which the management can take marketing decisions. Unfortunately, management of all the paper enterprises is deprived of such decision making benefits. Out of four marketing information systems, i.e. Internal accounting, Marketing intelligence, Marketing research and analytical marketing system, only internal accounting system is available in the mills concerned. The other three system is completely absent in the paper enterprises as well as its corporate office BCIC.

5. Marketing Management Problems

The problems in different areas of marketing management of paper industry of Bangladesh have been somehow focused in

foregoing discussions. On the basis of this discussion, it can be summarised the major problem areas under the following manner which are responsible for adverse profitability position of the mills concerned.

(a) Problem in pricing.

(b) Problem in distributional channel.

(c) Inadequate and improper communication activities.

(d) Absence of marketing information and research activities.

(e) Absence of promotional activities.

(f) Excessive centralisation of authority.

(g) Unplanned and unrestricted import of paper products by the private sector.

6. Suggestions and Recommendations

Paper and newsprint marketing is largely regulated by the government. Physical distribution is effected through dealers and agents who are appointed with definite quota for each. Mill management is under obligation to supply these dealers and agents their designated quota. Under the system the mill management has no authority to sell their product to the best customer. It is therefore recommended that the respective mill management should be given absolute authority to select the right customer and distribute their products in order to avoid artificial crisis and exorbitant prices of paper in the market and to restrict blackmarketing and speculation created by unscrupulous traders.

Since the selling price is fixed by the government, the mill management has nothing to do with it. It is observed that the selling price was always below the cost of production. In some cases export selling price was lower than the variable cost of production. This means that paper enterprises will never be able to make profit if this type of policy is continued. It is therefore recommended that the authority of price fixation should be given

to the respective mill management with some control by the government so that the mills concerned can generate some revenue and at the same time the government can consider the socio-economic conditions of the country.

Since newsprint is one of the major exportable items of BCIC, the Corporation should gear up its efforts to enhance he amount of foreign exchange earning by exporting the newsprint after meeting domestic demand satisfactorily.

In line with the increasing trend in production, the Corporation has to strengthen and streamline its marketing efforts. In order to supplement the endeavour of the marketing department of each paper enterprises, the head office Marketing Division should extend expert assistance to the enterprises in marketing their products efficiently.

It is observed that because of unplanned and unrestricted import of paper products by the private sector, the marketing operations of paper enterprises of the country are seriously hampered. Therefore, it is recommended that there should be an effective import policy of the government regarding import of paper from outside the country and its distribution in the market. Moreover, there should have a proper coordination between private importers and paper mills authorities regarding the sales, distribution and price of papers in the market.

Marketing communication between buyers and sellers, promotional programmes such as advertising, publicity etc. which are almost nil in paper industry should be strengthened. Marketing research activities should also be geared up in paper enterprises of the country.

The introduction of a system of management audit is recommended for the paper industry because it may prove useful in spotting out the weakness and deficiencies in the area of product policy, production policy, customer policy, channel policy, packaging policy, credit policy, pricing policy, transportation and shipment policy, etc.

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HUMAN RESOURCE MANAGEMENT SYSTEM OF SICK INDUSTRIES : A CASE STUEY OF RAJSHAHI SILK FACTORY

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ABSTRACT

This paper presents an analysis of human resource management system in the Rajshahi Silk Factory (RSF). Primary data have been used for data collection. Findings reveal certain gaps in the human resource management system followed by the RSF. Major gaps found are non-measurement of employee attitude and morale, lack of awareness to evaluate the consequences of industrial dispute, absence of following participative management style etc. Suggestions were given to remove the gaps. Among the suggestions offered, evaluation of employee effectiveness, giving emphasis on measuring employee attitude and morale, job redesigning, changing of management's autocratic attitude are worth mentionable.

Introduction

Human resource management means all management decisions and actions affecting the nature of relationship between the organization and its employees. In western countries now the firms consider the employees no less than physical plant and financial resources. Employees are seldom thought of as budgeted expenses; rather they are viewed and managed as assets. Investment incurred for the development of workforce capabilities, attitudes and internal relations yields a stream of benefits overtime. Hence the newer term, Human Resource Management is being adopted by the western firms. A great deal of interest has been shown by many western researchers in the field of human resource management (e.g. Burack & Smith,

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1977; Dimick & Murray, 1978; Kochan & Barocci, 1985, Beer et. al., 1984; French, 1986). But very few research work has so far been done in the field of human resource management of Rajshahi Silk Factory in Bangladesh. The author has tried to find out any gaps in the present human resource management (HRM) practices in the RSF and to offer suggestions for their solutions.

Methodology

Subjects

The subjects of the present research investigation are executives and workers of RSF. Due to the number of present executives in RSF being small-only 10- all the managerial personnel were contacted for interview purpose. The executives include Managers, Deputy Managers, Senior Accounts Officer, Assistant Purchase Officer, Sales Officer, Assistant Labour Welfare Officer, Assistant Store Officer, Administrative Officer, Senior Instructor, Dyeing and Printing and Assistant Weaving Master. 30 workers including trade union leader were randomly selected for interview purpose and to do this Tippet Random Number Technique was followed.

Procedure

This study is based mainly upon primary data. Primary data relating to various areas of human resource management e.g. employee selection , training, performance evaluation, job satisfaction , job design etc. were collected by interviewing the executives and the workers of the RSF through questionnaire. Tow sets of questionnaires- one for the executives and other for the workers of the RSF were prepared. The questionnaires were pretested and modified before final acceptance. The questionnaires were administered on site by the researcher. The respondents were assured of confidentiality of their responses. Participation was voluntary.

Analysis

A forty two questionnaire items were developed for the executives in matters of selection, training, employee compensation, health and safety, job satisfaction, job design and the like. Similarly a fifteen questionnaire items were developed for the workers on various job characteristics e.g. task significance, autonomy, feedback etc. Collected data were tabulated and analysed manually. Findings thus derived are presented below separately.

Results

Data from the managers

According to factory executives (100%), RSF follows HRM policy for better utilization of the workforce of the factory. This policy is formulated jointly by BSB and management of RSF after consultation with the workers. Again all the executives opined that employees were selected scientifically through different tests and interviews.

In another question regarding training programe, all the executives but one who did not reply, admitted that the mill had a training programe for the employees. Almost all the executives reported that apprentice method is applied to impart training to the employees. Respondents were asked to comment on the question, how do you measure the effectiveness of the expenditure incurred for making and implementing training programe? Different answers were found to this question which are presented in the following table.

Table-1: Measurement of effectiveness of training programe.

Question relating to measurement of effectiveness	Frequency (in percentage)
Effectiveness is not measured	40
Effectiveness is measured through job performance.	30
Irrelevant answer	10
No reply	10
Total :	100

Source: Empirical Survey.

In reply to a question related to performance evaluation 60% executives told that employee performance was not evaluated and the remaining 40% executives informed that employee performance was evaluated.

Harmonious labour management relation is very important for smooth operation of any organisation. So the researcher requested the subjects to comment on the congruency existing between management and labour. Almost all the subjects (90%) answered in the affirmative while only 10% respondents answered in the negative.

Industrial dispute is a great problem for any organisation. So the respondents were asked to express opinion regarding the occurrence of industrial dispute in the mill during the last five years.

Proportionately a large number respondents (90%) under this study observed that industrial dispute took place during the last five years, while 40% respondents did not admit its occurrence. Reply of 10% executives was not meaningful. In this connection the respondents were asked another question to opine whether they could forecast industrial dispute before hand.

The majority (70%) respondents replied the question in affirmative while a small number (30%) replied in negative. The executives who admitted the forecasting of future dispute felt that the possibility of such future dispute to take place was prevented through discussion with workers. The majority executives (60%) further observed that they prevented 5-6 such probable disputes during the last 5 years. 40% executives did not reply this question. The effects of industrial dispute are adverse to the economy of an industrial concern. Keeping this view in mind the researcher wanted to know the amount of loss due to disputes arising in the RSE. 60% executives informed the author that such loss was not measured. 30% executives did not reply, while an insignificant number of executives (10%) felt that RSE incurred loss of taka 30-40 lacks approximately a year.

Employee attitude and morale have important bearing on the employee job performance. So the author wanted to know the nature and extent of attitude and morale of the employee. Surprisingly it was noticed that attitude and morale were not measured, 80% executives reported. According to 20% executives only, it was measured. Although attitude and morale were not measured as per majority opinion, yet all the executives admitted that it had a great role on job performance.

The respondents were requested to comment on the employee job satisfaction. As per the majority executives (80%) employees were satisfied with their jobs. Only 20% executives replied in the negative. The majority executives (80%) further observed that the employees of the RSF were found not satisfied with pay and fringe benefit. Only 20% executives said that the employees were satisfied with pay and fringe benefits.

Employee motivation is very important for the job performance. A question was raised, how do they motivate their employees? The answer is produced in the following table :

Table-2 Methods of employee motivation.

Motivation techniques	Frequency (in percentage)
Financial incentives	20
Recreational facilities	20
Settlement of employee grievance through discussion.	20
No reply	20
Improving employee efficiency and surrounding condition.	10
Meaningless answer	10
Total :	100

Source: Empirical survey

Regarding the adequacy of the present incentives the respondents differed in their answers. 80% executives did not think the present incentives to be sufficient while the remaining 20% executives thought it to be sufficient. The executives who thought the present incentives to be insufficient suggested the following additional incentives to be included in the motivational programe: more accommodation facility, training the employees and developing patriotism. In western countries job design is now given more importance to motivate employees. Managers of the RSE were requested to comment on which one-wage or job design is more effective for motivational purpose. In reply 70% managers were found in favour of job design, while 30% managers were found in favour of wage.

For safety and motivational purpose many labour laws have been enacted. Managers were asked to opine whether the RSE fully observed the provisions of labour laws. All the managers of the RSE admitted this in a word that labour laws were made effective.

In reply to another question 80% executives informed that the RSF employees were punctual, regular and sincere.

Data from the Workers:

As the job performance is largely influenced by job characteristics (such as skill variety, task identity, task significance, autonomy and feed back), pay, security and employee development, so data on these matters were collected from the workers.

Most of the workers (about 70%) under study were found to perform jobs which are significant one and require highly technical skill. These jobs have clear identity. 87% of the workers admitted that they enjoyed no task varieties but enjoyed moderate amount of autonomy. Abut 90% workers reported high dissatisfaction with job security, pay and fringe benefits, and employee development programe. Very little feed back is enjoyed by the workers, 90% workers informed. 98% workers expressed over all high dissatisfaction.

Discussion of Findings

Main objectives of this research study are to examine the human resource management system of the Rajshahi Silk Factory and to suggest some remedial measures for any gaps to be identified in the present human resource management system of the RSF. This paper does not attempt to explain the details of the human resource management of the RSF; rather it deals with some of the aspects of the HRM of the RSF.

It was noticed in earlier research findings of the author that the RSF has mounting problems in the field of production, procurement, sales etc. And as such it has been carrying on business at loss.[1] The loss of the sick factory is attributable to many reasons such as non-availability of quality cocoon, faulty procurement mechanism, out dated machineries, power failure etc. But these are not the only obstacles standing in the way of successful operation of the organisation. Problems associated

with the employees are also significant one. Striking problems associated with human resource management of the RSF are industrial dispute, non-measurement of employee attitude and morale, employee dissatisfaction etc. The RSF has industrial dispute but the management is not aware of the loss arising from dispute. Again the RSE management admitted the importance of employee attitude and morale on job performance but it does not measure the same. If we look into the Nippon Steel Corporation of Japan, we see that the corporation had encountered difficult problems in the immediate post war period. In 1950 Yawata steel experienced a 20 day strike. Industrial Relations section manager for Nippon Steel Corporation's Yawata work explained how union-management relations changed; ".... starting in 1958 the old system was revised to allow blue-color workers promotions into management and more authority was given to the foreman and assistant foremen." [2] As a result of this measure labour unrest began to diminish due to the combined efforts of union and management. Thus participative management gained considerably more momentum in the 1970's and early 1980's. But in case of the RSF we find that it does not follow the participative management style. Here workers enjoy practically neither feed back nor sufficient autonomy in decision making. Moreover, almost all the workers (98%) under this study expressed over all very high dissatisfaction.

Concluding Remarks

This investigation has the following implications for the management practice. To assure the right number of employee with a mix of skills, the RSF must design its appropriate policies and practices for managing employees. A number of issues in this connection must be addressed. Employee attitude and morale must be measured and increased accordingly. Employee effectiveness shall be defined and evaluated. Jobs may be redesigned giving employees authority to take part in decision making process so that good labour management relation

prevails. But one thing to be remembered here is that before job redesign employee's dissatisfaction with hygiene factors must first be minimised, if not removed altogether. Above all, it is not enough for the managers to sit and wait for employee to come with their problems and ideas, rather the managers had better get off their chairs and go out and get in touch with the employees.

End Notes

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Appendix-I

Questionnaire for Executive Personnel:

Please answer each question correctly and clearly. Your personal opinion will be kept in confidence. Your input is a vital part of this research. Thank you for cooperation .

1. Please name your organisation.
2. What is your present job?
3. How long you have been in this organisation as executive officer?
4. Does the RSF follow human resource management policy to utilize human resource properly?
5. Who does formulate that policy, if answer to question no. 2 is yes.
6. Do you have any role to formulate human resource policy?
7. (a) Are the demands of employee considered before formulating its policy?

   (b) If answer to the above question is "yes", how the are the various demands determined?

8. How are employees selected?
9. Does the organisation take any test for selecting new employee?
10. If answer to question no. 9 is "Yes", please name some of the tests.
11. Is there any temporary workers?
12. If answer to question no. 11 is "Yes", please tell who are to work on temporary basis.
13. What is the ratio between permanent and temporary workers?
14. What is the basis for making workers permanent?
15. What is the ratio between skilled and unskilled worker?
16. Is there any training programe for the workers?
17. If answer to question no 16 is "Yes", please name some training methods applied by the RSF.
18. Does the RSF take any measures for executive development?
19. If answer to question no. 18 is "Yes", please tell how the executives of the RSF are developed.
20. How do you measure the effectiveness of the expenditure incurred for making and implementing training programe?
21. Does the RSF evaluate the job performance?
22. If answer to question no. 21 is "Yes", please tell why performance evaluation is done.
23. Do you find any congruency between management and labour?
24. If answer to question no. 23 is "No", What measures are taken to develop congruency?
25. Was there any industrial dispute in the RSF during the last five years?

26. If answer to question no. 25 is "Yes", please tell the nature of dispute occurred during the period.
27. Is there any arrangement for forecasting the possibility of future industrial dispute in the mill?
28. If answer to question no. 27 is "Yes", how do you prevent such possible dispute?
29. How many times you have prevented such possible dispute during the last five years?
30. (a) How much loss the RSF has to incur a year due to industrial dispute?
    (b) How do you measure such loss?
31. Are employee attitude and morale measured in this organisation?
32. If answer to question no. 37 is "Yes", how are these measured?
33. Do you think that employee attitude and morale play an important role in job performance?
34. Please comment whether the employees are satisfied in their jobs.
35. Do you think that the employees are satisfied with the pay and fringe benefits they receive?
36. How do you motivate the employees?
37. Do you think the present incentives to be adequate?
38. If answer to question no 37 is "No", please mention additional incentives to be included in the present motivation programme.
39. Which one of the two elements pay or job design is more effective for high commitment?
40. Does this organisation observe labour laws fully?
41. Please comment on punctuality, regularity and sincerity of the RSF employees.
42. Please give your suggestions for optimum utilization of the RSF employee.

Appendix-2

Questionnaire for workers:

Please try to answer each question clearly and correctly as far as possible. Your personal answer will be kept in complete confidence. Thank you for you cooperation.

1. For how long you have been in your service?
2. How much you are to work with mechanical instruments?
3. How much do you think your job to be complex?
4. How much your job is significant?
5. How much do you like to do significant job?
6. How much autonomy do you enjoy in your job?
7. How much autonomy do you want to have in your job?
8. Is your job a complete work having beginning and end?
9. Do you perform varieties of works requiring different skills.
10. How much diversification you want in your service?
11. How much feedback do you get from your supervisor/ colleagues?
12. How much you are satisfied with your job security?
13. How much you are satisfied with pay and fringe benefits you receive?
14. How much you are satisfied with your growth and development in your service?
15. Please Comment on overall level of your satisfaction in your job.

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FINANCIAL MANAGEMENT OF POULTRY FARMS IN BANGLADESH : AN EMPIRICAL STUDY

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1. PRELUDE

The importance of poultry farming in achieving growth and development of a country like Bangladesh has been widely emphasized in the literature. [See for instance : Alam[1] (1995), Sarma and young[2] (1985), Harun[3] (1988) and Solaiman[4] (1995)]. In Promoting the development process through generating employment opportunities, creating investment environment and making available the nutritious food to the people, poultry farms have a crucial role to play. Moreover, in order to build up a stout and healthy nation, enrichment of the protein content food is essential. Further, Bangladesh has been striving for self-sufficiency in nutritious food production for a long time. Government of Bangladesh clearly documented that country's objectives of food production policy were to achieve self-sufficiency in the shortest possible time and improve the quality of average nutrition by increased production of protein of animal origin.[5]

Poultry farming is important from the nutritional point of view. It provides egg and meat which are very rich in protein, fat, minerals, vitamins etc. But, a review of the production statistics revealed that the production of meat (poultry) and eggs, increased at a rate that is below the population growth rate. The production, requirement and deficits of poultry products have been shown in Table-1

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Table 1 Production, Requirements and Deficits of Poultry Products[6]

Products	Per Capita need	Per Capita availability	Total need (yearly)	Total Production	Total Deficit (yearly)
Meat	120 gm/day	12.50 gm/daily	4.69 mmt (100%)	0.489 mmt (10.42%)	4.202 mmt
Eggs	2/Week	0.486/Week	9900.8 mn	2404.40 mn (24.28%)	7496.4 mn (75.72%)

Notes : * Production in 1994 = 119 million. Population figure was taken based on 1994.

** Total requirements for meat and eggs are calculated making a deduction of 10% and 20% respectively from total population.

*** The deficit in meat is calculated assuming all meat coming from livestock sources. Assuming 50% animal protein to be supplied by the fishery sub-sector, the net deficit in meat comes down to 79.15%.

**** mmt = Million metric ton.

***** mn = Million number.

Table-1 reveals that the per capita availability of these products is very low in the country. The majority people of the country are poor, unemployed and suffer from malnutrition. Further, the economy of Bangladesh is primarily agrarian with agriculture contributing 35 per cent of GDP and 66 per cent of labour employment[7], and poultry is one of the most important items in this sector. Thus by providing employment opportunities, poultry farms may help in reducing unemployment, underemployment and disguised unemployment in one hand, and it may play a positive role in solving the problem of malnutrition by supplying meat, eggs etc. in our country on the other.

2. RATIONALE OF THE STUDY

An efficient financial system is an important requisite for enhancing the productivity of poultry farming. It plays an extremely crucial role in the growth, running and development of any venture.[8] Further, it is rightly asserted that finance is the life blood of any business enterprise. The financial function has always been important in business management. Irrespective of any difference in structure, ownership and size, the financial organization of the enterprise ought to be capable of ensuring that various finance functions- planning and controlling- are carried at the highest degree of efficiency.[9] However, for the growth and development of poultry farming, an adequate and efficient financial system is a sine-qua-non.

The Government of Bangladesh for sometimes back has been giving emphasis on balanced food habits and concentration on nutritious food. Poultry farming has received increased attention of the Government and the people of our country is found keeping poultry as domestic birds. The Third Five Year Plan emphasized poultry farming as a source of generation of employment and allocated Taka 28.70 crores for poultry breeding.[10] The Fourth Five Year Plan gave stress on credit support relevant to the growth and development of poultry farms in the country.[11] All these indicate that the Government of Bangladesh has given emphasis on this sector. But, the progress in this sector is not up to the mark. This sector has been facing multifarious problems. Financial problems, especially lack of adequate institutional finance has been one of the many important factors responsible for such state of affairs.

In such a context, there is a necessity to examine the important aspects of financial management of poultry farming in Bangladesh. No indepth study has yet been done on the subject specially in the study area. This research gap motivated the authors to undertake this study.

3. OBJECTIVES OF THE STUDY

The main objective of this study is to focus on the different aspects of financial management of poultry farmers in Bangladesh and to suggest some suitable financial strategies for eliminating or minimizing financial problems. In the light of the research problem pointed out earlier, the specific objectives of the study have been earmarked as follows:

i) To identify financial planning, if any, of the sample farms;

ii) To examine the Capital structure of sample poultry farms;

iii) To find out the sources of finance with reference to sample units;

iv) To findout the financial problems of sample farms;

v) To suggest probable steps to overcome the financial problems of poultry farms.

4. SCOPE OF THE STUDY

The empirical data has been collected from the district of Chittagong. The reason for selecting Chittagong was the consideration that it will fully represent the picture of a district and be homogeneous in terms of financial environment. These data and information were collected during the period from July 1994 to June 1995.

5. METHODOLOGY OF THE STUDY

Data and information were collected through field-survey. Questionnaires were prepared in the light of the objectives of the study. The questionnaires were pre-tested through pilot survey. The questionnaires include items relevant to financial policies, planning, the sources of capital, cost of debt fund, factors affecting sources of fund, problems in the financing process and probable suggestions to overcome the same. In all, 50 poultry

farmers of the sample area were selected purposively. The main reasons for limiting the study to 50 sample respondents were the easy access of the researchers to the sample farms; the time and financial constraints at the disposal of the researchers.

Requisite data and information were collected from the respondents on the basis of direct interview method. Free discussion was also held with the respondents. The discussions were recorded in a note book. In order to present the fact in logical format, the supporting and relevant materials were collected through desk study. There data and information were collected by the researchers personally. The data and information, thus collected were processed and analysed for the purpose of writing this report. Statistical tools namely averages and percentages were used in the study. 7-point summated rating scales were used in recording opinion data of the sample poultry farm respondents.

6. FINDINGS OF THE STUDY

6.1 Objectives of Financial Planning

Financial planning involves the formulation of financial policies. It is an act of deciding in advance the financial programme which is essential in achieving the desired goal. The primary advantage accruing from financial planning is the elimination of waste resulting from complexity of operation.[12] The main purpose of financial planning is to synchronies procurement of funds and utilisation of funds. As to our query, the respondents were requested to mention the objectives of financial planning in their respective farms. Table-2 shows the theoretical objectives of financial planning vis-a-vis responses of the sample poultry farmers.

Table 2 : Matrix of Objectives of Financial Planning

Financial Planning objectives as recognised by the authors[13]	Financial planning objectives as opined by the sample farmers*
i) Maximisation of owners wealth;	i) Economical procurement of inputs;
ii) Profit maximisation;	ii) Profitable use of costly funds;
iii) Maintaining liquidity;	iii) Payment of obligations;
iv) Minimising cost of debt fund;	iv) Synchromising fund inflows with out flows;
v) Synchronising fund flows.	v) To avoid unnecessary payment of interest;
	vi) To maintain steady production flow.

* Source : Field Investigation

Table 2 reveals that the main objective of financial planning is to predict in advance the flow of fund so that poultry farming can go unhindered. Finance is required in the poultry farming to procure inputs and turning the inputs into produces. The poultry products thus produced are sold out with resultant inflow of fund.

6.2 Factors Considered in Projecting Financial Needs

Adequate finance is essential for any farm and the lack of it interrupt flow of production of a farm. But, it has been gathered that there is no set formula for projecting of required finance of a farm. The amount of required finance is influenced by many factors, such as - size of farm, farm's credit policy, availability of credit, nature and volume of inputs requirements, pattern of loan refund, projected size of sales and profit margin etc. Against this backgroud, an attempt was made to ascertain the factors, considered by the sample poultry farmers in projecting financial needs. Table 3 shows the opinions of respondents in this regard.

Table 3 : Factors Considered in Projecting Financial Needs

Factors considered	No. of sample respondents	Frequency
Size of farm	15	30
Farm's credit policy	17	34
Availability of credit	16	32
Nature and volume of required inputs	19	38
Pattern of loan refund	13	26
Projected size of sales	18	36
Profit margin	10	20

Source : Field Investigation

Notes : Percentage exceeds 100 became the respondents mentioned more than one factors.

Table 3 reveals that the main consideration in projecting financial need is based on nature and volume or required inputs. It has been found that the financial need has been influenced by projected size of sales. It further portrays that 17 (34%), 16 (32%), 15 (30%), 13 (26%). and 10 (20%) of the respondents opine that in projecting financial need, the important factors to be considered are farm's credit policy, availability of credit, size of farm, pattern of loan refund and profit margin of the sample farms respectively. It has been gathered that the projection is based on past experience and future intuition. No modern financial management technique like fund flow statement, break-even-chart etc. are used.

6.3 Capital Structure of the Sample Farms

Capital structure refers to the financing pattern of a farm represented by loan plus owners fund.[14] The proper determination of capital structure is vital for every venture. Because, capital structure has a direct bearing on the profitability of the farms. Any wrong fixation of capital structure tends to escalate the losses or decrease the profits earned by the undertakings.[15] In such a context, the collected data have been shown in Table 4.

Table 4 : Capital structure of the sample Farms (In '000 Tk.)

Year Components	1989-90	1990-91	1991-92	1992-93	1993-94	Average
Owner's fund Loan fund	8 (47) 9 (53)	12 (44) 15 (56)	21 (48) 23 (52)	25 (48) 27 (52)	28 (47) 32 (53)	18.8 (47) 21.2 (53)
Total	17 (100)	27 (100)	44 (100)	52 (100)	60 (100)	40.0 (100)

Source : Financial Records of the Sample Farms

Table 4 reveals that the capital structure of the sample farms stands at about 53 to 47 per cent represating debt and equity. It has been further observed that the debt-equity ratios have been away from standard norm[16] of 3:1 as applied in private sector ventures like farming in India. This signifies that there appeared to be slight higher rate of loan fund as compared to owner's fund. It has been reported that the main reason for such a high rate of loan capital is attributable to non-availability of owner's fund in adequate quantity.

6.4 Sources of External Finance

A survey on literature portrays that the basic finance function is the procurement of funds. Because without procurement of funds from right source, the management function can not be performed efficiently. The data collected in this regard have been shown in Table 5.

Table 5 : Sources of External Finance of Sample Farms

Sources of External Finance	No. of Sample farms	Frequency in percentage
Relatives and Friends	20	40
Neighbours	11	20
Local rich people	9	18
Professional money lenders	19	38
Trade credit	21	42
Loan from bank	8	16

Source : Field Investigation

Note : Percentage exceeds 100 because the respondents mentioned more than one source.

Table 5 reveals that 21 (42%) out of 50 (100%) samples identify source of external funds as trade credit followed by 20 (40%) relatives and friends as the sources of finance respectively. It, further, portrays that 19 (38%), 11 (20%) and 9 (18%) of the respondents opine that other sources of finance are professional money lenders, neighbours and local rich people respectively. But the striking feature in this regard is that the 8 (16%) sample farms only have taken loan from institutional sources i.e. loan from bank for the purpose.

6.5 Share of Sources of Various Non-institutional Finance

As to the relative significance of the sources of non-institutional finance, different researcher reflect different groups as important. A recent study has summarised the findings of ten different studies conducted on sources of finance. In such a context the present research work also made an attempt to find out the picture of the study area in this regard. Table 6 shows the comparative picture in this respect.

Table 6 : Share of Sources of Various Non-institutional Finance

Non-institutional sources	Share in the present study (In %)*	Share in the Study of Malloney & Ahmed (In %)**
Local rich people	19	15
Relatives & friends	28	37
Neighbours	20	31
Professional money lender	33	17

Source : * Field Investigation

** Clarence Maloney and A.B. Sharfuddin Ahmed, Rural Savings and Credit in Bangladesh. Dhaka : University Press Ltd., 1988.

(N.B- The data relating to the present study cover the financial year 1994-95 only.)

The present study shows that professional money lenders ranked first followed by relatives and friends, neighbours and

local rich people as compared to Maloney and Ahmed's findings wherein relative and friends topped the list closely followed by neighbours. It is thus seen in the present study that the professional money lenders still play a significant role in non-institutional loan fund. Again, we were interested to know the relative share and magnitude of institutional loan to sample farms in the study areas.

6.6 Relative Share and Magnitude of Institutional Loan

Existing literature[17] reveals that only 38 per cent demand for loan has been fulfilled by the institutional loan giving agencies. The institutional sources are : (i) Grameen Bank, (ii) Nationalised Commercial Banks, (iii) Private Commercial Banks, (iv) Bangladesh Krishi Bank, (v) Bangladesh Samabaya Bank Ltd., (vi) Integrated Rural Development Programme etc. However, the authors made an attempt to find out the relative share and magnitude of institutional loan in financing required capital of sample farms in the study area. Table 7 summaries the data collected in this regard.

Table 7 Relative Share and Magnitude of Institutional Loan of Sample Farms

Institutional Sources	No. of sample Farms	Frequency in Percentage
Grameen Bank	3	39%
Nationalised Commercial Banks	1	12%
Private Commercial Banks	-	-
Bangladesh Krishi Bank	2	25%
Bangladesh Samabaya Bank Ltd.	1	12%
Integrated Rural Development Programme	1	12%

Source : Field Investigation

(N.B.-Eight sample farms have taken loan from institutional sources.)

Table 7 reveals that the Grameen Bank ranked first (39%) followed by Bangladesh Krishi Bank (25%). It is further observed that the share of Nationalised Commercial Banks, Bangladesh

Samabaya Bank Ltd. and Integrated Rural Development Programme are 12% respectively. However, Grameen Bank plays a significant role in financing sample farms of study areas among the institutional sources.

6.7 Interest Rate of Non-institutional Sources

In order to measure that over-all cost of capital to the farm, it is necessary first to consider the cost of specific method of financing.[18] Again, there is a sharp difference in interest rate structure among institutional and non-institutional sources. The interest rate of non-institutional loans varies fram 0 to 300%.[19] Further, it was found in a recent study in two villages that most of which were of without interest.[20] However, the data collected in this regard have been shown in Table 8

Table 8 : Interest Rate of Non-institutional Sources

Sources	Ranges of Interest Rate
Relatives	55% - 70%
Friends	50% - 75%
Neighbours	60% - 100%
Professional money lenders	80% - 200%
Arathdars	In the form of dadan, compound rate of interest varies from 60% - 150%

Source : Field Investigation

Table 8 portrays that the interest rate varies from 55%-70%, 50%-75%, 60%-100%, 80%-200% and 60%-150% of non-institutional sources, such as relatives, friends, neighbours professional money lenders and arathdars respectively of study areas. This finding has also been corroborated by, other research findings.[21]

6.8 Adequacy and Efficacy of the Financial System

In context of this study, the financial system was subject to the researchers scrutiny as to the adequacy and efficacy. The sample farmers were asked to give their opinions as to the adequacy and efficiency of the financial system of sample farms

on seven points summated scale. A score of + 3 would indicate satisfactory position, + 2 indicates moderate and + 1 would indicate low degree satisfaction. The minus sign would indicate the adverse position in the same degree as plus sign would reveal. Table 9 shows the score thus obtained.

Table 9 : Opinions of the Respondents Towards Adequacy and Efficacy of Financial System of Sample Farms

Variables	Average Score
Financing the desired purpose	2.0
Profitable use of costly funds	2.1
Financial reports are evaluated properly	1.0
Maintaining liquidity	1.9
Avoiding unnecessary payment of interest	1.8
Financial sources are adequate	1.5
Financial records are well designed and timely	1.7
Overall Score	1.7

Source : Field Investigation

Table 9 reveals that the average score as per opinion of the sample farmers based on seven sub-variables taken together works out at 1.7 indicating nearer to low degree efficiency of the system with a range between 1.0 to 2.1. The sample farmers are mostly dependent on non-institutional sources of fund and the rate of interest of this loan is exhorbitant which adversely affects the financing efficiency of the same farms.

7. POLICY IMPLICATIONS

The discussion made so far pin-points a number of limitations in financing of the farming sector of Bangladesh in general and in respect of the sample poultry farms in particular. The following steps may be taken in order to streamline the financial efficiency of the poultry farms of Bangladesh.

i) Ideal Financing Net-work

More fund needs to be channelised through institutional sources i.e. banks to study areas. Loan should reach the target

farmers in time for which a net-work of bank branches, may be established. Further bankers need to be more cooperative in this regard.

ii) Legal Framework

In the context of present financial market non-institutional sources of fund can not be ignored. What is required is to frame proper law guiding interest charge, mortgage, ana the like, so that these sources of fund may play a supplementary role in this regard.

iii) Supervised Loan Scheme

Supervised loan scheme instead of collateral oriented loan need to be introduced. To ensure efficiency of this scheme, Grameen Bank Model may be introduced.

iv) Coordinated Approach

Coordination among different financial institutions may be ensured through framing efficient and adequate policy measures in this regard. This may play a significant role in trade-off between demand and supply of loan funds in case of poultry farms.

v) Human Resource Development Programme

Human resources of financial institutions need to be trained to deal with poultry farmers efficiently and properly. As a result, the farmers will enjoy the benefit of institutional loans and consultancy services, if required.

It may be concluded that if the above measures are taken, the financial efficiency of the sample poultry farms will go up, which in turn may also improve the financial efficiency of the poultry sector of Bangladesh. In fact, a well planned financial strategy is required to facilitate the growth and development of the poultry sector in a country like Bangladesh.

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GOVERNMENT LANDS IN BANGLADESH: ITS MANAGEMENT AND ADMINISTRATION

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1. Introduction

This work deals with Government lands as well as the treatment of the Bangladesh Government towards these lands for their proper management and administration. Lands play a vital role in the agro-economy of a country like Bangladesh. These lands are not negligible in quantity although Bangladesh. Government is not accurate in keeping actual figure, nor serious in managing properly and effectively. Government lands include generally *khas* lands, vested and non-resident and abandoned properties.

Khas lands are exclusively Government lands being derived from the execution of the State Acquisition and Tenancy Act, 1950, in excess of ceiling set to retain under Section 20 of the Act.

Vested and non-resident properties popularly known as enemy properties are the left properties of those Hindu citizens who went over to the enemy state i.e. India from the erstwhile East Pakistan during and after the Indo-Pak war in 1965. Likewise abandoned properties are the left properties of the Pakistani citizens in Bangladesh during the lbieration war in 1970.

Here an attempt has been made to trace the origins of vested and non-resident property abandoned property and *khas*

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property as well as their administration and legal position. One of the aims of the State Acquisition and Tenancy act, 1950, is to make the best use of the acquired lands with the help of undertaking land reform programmes. This paper is also concerned with the viability of chalking out useful and effective land reform programmes. Bangladesh Government is not aware of the actual figure of such lands which will enable it to undertake land reform programmes. Government lands are usually leased out to the peasants but no further whereabouts are enquired into for those lands. So in the conclusion concrete suggestions will be made how these lands shall be administered and managed to coordinate with the land reform programmes.

2. Government Lands

Lands or properties of Bangladesh Government may be either enemy or abandoned or *khas* properties. Although they are popularly known in these three different names, virtually they are same in nature. These properties are not properly surveyed to keep the account of government revenue as well as to help the programmes of land reform effective and fruitful.

According to a government survey report,[1] 18,181 acres of government lands are there in the capital of the country only, out of which 1,857 acres are illegally occupied by the public and these lands are such that 145 acres of railway, 826 acres of Housing and Settlement Directorates, 33 acres of Public Works Department, 92 acres of Telegram and Telecommunication, 20 acres of WASA, 83 acres of Water Development Board, 116 acres of City Corporation, and 476 acres of lands are *khas* lands. The survey did not take account of vested and abandoned properties and it was reported that acres of Government lands in the capital city will be much more than the above figure. The Government should immediately make proper survey of these properties before chalking out any land reform measures. However, these properties require categorical discussion.

2.1 Enemy Property: vested and non-resident property

The term 'enemy property' has been defined in the Order[2] as follows:

> "Enemy Property" means any land or building or any movable property found thereon which is an enemy property as defined in sub-rule (4) of rule 169, but does not include any land or building or any movable property found thereon which belongs to or is held by or managed on behalf of any enemy firm.

The above sub-rule (4) of rule 169 is contained in the Defence of Pakistan Rules of 1965 framed under Section 3 of the Defence of Pakistan Ordinance, 1965. In the said sub-rule, enemy property has been defined as:

> Enemy Property means any property for the time being belonging to or held or managed on behalf of an enemy as defined in rule 161, an enemy subject or an enemy firm, but does not include property which is evacuee property under the Pakistan (Administration of Evacuee Property) Act, 1957.
>
> Provided that where an individual enemy subject dies in Pakistan, any property which, immediately before his death, belonged to or was held by him or was managed on his behalf, may notwithstanding his death continue to be regarded as enemy property for the purposes of the rule.

Rule 161 of the Defence of Pakistan Rules again defined enemy as follows: 'enemy' means -

(a) any State or sovereign of a State at war with Pakistan, or

(b) any individual resident in enemy territory, or

(c) anybody of persons constituted or incorporated in enemy territory in or under the laws of State of war with Pakistan, or

(d) any other person or body or of persons declarted by the Central Government to be an enemy, or

(e) anybody of persons whether incorporated or not carrying on business in any place, if and so long as the body is controlled by a person who under this rule is an enemy, or

(f) as respect by business carried on its enemy territory, an individual or body of persons whether incorporated or not carrying on that business.

Rule 182 deals only with the collection of debt of enemy firms and custody of property.

This present enemy property arises out of war between Pakistan and India in 1965. At that time many Pakistani Hindu families went over to India (the enemy State) leaving their properties ownerless and unmanaged. The Government of Pakistan then declared these properties enemy properties and made provisions for the administration of such properties by promulgating the Defence of Pakistan Ordinance.[3]

2.1.1 Historical Background

The law of enemy property has got a long history behind it. Its origin can be traced to the mid-sixties of the 19th century when the Foreigners Act[4] was passed by the British Government. Indeed the Foreigners Act (Act III of 1864), Foreigner Act.[5] Enemy Mission Act[6] and the Indian Naturalization Act[7] were passed to control the enemy and the enemy properties in this sub-continent during the British Rule. After the Independence of Pakistan all these laws were adopted by the Government of Pakistan on 14th August, 1947.

On September 6, 1965, a war of attrition between Pakistan and India broke out. The then President of Pakistan, by virtue of Article 30(I) of the Constitution of 1962, issued a Proclamation of Emergency on the very day of war and on the same day to provide for special safety and the defence of Pakistan, the Government of Pakistan made the Defence of Pakistan Ordinance, 1965.[8] In fact, the concept of enemy and enemy property is the product of the Defence of Pakistan Ordinance and the Rules thereunder. In exercise of the power conferred by rule 182 of the Defence of Pakistan Rules, the Government was empowered to promulgate Order and prescribe thereby the doing of certain things by the Custodian. The rule provided for the appointment of Custodian, Deputy Custodian and Assistant Custodian of enemy property by the Government.[9] By notification

No. Sec. 3/65/1478, dated 11.10.65, all the Deputy Commissioners in East Pakistan were appointed Assistant Custodian of enemy property.[10] Two general notifications bearing nos. 1198 and 1199 dated 3.12.65 were issued by the Government of East Pakistan by which all properties of all enemies were brought under the care of the Custodians.

After the emergence of Bangladesh the continuation of the provisions of enemy property remained in vogue[11] but under the title "Bangladesh (Vesting of Property and Assets) Order, 1972".[12]

The Enemy Property (Continuance of Emergency Provisions) Ordinance, 1969[13] was repealed by the Enemy Property (Continuance of Emergency Provisions) (Repeal) Ordinance, 1974 and was replaced by the Vested and Non-Resident Property (Administration) Ordinance, 1974[14] on April 23, 1974 and on July 7, 1974, the Ordinance became Act of Parliament. By the declaration of the aforesaid Act, all enemy properties vested in the Government and such properties would no longer be known as enemy property but as the Vested and non-resident property. The 1974 Act was repealed on 27th November, 1976 by the vested and Non-Resident Property (Administration) (Repeal) Ordinance 1976. On the same day Enemy Property (Continuance of Emergency Provisions) (Repeal) (Amendment) Ordinance was promulgated and this last Ordinance made the Government absolute administrator and controller of the vested property; the vested property could be disposed of by Government by transfer or otherwise. The enemy property has now been newly named as vested and non-resident property bearing the same contents inside.

2.1.2 Present Position of Vested and Non-Resident Properties

Whatever may be the name of these properties it is clear that these are the uncared for properties of the Hindus who went over to India leaving these properties in the then East Pakistan in 1965.

The erstwhile Pakistan Government presently Bangladesh was merely the custodian of these properties and it could not dispose of the properties in any manner except lease only on yearly basis. But Justice Shahabuddin Ahmed observed in *Priyatosh Talukdar* V. *Assistant Custodian*[15] that the property being vested in the government, their authority to deal with it was rather strengthened. With the abolition of all rent-receiving interests in the land under the State Acquisition and Tenancy Act, 1950, all land vested in the Government who thereby got absolute power to dispose of the land in any manner, such as sale, lease, settlement etc.

The fact of this case is that one Umesh Chandra Chowdhury, predecessor-in-interest of respondents borrowed Tk. 10,000/- from the appellant on 1st October, 1952 by mortgaging his landed property. The appellant was put in possession of the mortgaged property. Umesh Chandra died leaving his heirs. Appellant instituted mortgage suit for sale of the mortgage property for realisation of mortgage dues. Permission of the Board of Revenue as required under the provisions of Disturbed Persons (Rehabilitation) Ordinance, 1964 was obtained by the appellant. One Badsha Mia filed an objection under section 47 of C.P.C. claiming to be in possession of the mortgaged property. The miscellaneous case was dismissed. Thereafter respondent filed an objection under section 47 of C.P.C. It was alleged that respondent Nos. 2-6 were all in India and the mortgaged property vested in the custodian on and from 6th September, 1965 in the Deputy Custodian of Enemy Property, that the loan and the mortgage deeds were all fabricated and anti-dated and that the mortrgaged property being enemy property was exempt from attachment and sale in execution of civil court decree under the provisions of the Enemy Property (Custodian and Registration) Order, 1965. Appellant contested the miscellaneous case on the ground that the petitioner filed the miscellaneous case under section 47 of the C.P.C. which was dismissed for default, that

respondent No. 6, has all along been in Pakistan that the mortgaged property was not declared enemy property nor did it vest in the custodian and that there was no bar to the attachment and sale of the mortgaged property in execution of the decree obtained by appellant. The miscellaneous case was, however, allowed by the learned subordinate judge who found that respondent Nos. 2-6 were not in Pakistan at the relevant point of time, that the respondents came within the definition of enemy as given in Rule 161 of the Defence of Pakistan Rules, 1965 and the property in question was enemy property as defined in Rule 169(I) of the said Rules, that by notification No. 1198 dated 3rd December, 1965 the mortgage property vested in the Deputy Custodian of Enemy property with effect from 3.12.1965 and that the property in question could not be sold in execution of the decree passed in mortgage suit. Being Aggrieved the appellant preferred an appeal in the High Court of the then East Pakistan which allowed the appeal in 1984 in part directing that the execution case instituted by the appellant be stayed so long as the suit property remains vested property. The learned judges of the High Court Division, however, affirmed the findings recorded by the Subordinate Judge. Leave to appeal was granted by the Appellate Division to consider the question whether upon repeal of the Enemy Property (Continuance of Emergence Provisions) (Repeal) Act, 1974 there is any bar against attachment or sale of the property in question in execution of the civil court decree as provided under Article 5 of the Enemy Property (Custodian and Regulation) Order, 1965 or Article 8 of the East Pakistan Enemy property (Lands and Buildings) Administration and Disposal Order, 1966.

Finally it was held that with the repeal of Defence of Pakistan Rules, the Administration and Disposal Order made thereunder also stood repealed. The bar to the execution of the decree passed in favour of the appellant has been removed. The decree is found to be quite executable.[16]

Badrul Haidar Chowdhury, J., in *Rahima Akhter* v. *Asim Kumar Bose*[17] observed that the entire complexion was changed and the power was given to the Government to dispose of the vested property by sale or otherwise.

In this case[18] it was held that on 27.11.76 the Vested and Non-Resident Property (Administration) (Repeal) Ordinance, 1976 (Ordinance No. 92 of 1976) was promulgated. It repealed the Vested and Non-Resident Property Administration Act, 1974 (Act XLVI of 1974). On the same day the Enemy Property (Continuance and Emergency Provision) (Repeal) (Amendment) Ordinance, 1976 being Ordinance 93 of 1976 was promjulgated with retrospective effect from 23rd March, 1974. It amended Section 3 of the Enemy Property (Continuance of Emergency Provisions) (Repeal) Act of 1974. Act LXVI of 1974 which was previously Ordinance No. IV of 1974. It may be noted that enactment repealed the Ordinance No. 1 of 1969 and by Section 3 vested the property in the government which earlier vested in the Custodian and now by Ordinance 93 of 1976 it further amended section 3 of Act XLVI of 1974 and added:

> and shall be administered, controlled, managed and disposed of by transfer or otherwise by the Government or by such officer or authority as the Government may direct.

By this amendment of Section 3 of ACT XLVI of 1974 the entire complexion was changed and power was given for disposal or transfer to the Government vide section 2 of Ordinance 93 of 1976.

It was further held in the case that:[19]

> It is clear that the property is now vested in the Government and the Custodians have no claim in respect of such property .... The Custodian is no more in control and management of the property. It is the Government since 1976.

It reveals from the above case that the Government of Bangladesh has got the authority to dispose of the property in any manner it likes. The Government is no longer the custodian of these properties.

But no statistical figure of the vested and non-resident property has ever been made which is urgently needed to launch the land reform programmes.

2.2 Abandoned Property

The Law of Abandoned Property is an offshoot of Bangladesh War of Liberation, 1971. After the surrender of Pakistan occupation army on December 16, 1971, many of the owners of the properties, abandoned their properties and left uncared for by the owners on account of conditions arising from the Liberation War of Bangladesh.[20] Many of the owners who collaborated with the Pakistani army or owed allegiance to Pakistan during the liberation war, either left the country or went into hiding, abandoning their properties and without making any arrangement for administration and management of such properties. So in Order to meet the situation, immediate steps were taken in promulgating the Bangladesh (Taking over Control and Management of Industrial and Commercial Concerns) Order, 1972[21] for providing an administrative machinery for the control, management and disposal of those abandoned properties. The scope of this Order was limited to industrial and commercial concerns only.

Apart from this, there were other kinds of properties which were left uncared for by their owners and in some cases these properties went into the occupation of some unauthorised persons; and with respect to such properties, the Bangladesh. Abandoned Property (Control, Management and Disposal) Order, 1972[22] was promulgated on 28.2.72 providing for vesting all kinds of abandoned property in the Government of Bangladesh and making comprehensive provisions for the control and management of such properties. So after the emergence of Bangladesh, the Bangladesh (Taking Over Control and Management of Industrial and Commercial Concerns) Order, 1972[23] for control and management of certain categories of industrial and commercial concerns where the owners of

directors either left Bangladesh or were not available to control and manage the said concerns. This Bangladesh Order was amended on 26.10.1972 with retrospective effect from 3.1.1972 by the Bangladesh (Taking Over Control and Management of Industrial and Commercial Concerns) (Amendment).[24] So by the promulgation of the Bangladesh (Taking Over Control and Management of Industrial and Commercial Concerns) Order, 1972, all powers and duties of the said owner vested in the Government. Subsequently, on 26.12.72, the Bangladesh ABandoned Property (Control, Management and Disposal) Order, 1972.[25] was promulgated for making provisions for control, management and disposal of certain properties abandoned by certain persons who were not present in Bangladesh or who ceased to occupy or supervise or manage in person their properties.

So, it appears that on and from February 26, 1972 when Abandoned Property (Control, Management and Disposal) Order, 1972[26] was promulgated any property which was owned by any person who was not present in Bangladesh or whose whereabouts were not known or who ceased to occupy, supervise or manage in person, his property became abandoned property. Such property also included (i) any property owned by any person who was a citizen of a State which was at war with Bangladesh, and (ii) any property taken over under the Bangladesh (Taking Over Control and Management of Industrial and Commercial Concerns) Order, 1972.[27]

2.2.1 Meaning of Abandoned Property

Section 2(1) of the Bangladesh Abandoned Property (Control, Management and Disposal) Order, 1972[28] provides the meaning of abandoned property. It runs thus:

(1)' abandoned property' means any property owned by any person who is not present in Bangladesh or whose whereabouts are not known or who has ceased to occupy, supervise or manage in person his property, including (i) any

property owned by any person who is a citizen of a State which at any time after the 25th day of March, 1971, was at war with or engaged in military operations against the People's Republic of Bangladesh; (ii) any property taken over under the Bangladesh (Taking Over Control and Management of Industrial and Commercial Concerns) Order, 1972[29] but does not include-

(a) any property the owner of which is residing outside Bangladesh for any purpose which in the opinion of the government is not prejudicial to the interest of Bangladesh;

(b) any property which is in the possession or under the control of the Government under any law for the time being in force.

(**Explanation**: 'Person' who is not present in Bangladesh includes any body of persons or company constituted or incorporated in the territory or under the laws of a State which at any time after 25th day of March, 1971, was at war or engaged in military operations against the People's Republic of Bangladesh.)

The whole definition of the expression 'abandoned property' leads to the conclusion that these properties are nothing but the enemy properties. The Government is the absolute owner of this property which vests in the Government free from all encumbrances and the Government has all the rights to administer, control, manage and dispose of by transfer or otherwise. But it was held in *Benoy Bhusan Bardhan* V. *S.D.O. of Brahman Baria*[30] that an abandoned property vested in the Government does not become Government's property. So the right, title and interest of the real owner of the property cannot be extinguished or confiscated by the Government.

But after the promulgation of Martial Law Regulation VII of 1977 the position of the law of abandoned property has changed. By this Regulation all the abandoned properties have vested in the government. This taking over or vesting of abandoned property cannot be challenged before any authority or in any

court. All suits, appeals, petitions, applications and other legal proceedings pending before the commencement of the Regulation in any court abated forthwith and could not be further proceeded with Regulation VII of 1977 really changed the position of the land of abandoned property. It became the *khas* property of the Government, the absolute property of the Government. Such taking over or vesting of any property could not be called in question by any court on any ground whatsoever. Further claim of compensation was barred.

2.3 *Khas* property

Khas property is the property belonging to the Government *khas khatian*. This property may be acquired in various ways, such as:

a. By purchase
b. By acquisition
c. By some acts as provided in law, and
d. By operation of law.

Under Section 92 of the State Acquisition and Tenancy Act, 1950, the interest of a *raiyat* in a holding is extinguished. Thus the Government *khas* land may be accrued by some Acts as provided in law. Likewise the lands in excess of ceiling vest in the Government. These lands belong to the Government *khas khatian* by operation of law.

3. Conclusion

The Government of Bangladesh is not quite aware of the actual amount of property it has acquired in the form of *khas* land, abandoned and vested and non-resident property. Some of these lands are illegally occupied by many persons, some of them are illegally distributed i.e. leased out by revenue officials and some more are illegally recorded by these officials in exchange of illegal gratifications. The Government interests in all these three types of land are greatly affected by the unscrupulous activities

of the revenue officials and other executive officers. There are innumerable cases especially in urban areas where abandoned, vested and non-resident properties and housed are illegally occupied by influential persons and executive officers with the connivance of revenue officials. The existing law and existing legal machineries are not adequate and strong enough to punish the culprits in this regard. The Government should come forward and adopt adequate measures to stop misuse of its lands and revenue. it should immediately make separate cell for these lands, take actual figures and arrange for their proper administration with necessary reforms of the existing laws where possible and where not, introduce new laws.

Bangladesh is said to be the least developed country which is significantly lagging behind the developing countries of the world. So, the Government of Bangladesh undertakes useful and needful programmes to boost up the economy of the country. These programmes are designed and named variously, such as land reform programme, poverty alleviation programme, literacy programme, cannal-digging programme, tree plantation etc. in addition to the long term plans which are hopefully planned to exploit the available resources of the country. But, as a matter of fact, whatever programmes and plans are taken into consideration and how efficiently and brilliantly the resources and energies are put into working, all will be in vain, until and unless the central problems are pinpointed and unfolded to the utmost level. Furthermore, we, as a nation, mostly emphasize our personal problems than the national and effectively these are gained over at the cost of national loss. So, what we need is to leave least opportunities for us so that we cannot make use of these to serve our personal interest other than the national interest.

We enact laws, promulgate Ordinances, make Orders, Circulars etc. to achieve objects and purposes, but we never try to make any appraisal of these enactments at their failures.

Bangladesh, as being an agricultural country, can boast of passing the famous law, the State Acquisition and Tenancy Act, 1950 which has been underlined as one of the momentous and historic event in the history of Tenancy in Bengal. But it has failed miserably and hopelessly in matters of its own land management and land administration and no Government has yet tried to pin point its failures as well as suggest remedies of those failures.

Various land reform programmes have been undertaken but with great failures. Countries like Japan, China, the Philippines have recorded tremendous development in producing crops than Bangladesh. Sometimes delegates are sent to make survey to different countries, but reports and observations are neither made public nor put into action. It seems that the delegates are given an opportunity to travel the countries not for the benefit of the country but for that of their ownselves.

Bangladesh government should launch some programmes following the way of Grameen Bank Project of Dr. Yunus and on an experimental basis only the case of *khas* land may be taken up. In so doing area of government *khas* lands should firstly be demarcated thanawise correctly. Traditionally and usually these lands are leased out to the peasants. But they do not get the leases directly. They are to get it via media. It is an open secret that land revenue officials and some influential people of the locality play vital roles in managing leases of these lands; what remains after granting the settlement are negligence and carelessness. The peasants who are the actual users of these lands are exploited by the via medias. So, a different Cell (may be a Land Revenue Cell) consisting of personalities of high qualities should be set up to conduct the affairs of land reform programmes for specific area. This Cell should also be regulated by such rules that the peasants taking lease of government lands shall never be exploited by any intermediaries, nor should these be set free if they themselves commit any irregularities in respect

of the lease. Again they will be required to submit a certain portion of the lease land produce to this Cell at the end of harvesting period failing which the lease settlement is liable to be cancelled. A common and a viable fund should be created with this portion of the produce. Since the peasants are poor, they will be granted loan from the common fund with a modest rate of interest. Severity must be shown in the repayment of the loan. There should always be accountability of the peasant who are in the settlement of Government lands. The whole process of granting and realizing loans should be made simple, and no intermediaries should be allowed to play any role. Proper utilisation of lease land and increased production from the land would be the criteria for the renewal of leases. Thus peasants will always be aware of taking proper care for the improvement of the land which will bring two-fold results; first, their economic condition will be improved and secondly, production of land will accelerate. These peasants may also be awarded loan for purchasing cows and cattle for dairy purposes and also for paultry purposes. As a whole, they shall invariably set examples for other peasants. In Bangladesh, NGO's are eagerly waiting for funding the projects and undoubtedly these projects shall bring good result provided if organised in well direction.

There is a wide scope of increasing the area of government lands. The State Acquisition and Tenancy Bill was first introduced in 1947 in the Parliament thereafter in 1948 but was passed in 1951 and came into effect on May 16, 1951 but could not go on working due to litigations which delayed about 6 years. Had the Act been effected in 1948 without further delay of about 9 years, the percentage of success would have been more than what it has actually earned.

The Land Reforms Ordinance, 1984 came into effect in the 1st day of Baisakh, 1391 B.S. corresponding to April 14, 1984. Ceiling of land has come down from 100 bighas to 60 bighas with the execution of land Reforms Ordinance, 1984. But this ceiling

has not actually been implemented. Hence two types of land ceiling now prevail in Bangladesh after April 14, 1984. One who owns not more than 60 bighas and the other who owns upto the extent of 100 bighas. So, it is the primary task of the Government of Bangladesh to acquire lands in excess of 60 bighas by Gazette Notification at an earliest date to bring equality in holding lands what should have been done as soon as the Ordinance came into force.

However, a huge amount of acquired land will come in the hands of the Government as Government lands and these lands also should be absorbed in the project as we suggested above. If the Government of Bangladesh is sincere to its election manifesto, it can easily fulfil a great part of its obligations by introducing reforms in Government lands' management and administration without further delay. Poverty can never be removed from the society so long the Government does not become honest, accountable and transparent in its policies and their practices. Democracy will tumble down if the Government and its machineries are content with do-nothing policy. Land and people are so intimately connected with each other that a great part of the success of democracy in South and South-East Asia lies on proper land distribution, land development and land administration.

End Notes

1. Editorial, *The Daily Inquilab*, August 13, 1993, p. 5.
2. The East Pakistan Enemy Property (Land and Buildings) Administration and Disposal Order, 1966.
3. Ordinance No. XXIII of 1965 which was promulgated by the President of Pakistan in excercise of the powers under clause (4) of Article 30 read with clause (2) of Article 131 of the 1962 Constitution of Pakistan.
4. Act III of 1864.

5. Act XXX of 1946.

6. Act IX of 1921.

7. Act VII of 1926.

8. No. XXIII of 1965.

9. *Jagat Chandra Das* v. *Asstt. Custodian of Enemy Property* (1968) 20 DLR (AC) 996.

10. *Rajendra Narayan Panday* v. *Government of East Pakistan* (1968) 20 DLR (HC) 904.

11. *Bangladesh Enemy Property Management Board* v. *Md. Abdul Majid*, 27 DLR 52 (AD).

12. *Bangladesh Enemy Property Management Board* v. *Md. Abdul Majid*, 27 DLR 52 (AD).

13. Presidential Order No. 29 of 1972.

14. 1 of 1969.

15. Now this Ordinance is known as Act XLVI of 1974.

16. (1987) 39 DLR(AD), p. 78; See also (1985) 5BLD 92.

17. *Ibid.*, p. 197.

18. 1985 BLD Ad 159.

19. *Ibid.*, p. 159.

20. *Ibid.*, p. 160.

21. 1975 *M/s Speed Bird Navigation Co.* v. *Bangladesh*, 27 DLR, 1701 Sec also *Namal Jute Baling and Co. V. M. Sarkers and Son (1978), 30 DLR (SC) 23.*

22. President's Order 1 of 1972, dated 3.1.1972.

23. President's Order 16 of 1972, dated 26.2.72.

24. President's Order 1 of 1972, dated 3.1.1972.

25. President's Order 125 of 1972, dated 26.10.1972.

26. President's Order 16 of 1972, dated 26.2.1972.

27. *Ibid.*

28. *Ibid.*

29. *Ibid*

30. Acting President's Order 1 of 1972.

31. 1978 DLR (SC), 139; See also *Shawkat Ali* v. *Administrator of Wakfs* (1977) 29 DLR, 279(SC); *Ananda Mohan* v. *Province of East Pakistan*, 1968, 20 DLR 979 Dca.

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PAY POLICY AND PAY STRUCTURE IN BANGLADESH : A Study in the Historical Perspective

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1. INTRODUCTION

1.1 Background of the Study

No general guidelines or specific formula can be prescribed for pay structure and pay maintenance as these are dependent on a number of external and internal factors. In this context each country follows its own way determined by past position, administrative lookout and philosophy of the government, economic condition, demand and supply character of the people and the like. However, what is widely acquiesced is that people join organization with certain motives, which are known in the management jargon, as need satisfaction. It results when a good fit between job factors and the need of the employees. It expresses the extent and the reward that the job provides.[1] Here lies the importance of pay policy and pay administration. Since people basically work for money and livelihood, satisfactory pay and proper administration can play a vital role in utilizing their potentials towards efficiency and productivity.

Bangladesh is one of the least developed nations with predominantly primary economy, scarce resources, alarming population growth, massive unemployment and very small industrial base. Thus, commitment of people, high productivity, sincere and efficient operation from the side of employees

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wherever they are employed is of utmost necessity. In the absence of which the optimum use of resources and economic development are bound to suffer. This has been quite rightly recognized by the Pay and Service Commission of Bangladesh. The Commission has asserted that the general quality, tone and efficiency, integrity and moral of the civil service to a considerable extent on a just and rationale pay policy. In the long run a civil servant works only as hard as he paid.[2] While payment of high salary is not by itself a guarantee for honesty and integrity of public service, it can be confidently stated that the payment of a salary which does not satisfy of public service, it can be confidently stated that the payment of a salary which does not satisfy the minimum reasonable needs of a government servant is a direct invitation to corruption.[3] At the entry level, too, great disparity between salaries in the government and private sector should not exist. Public officials must be adequately paid by the government, or private interest will lure them away.[4] Inadequate salaries in public services are an expense, not an economy.[5]

Low job satisfaction arises from low salary structure as well as incompetent reward, low status, inadequate job security, low working condition etc. which may be the main factor contributing toward wildcat strikes, slowdown, absenteeism and high employee turnover. This may also be a part of employee grievances, low productivity, indiscipline and many other organizational problems. On the contrary, high job satisfaction brings favorable results on the above mentioned aspects of the organization, the net result of which may be higher operational effectiveness.[6] Ever since its independence the Government of Bangladesh has been trying to evolve a sound and rational pay policy for the civil servants, semi autonomous & autonomous organization which will ensure equity, fairness and justice, reduce the disparity between the highest and the lowest salary levels, and ensure minimum living wage for all public

employees.[7] By the term minimum wage it is meant that wage which covers the cost of living or a family of average size in the reasonable standards of living above the subsistence level.[8] Unfortunately, in this country no systematic study has yet been undertaken for drawing up any principle for rationalization of wage differentials. One facts stands out that there has to be some difference between one category of worker and another in the hierarchy whether in the public or private sector on the basis of difference in the degree of skill, intelligence, etc. In this regard the pay and service commission agrees with Bangladesh Gana Karmachari Sangjukta Parishad (BAGSAP) that the main objective is how to ensure equitable distribution of national wealth and, therefore, the wage differential of different categories of public employee should be narrowed down. The pay and service commission was willing to accept a higher level of disparity (10.4:1) than was proposed by the National Pay Commission (8.3:1).

It is observed that the salary structure has failed to maintain itself in view of skyrocketing inflation in the economy. Government has also failed to maintain the salary structures relevant to government, semi-government, and autonomous bodies compared to private sector in the economy especially the multinational corporations. this has reduced the government's strength in recruiting the efficient manpower for managing its affairs. It is also observed that the salary structures of the government which are also applicable for the public sector business enterprise, autonomous, and semi-autonomous institution are not properly maintained. Since the independence of Bangladesh there has been increase in the price level by about 1400 p.c. but the salaries of the executives in the public sector enterprises have not increased more than 300 p.c. even after adding the ad-hoc increases in the salary.[9] This paper endeavors to highlight the pay policy of the Government of Bangladesh with relevant factors.

1.2 STATEMENT OF THE PROBLEM

The term pay in general includes two terms-salary and wages, wherein salary is usually referred to the payment for managers, administrators, executives and similar services and the term wage is commonly referred to as the remuneration for manual labor both skilled and unskilled. However, in practice the term salary and wages are often interchangeably used. In this paper too the term pay will be used to include both salary and wages.

In the determination of pay policy, pay structure and maintenance of the pay both external and internal considerations are involved. The external considerations subsume cost of living, hiring rate of the newly recruited employees and competitiveness of the salary structure. In many developed countries of the world, there are cost of living escalator clauses in the salary contract which provide for wage and salary rates to be raised or lowered automatically in relationship to a rise or fall in consumer price indices. Sometimes, there may also be provision for a reopening clause in a labor contract permitting the contract to be reopened during its life for the purpose of discussing the level of wages called for in the contract.[10] On the other hand internal factors to be considered include whether the salary structure is in proper balance with there of other groups of employees and the work ability of the structure. Further, once salary structures are development, the most important task is that of maintaining them up to date and appropriate. The policy regarding maintenance is dependent on the situation prevailing in the country. It can be generally said that in times of rapid inflation, salary structures should be changed very frequently compared to a period of relatively stable prices.[11] There has been tremendous inflation in the economy of Bangladesh after its liberation in 1971. As a result, cost of living of the people has increased manifold. An estimate of the cost of living indices of the country is given in Table 1.

Table 1 Annual Average Consumer Price Index of Government Employees (Middle Income Group in Dhaka. Base: 1969-70=100)

Year	Index	Year	Index
1972-73	181.51	1984-85	931
1973-74	252.48	1985-86	1014
1974-75	407.75	1986-87	1130
1975-76	380.14	1987-88	1241
1976-77	382.46	1988-89	1438
1977-78	340.64	1989-90	1509
1978-79	385.86	1990-91	1691
1979-80	561.11	1991-92	1729
1980-81	628.28	1992-93	1759
1981-82	709.00	1993-94	1817
1982-83	758.00	1994-95	1867
1983-84	833.00	1995-96	1908

Source : Statistical Year Book of Bangladesh 1995-96, Bangladesh Bureau of Statistics up to 1987-88. The rest have been computed by the researcher through chain adjustment.

The analysis of cost of living indices of the different years reveals that the consumer prices have increased more than 1050 percent by 1995-96 compared to price level of 1969-70. Further, by 1995-96 the consumer price index has gone up to about 1908 having 1969-70 as base. The situation has probably been further worsened in recent time. Thus, it can be said that price levels have moved upward very fast. The analysis regarding salary changes in the following section show, however, a very slow and rather insignificant upward rise. Against this backdrop the issues involved therein considered necessary for in depth examination.

1.3 RATIONALE OF THE STUDY

Despite the whole hearted effort on the part of the National Pay Commission (NPC) to suggest a rational pay structure in collaboration with the Administration and Service Reorganization Committee (ASRC) for the newly born country, it eventually

ended in fiasco after few years of half hearted implementation by the Government of Bangladesh.[12] Whatever the philosophy background and political ideologies on which the recommendations of the NPC were based, it could hardly satisfy any class of government officers.[13] Though for equitable distribution of income and wealth in the society, salary compression is sometimes restored to, there are certain damaging effects which has been observed in Bangladesh like excessive compression of salary has demoralized huge number of executive, professionals and employees which have surely affected their performance on the job. In such a context it was considered worthwhile to evaluate the degree of satisfaction as to pay and fringe benefits, the expectations of the concerned people toward pay commission report and the relevant aspects.

In this context it may be noted that the government has setup a new pay commission to recommend pay structure for government, semi-government, autonomous organization and government enterprises. The commission is examining external and internal factors, has circulated questionnaire to the public and different organizations for suggestions. The commission in its questionnaire and circulation stressed on some factors specially, such as:

i) Whether the existing 20 categories be maintained, increased or reduced.

ii) The nature and quantum of fringe benefits.

iii) The basis for pay structure vis-a-vis inflationary effects.

iv) Whether to maintain single or multiple pay structure for different categories of services, sectors, etc.

The commission visited a number of countries to examine the pay policy of those countries and other related factors. In such a context a study on the pay policy of the government in the historical perspective was considered worth undertaking which may be helpful to the relevant policy makers.

1.4 OBJECTIVES OF THE STUDY

The main objectives of the study are as follows:

i) To explain the importance of sound pay structure in the context of efficiency and productivity of employees.

ii) To identify the factors that affect the framing of pay structure.

iii) To study in the historical perspective the different pay structure given by the Government for government, semi-government, and autonomous bodies in Bangladesh and the factors that governed them vis-a-vis maintenance of pay structure.

1.5 METHODOLOGY

The study is mainly based on secondary data. The secondary data were relevant to the factors governing pay structure, pay policy, pay scale given in Bangladesh based on different pay commission, pay and real wages and salary etc. These were collected through perusal of pay commission report and existing available literature on this topic. However, primary data were also collected as to the attitude of service holders toward pay scale and their satisfaction/dissatisfaction toward existing pay expectations toward forthcoming pay commission report. These were collected on the basis of a questionnaire designed on the study. In this context a five point Likert Attitudinal Scale indicating 1. for "not at all satisfaction" 2. for "unsatisfied" 3. for "to some extent satisfied" 4. for "satisfied" and 5. for "fully satisfied" and like words were used to identify attitude of respondents toward selective variables with reference to satisfaction/dissatisfaction aspects of existing pay and their future expectation. The mean scores have been computed for asserting degree of satisfaction. Score 2 was treated as normal and score above 2 and below 2 were taken as yardstick indicating satisfaction and dissatisfaction respectively with reference to degrees. In this context 60 respondents from government and

semi-government and autonomous bodies were selected at random. Further 30 non-government i.e. private sector respondents were also randomly selected. The respondents were divided into 5 categories. Category (i) represented top level respondents getting basic salary more than Tk. 7800, (ii) represented mid level executives getting basic salary between Tk. 4100-7800, (iii) represented respondents getting salary between Tk. 2300-4100, (iv) represented respondents getting basic salary below Tk. 1200. These classifications were based on existing pay scale which, however, to some extent arbitrary. The questionnaire relevant to primary data was filled up through direct interview method. Thus, this report is based on the data so collected after their due analysis and interpretation.

1.6 LIMITATIONS OF THE STUDY

The study was self-financed hence a wide variety people for opinion survey covering all sectors over the country could not be covered. Hence, opinion aspects suffer from its limited scope. Further, due to page constraints, an elaborate evaluation of the past pay commission reports, impact of inflationary aspects etc. could not be made. However, with these limitations, which could not be avoided, an attempt was made to make a comprehensive brief evaluation of the fact which is considered satisfactory to bring to light main factors of pay policy of the government and attitude of the people toward existing and future pay structure.

2. FINDINGS OF THE STUDY

2.1 PAY POLICY OF THE GOVERNMENT : A HISTORICAL ACCOUNT

(A) First Pay Commission and Its Report: 1973

At independence in 1971 Bangladesh inherited an extremely anomalous and discriminatory colonial pay structure for the public services. The first National Pay Commission 1973 observed:

"Soemwhat rudimentary pay plans in the sub-continent were colonial in origin with sharp cleavages. Disproportionately high dispersals were maintained. It would be an overstatement to say, separate pay policies, pay structures and pay administrations existed for different class of employees. By the time Pay Commissions were appointed and their recommendations implemented, the tiers of pay structure at the lower levels became almost irrelevant to the cost of living".[14]

However, it is observed that considering different factors and under objective circumstances, immediately after independence of Bangladesh, Government of Bangladesh froze the minimum pay at Tk. 1000 on the grounds that a) the ex-chequer was empty, and that b) it should be accordance with idealism of socialism.[15] It was considered and established principle to the GOB that salaries of public employees in a country have to be related to its socio-political philosophy. To the GOB the priorities for Bangladesh in this regard was therefore as follows:

* To avoid social explosion, it is necessary to provide a living wage for the lowest salaried employees and permit only fair differential for those above;
* Insulation of wage from the wide price fluctuations, by providing essential commodities at a fair price;
* Assistance to meet environmental needs, viz, housing, health, education and transport; and
* Sharing of hardship, at least during the next few years, by those who can bear the burden.[16]

Having regard to the declare objectives of the government to establish socialist society in Bangladesh, the commission in recommending the pay structure in particular kept in view the following factors.

* The cost of living;
* The need to reduce the disparity between the highest and lowest incomes in society;
* The need to attract and retain in the public sector highly trained and technically and professionally qualified persons;

* The requirement of efficiency, equity and incentives for works, and

* The demand and supply in respect of different professions and occupations.[17]

It was further pointed out that the basic requirement will hold good at least during the period when the country's economy was being rehabilitated and reconstructed. It was followed, therefore, that a rational pay plan shall have hold the following features:

* The floor should be founded on a livable rate of wage;

* The ceiling should be such as will be socially acceptable multiple of the floor.

* The different tiers of the administration should be constituted by functionally distinguishable levels of responsibility and duty and would be standardized into a minimum number of uncomplicated levels;

* The anomaly of the pay structure (grade structure) should be founded on a time scale as it has been the historical pattern;

The process of social reproduction of skills prevailing in the country should also determine the compensation tiers and differentials, with verticals and horizontal parities for careers requiring almost similar time and cost;

* Full monetary compensation at the international levels for the highest professional competence is likely to be available. Motivation has to be inspired on patriotic grounds.[18]

With all these theoretical understanding the commission announced first Pay Commission Report which prescribed the following pay scale consisting of ten grades effective from 1973.

Grade	Pay Scale
I	Tk. 2000
II	Tk. 1475-75-1850
III	Tk. 1150-60-1570
IV	Tk. 800-45-1070
V	Tk. 475-510-35-685-EB-40-1005-45-1275
VI	Tk. 345-400-25-525-EB-30-765-EB-35-975
VII	Tk. 310-325-15-400-EB-18-544-EB-21-670
VIII	Tk. 220-228-8-268-EB-12-425
IX	Tk. 145-151-6-205-EB-7-275
X	Tk. 130-135-5-180-EB-6-240

With a minimum of Tk. 130 and a maximum of Tk. 2000, this scale maintained a differentiation as to 15.38 : 1. It needs to be mentioned that initial pay of existing service holders were fixed about the prescribed ceiling based on years of service as per guideline issued by the government. The pay scale provided for fringe benefit in the form of house rent allowance varying from 25 to 35 percent, medical allowance of Tk. 30 and convenience allowance too. Further, income tax on pay and allowance for public sector employees were payable by concerned agencies, which provision exist till now.

In this connection it may be pointed out that one of the anomalistic features of the erstwhile pre-independence pay structure was multiplicity of scales. There were about 2200 different pay scales in the public sector. Of the many reasons that hindered the full-fledged implementation of the NPC's recommendations the reform measures itself deserves mention. It compressed 2200 scales into just 10 in line with the then socialistic policy of the government. This drastic compression led to serious difficulties at the time of implementation. Supervisory posts were down graded in terms of pay and equalized with the grades of the supervised, creating deleterious effects on efficiency, morale and performance. Since the conversion of a

large number of posts to only six scales (Grade V-X) have not been done on a scientific basis through proper evaluation, incompatibility between pay and responsibility became common palace and discontent among employees became rampant. A large of employees resorted to legal process and in most cases own judgment in their favour.[19] The whole thing became unrealistic as predicted by the commission in paragraph 240 of the report. At the end of July 1976 Tk. 2000 became worth Tk. 537.61 in terms of real purchasing power.[20] The government somehow tried to overcome the situation by introducing the special pay, but national pay grades started crumbing under the pressure of reality.[21]

(B) Second Pay Commission and Its Report: 1977

General Ziaur Rahman after assuming the helm of state authority in 1975 appointed an administrative reform commission, named Pay and Commission (PSC) 1976,[22] to conduct a fresh inquiry into the pay structure and recommend a rational pay policy for all categories of government employees. The new government redefined the state policy and soft-paddle socialism. The commission, in formulating the policy, reflected the government attitude toward public servants. It observed in contradiction to earlier government's point of view that the prestige of civil servants was being progressively eroded. It place the civil servant in a special position which according to the United Nations Civil Law and practice is express as:

"A civil servant was not an ordinary employee. His service placed him in position of a special esteem and, in some ways of special authority, imponderables which paradoxically, could weigh heavily against more material demands. People were, in practice, prepared to accept smaller remuneration in civil service than they would outside."[23]

In determining the pay structure the Pay and Service Commission kept the following principles in mind:

* The wages to be paid to the unskilled labor should be related to physiological needs.

* In the government sector pay can not be directly related to productivity.

* The model employer principle is hardly applicable in the socio-economic context of Bangladesh.

* The task of evolving a suitable pay structure is both complex and delicate. We have, therefore, keep in mind several principles and conditions and to suit peculiar situation and to deviate from generally accepted principles to fit in some peculiar posts in the overall pay structure.

* The overall pay structure should be such as would attract the best and the most qualified persons to the various tiers of government service.

* The pay offer to the different categories of employees should be such as would keep them free the worries of maintaining their relative standard of living, thus enabling them to devote themselves wholeartedly to their duties.

* With a view to attracting young men and women to technical and vocational professions, posts requiring pre-entry technical and / or vocational qualifications have to be placed at premium and either given better skills of pay or hire initial pay in the scale than was the cause in the past.[24]

Against these backdrop the commission produced a report and on the basis of which a new pay scale was announced as follows in 1977 and became effective from 1978.

Grade	Pay Scale	Grade	Pay Scale
I	Tk. 3000 (fixed)	XI	Tk. 470-35-645-EB-45-915-1135
II	Tk. 2850 (fixed)	XII	Tk. 425-30-575-EB-40-735-50-1035
III	Tk. 2350-100-2750	XIII	Tk. 400-25-525-EB-30-825
IV	Tk. 2100-100-2600	XIV	Tk. 370-20-470-EB-25-747
V	Tk. 1850-75-2375	XV	Tk. 325-15-430-EB-20-610
VI	Tk. 1400-75-2225	XVI	Tk. 300-12-396-EB-15-540
VII	Tk.1150-65-1800	XVII	Tk. 275-10-375-EB-15-480
VIII	Tk. 900-55-1285-65-1610	XVIII	Tk. 250-8-282-EB-8-345
IX	Tk. 750-50-900-EB-55-1230-60-1470	XIX	Tk. 240-7-282-EB-7-345
X	Tk. 625-45-985-EB-55-1315	XX	Tk. 225-6-315

In this pay scale a 21 scale was suggested but at the time of implementation it was reduced to 20. In this new scale a differential around 13.3:1 was maintained between the highest and the lowest scale. In fact government had to take into consideration the resources at its end, the capacity to mobilized resources along with its interrelated aspects in awarding pay scale based on the report. But these were not duly appreciated by the service holders. Thus, the process of its implementation was stormy one because there was wide variation between commission's recommendation and the award. In this pay scale house rent allowance varying from 35 to 25 percent was payable; with 25% for the pay above Tk. 2000 and 35% for the pay up to Tk. 1000 was prescribed.

(C) Third Pay Commission : 1985

In the span of nine years i.e. 1977 to 1985 price hike was quite high and as a result the standard of living of the people specially salaried people and fixed income earners eroded by almost 300 percent. As a result demand for new pay scale was quite strong. Thus, a third pay commission was set up. The

commission considered price level, exchequer position, motivation and expectation of the people and recommended pay scale with the highest scale of Tk. 660 with 20 grades along with other fringe benefits like house rent, medical allowance, convenience allowance, festival allowances, education allowance etc.[25] The Government did not accept the recommendation and shelved it as a secret document. However, under the primary demand and necessity, the Ministry of Finance, Implementation Division, issued an order entitled the Services (Public Bodies and Nationalized Enterprise Pay and Allowance) Order 1985 on June 17, 1985 in pursuance of the powers conferred by section 5 of the Service (Reorganization and Condition) at XXXII, 1975 announced the Modified Revised Pay Scale as follows:

Grade	Pay Scale	Grade	Pay Scale
	Tk. 6500 (fixed)	XI	Tk. 1000-70-1560-EB-90-2280
I	Tk. 6000 (fixed)	XII	Tk. 900-65-1550-EB-75-2075
II	Tk. 5700 (fixed)	XIII	Tk. 850-55-1440-EB-66-1700
III	Tk. 4750-150-5500	XIV	Tk. 800-50-1300-EB-55-1630
IV	Tk. 4200-150-5250	XV	Tk. 750-45-1200-EB-50-1550
V	Tk. 3700-125-4825	XVI	Tk. 700-40-1100-EB-45-1415
VI	Tk. 2800-125-4425	XVII	Tk. 650-35-1000-EB-40-1280
VII	Tk. 2400-120-3600	XVIII	Tk. 600-30-900-EB-35-1110
VIII	Tk. 1850-110-2620-120-3220	XIX	Tk. 550-25-725-EB-30-965
IX	Tk. 1650-100-2250-EB-110-3020	XX	Tk. 500-20-860
X	Tk. 1350-90-2250-EB-100-2750		

The pay scale prescribed 20 grades and one fixed resulting to a total of 21 categories. The new scales of pay came into effect on June 1, 1985. The Modified New Scales of Pay (MNSP) 1985 fixed the lowest salary at Tk. 500 and the highest at Tk. 6000 with a differential of 12:1 between the highest and lowest. It is thus observed that the differences between the highest and the lowest scale reduced significantly in this scale at 12:1 which is 13.3:1 in the second and 15.3:1 in the first. House rent allowance varied from 35-40 percent to 50-55 percent was allowance reveling on upward revision in this regard.

(D) Fourth Pay Commission : 1991

From 1985 to 1991, with in a span of 7 years the demand for new pay scale was made by government and non-government employees. The market price raised forced the employees to demand for pay revision as they were unable to maintain standard of living and facing enormous difficulties. In such a circumstances, the Ministry of Finance, Government of Bangladesh revised the pay scale again with effect from July 1, 1991 in pursuance of the powers conferred by Section 5 of the Service (Reorganization and Conditions) Act XXXII of 1975. The Revised National Scale of pay 1991 fixed the lowest salary at Tk. 900 and the highest at Tk. 10000 with a differential of 11.11:1 between the highest and the lowest. The Revised National Pay Scale was as follows:

Grade	Pay Scale	Grade	Pay Scale
	Tk. 10500 (fixed)	XI	Tk.1725-7x105-2460-EB-11x115-3725
I	Tk. 10000 (fixed)	XII	Tk. 1550-7x100-2250-EB-11x105-3405
II	Tk. 8600-4x225-9500	XIII	Tk. 1475-7x100-2105-EB-11x95-3150
III	Tk. 7800-6x200-9000	XIV	Tk. 1375-7x80-1935-EB-11x85-2870
IV	Tk. 7100-6x200-8700	XV	Tk. 1300-7x70-1790-EB-11x-75-2615
V	Tk. 6300-10x-175-8050	XVI	Tk. 1200-7x60-1620-EB-11x65-2335
VI	Tk. 4800-14x175-7250	XVII	Tk. 1125-7x55-1510-EB-11x60-2170
VII	Tk. 4100-16x150-6500	XVIII	Tk. 1050-7x45-1365-EB-11x50-1915
VIII	Tk. 3200-16x-140-5440	XIX	Tk. 975-7x40-1255-EB-11x45-1750
IX	Tk. 2850-7x125-3725-EB-11x130-5155	XX	Tk. 900-18x35-1530
X	Tk. 2300-7x115-3105-EB-11x-125-4480		

Alike 1985 scale this scale had 20 scale plus one extra fixed highest scale. Fringe benefits were almost similar to 1985 scale. Government contemplated that new modified pay scale would mitigate the economic hardship of the salaried people which in fact failed to achieve the goal.

In fact each of the above four pay scales failed to set minimum pay in accordance with cost of living prevailing at that time. The main reasons are the paucity of fund at the disposal of the government and limitations in raising tax revenue, donors' pressure to reduce revenue expenditure of the government etc. Government in fixing minimum pay reportedly consider a minimum sum of taka necessary to maintain a family of 4 adult persons[26]. But an evaluation of minimum pay prescribed in the pay scales it is revealed that every time minimum pay failed to meet such floor level. Further, fringe benefit proved inadequate specially for house rent in bigger cities leading to hardship for the employees living in hired houses. However, it cannot be denied that there is no such thing as scientific pay policy. Each country follows its own way determined by its past traditions, administrative patterns, nature of constitutions and character of the people[27]. *Bangladesh Gana Karmachari Sanjukata Parishad* (BAGSAP) in 1977 proposed that in fixing pay the following factors[28] may be taken into consideration : technicality of the work, degree of skill and intelligence required, taxing of brain, experienced involved, training required, degree of responsibility undertaken, mental and physical requirements, disagreeableness of task, hazards attached with the work; and fatigue invalid. Every time such suggestions are given by different organizations. But to a great extent such suggestions are found little reflected in the pay structure offered. Financial hardship of the government is the main limitation in this regard. It cannot be denied that every government is sincere to provide adequate pay and facilities to the officers and staffs. But a country like Bangladesh has resource limitation. Taxable capacity is limited and that more and more contribution to development budget from revenue budget is a constant pressure of the donors and

there is a logic and necessity to such a pressure. Thus within the limited resources, government has to manage its revenue budget and thus expectations of the service holders always remain significantly unsatisfied. All the parties need to realize objectively the prevailing situation. Further, alternative to rising pay also deserve consideration by the government. In fact what is necessity is that more increase in salary is not enough, an effective management of market, controlled inflation etc. are vital to maintenance pay structure in line cost of living. This need to be adequately addressed by the Government.

2.2 ATTITUDE OF THE RESPONDENTS TOWARDS EXISTING PAY STRUCTURE AND THEIR FUTURE EXPECTATIONS:

Along with alleged low pay scale of government, semi-government, and autonomous bodies compared to private sector and multinational corporations, lack of proper maintenance of the salary structure has reportedly seriously adversely affected job satisfaction of employees. In the such a context an attempt was made to ascertain the extent of job satisfaction of the government and private sector employees vis-a-vis their respective existing pay and fringe benefits. The results obtained are presented in the following table:

Table 2 Opinion of the Respondents Towards Existing Basic Pay and Fringe Benefits: (Based on Mean Score)

	Govt. Semi-Govt. & Autonomous		Private Sector	
	Basic Pay	Fringe Benefits	Basic Pay	Fringe Benefits
Category I	1.4	1.6	2.5	2.6
Category II	1.5	1.4	2.1	2.3
Category III	1.3	1.4	2.1	2.2
Category IV	1.3	1.2	1.9	1.8
Category V	1.2	1.2	1.5	1.5

Note : N = Respondents in Category I : Public Sector 10, Private Sector 05; Category II : Public Sector 15, Private Sector 08; Category III: Public Sector 10, Private Sector 06; Category IV : Public Sector 10, Private Sector 05 & Category V : Public Sector 15, Private Sector 10.

It is revealed from the above table that all categories of employees of public sectors are unsatisfied with basic pay and fringe benefits. The mean score vary from 1.2 to 1.6 which is below the satisfactory level of 2. However, the higher status people of private sector have the satisfaction as to their relevant pay scale but low wage earners reportedly are not much satisfied at the received by them.

In such a context an attempt was made to gather opinion of the respondents as to the factors which need to be considered in framing pay structure and maintenance of the same. To this end the suggestions of the respondents were as follows:

Table 3 Suggestions of the Respondents as to Factors Need to be Considered in Fixing Pay structure and Maintenance of the Same

Sl.No.	Suggestions	Number	Percentage
1.	Initial pay should be based on present cost of living	70	77.77
2.	Every year pay should be adjusted on the basis of cost of living index.	55	61.11
3.	Pay structure should be so framed as to include provision of auto adjust of inflation like some other countries.	40	44.44
4.	Pay should be in conformity with relative worth of job.	60	66.67
5.	Pay should motivate employees to accept greater responsibility and ensure productivity.	40	44.44
6.	Rate of fringe benefits should be increased significantly.	65	72.22
7.	It should be attractive to retain adequate caliber.	65	72.22
8.	Higher and lower pay differentiation should be minimized.	30	33.33
9.	Instead of single pay structure different pay structure for different sector should be setup.	30	33.33
10.	Government as a model employer should fix pay to satisfy basic needs at lower and mid level.	20	22.22

Note : Some respondents gave more than one suggestions.

A review of the table shows that the basis of fixing pay, specially for the low level should be cost living. Further, an upward revision of fringe benefit have also been suggested by a significant number of respondents. Moreover, to cope with inflationary trend an annual review of price index leading to sanction and revision dearness allowance based on that incorporation in the pay structure or an inbuilt inflation adjustment scheme have been suggested by majority of the respondents. There is a diverse opinion as to single or multiple pay for different sector and also as to increase or decrease of categories. However, what is evident is that the pay commission also considered all these factors in past but their awards failed to reflect ideal situation for a variety of reasons.

It is, expected by the service holders that the Government would seriously consider these factors and the expectation of the people would be significantly meet. To attract and retain caliber people in the public sector the pay should not only be attractive at entrance level, but this should also be maintained. This would motivate people to accept responsibility and improve performance leading to higher productivity. Further, some of the respondents seem to have rightly pointed out that inadequate pay and failure to maintain pay structure is one of the reason for corruption, which once deeply rooted can be serious problem causing hardship to people and slow and inefficient administration. Moreover, it is well known that labor productivity in Bangladesh is low compare to our neighboring countries, not to speak of developed countries. But at the same time there is necessity of commitment which is low in public sector, barring a few. Thus, in one hand government should consider the meeting of the expectations of its employees and at the same time employees need to be committed and sincere on the other to prove worthiness of such consideration.

2.3 PROROGUE: FIFTH PAY COMMISSION 1997

At the time of writing this article the fifth pay commission report was not submitted to the government. The commission submitted the report in the mean time and the government after

prolonged consideration at different levels announced new pay scale. The important features of the same thus need to be pointed out. These are now in order. In the fifth pay commission 20 grade scales have been fixed as follows:

Grade	Pay Scale	Grade	Pay Scale
I	Tk. 15000 (fixed)	XI	Tk. 2550-155x7-3635-EB-170-x11-5505
II	Tk. 12900-350x4-14300	XII	Tk. 2375-150x7-3425-EB-155x11-5130
III	Tk. 11700-300x6-13500	XIII	Tk. 2250-135x7-3195-EB-140x11-47-4735
IV	Tk. 10700-300x8-13100	XIV	Tk. 2100-120x7-2940-EB-125x11-4315
V	Tk. 9500-260x10-12100	XV	Tk. 1975-105x7-2710-EB-110x-11-3920
VI	Tk. 7200-260-x14-10840	XVI	Tk. 1875-90x7-2505-EB-100x11-3605
VII	Tk.6150-225x16-9750	XVII	Tk. 1750-80x7-2310-EB-90x11-3300
VIII	Tk. 4800-210x16-8160	XVIII	Tk. 1625-65x7-2080-EB-75x11-2905
IX	Tk. 4300-185x7-5595-EB-195x11-7740	XIX	Tk. 1560-60x7-1920-EB-65x11-2695
X	Tk. 3400-170x7-4590-EB-185x11-6625	XX	Tk. 1500-50x18-2400

The new pay scale recommended by the secretary committee will be implemented in phases with retrospective effect from July 1, 1997. The scale containing 20 grades will be implemented in the next three years. In the firs year, 60 percent of the enhanced salary under the new pay scale, will be given from July 1, 1997 to June 30, 1998. In the second year, remaining 40 percent of the enhanced salary will be given from July, 1998. All allowances, including festival allowance/bonus (excluding tiffin allowance) as

received on June 30, 1997 will be given during fiscal year 1997-98 and 1998-99 (up to June 30, 1999). From July 1, 1999, allowances and bonus under new scale will be given.

3. CONCLUSION

The above discussion reveals that subsistence pay was not reflected in the pay scales mainly due to limited resources at the end of the government. Moreover, lack of proper maintenance of salary structure, control of price hike and inflation etc. adversely affected job satisfaction. Fringe benefits were considerably low. The study further revels that pay differentiation between groups has been narrowed down from 15.38:1 in 1973 to 9.37:1 in 1997 (including tiffin allowance). This is praise worthy no doubt. But the continuous fall of standard of living resulting from march of inflation has lowered the morale of public sector employees. If the morale, motivation and productivity is to be raised the real pay has to be properly adjusted. In such a situation, if the pay policy cannot include 'salary escalator clause' it is necessary that some steps be taken to have at least a reasonable fair relation of pay with cost of living. In fact Government as a 'model employer' should come forward with a rationalized pay structure and can at least take following steps:

I. Ensure that pay structure include salary escalator or provide for a provision annual / bi-annual increase of basic pay or award dearness allowance based on increase in cost of living.

II. With new pay scale younger employees gets comparatively greater benefit than senior people resulting in dissatisfaction. This flaw need to be attended, similar or near benefit need to be ensured.

III. Housing facilities be improved and increased with new construction and that in the absence of adequate accommodation, allowance for housing need to be fixed for different cities/towns in accordance with prevailing house rents.

IV. To attract and retain experienced professional people in public sectors, provision for technical allowance may be introduce.

V. To ensure entrance of juniors to higher position extension / re-employment service, as far as possible be discouraged through rules made thereof.

In fact pay should be in conformity with relative worth of job, skill, experience and responsibility. The pay structure need to provide adequate material and moral incentive to meet such intellectual and skill needs as well. In such a context forthcoming pay commission is expected to meet the expectation of the employees to a satisfactory level.

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WORKERS' MOTIVATION WITH REFERENCE TO RAJSHAHI TEXTILE MILLS LTD.

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ABSTRACT

Workers' motivation at the Rajshahi Textile Mill is reflected by high rate of absenteeism, dissatisfaction of workers towards the financial and non-financial incentives. Motivational strategy is fixedup by BTMC, and the existing payment of wages, salary, fringe benefits etc. is uniformly made in all the Textiles. Unless the mill can attain their target production, sales and earnings, there is difficulty to provide for more incentives to the workers. Workers need to be more dedicated to work hard for the mill and enabling the mill to attain their breakeven production and business target and then it would be easier to provide for increasing motivational facilities to the workers.

Introduction

Rajshahi Textile Mills Ltd. established in 1979 had 777 workers initially but at present it has 673 workers. workers' motivation has an important impact on their productivity. Rajshahi Textile Mills has accumulated loss of Tk. 17 crore at the end of 1994-95. Low productivity of workers for high absenteeism is one of the factors for high cost of production. The object of this study is to see the level of workers' motivation and its impact on the volume of production of the Rajshahi Textile Mill during 1990-91 to 1994-95. For the study 50 workers of the production department were interviewed by the researcher through an

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interview schedule. Discussion was made with the general Manager, Assistant Manager, Administration, Labour Welfare officer, Trade Union Leaders relating to their problems and achievement. Some of the data are made available visiting the personnel division, BTMC. Other publication of BTMC like the annual reports, MIS reports, annual accounts, audit reports etc. are collected from the accounts section, MIS section of BTMC.

Review Works

M. Omar Ali[1] wrote an article on "Employee Motivation in Bangladesh with special reference to nationalised industrial units located in Rajshahi and Khulna Zones. He interviewed 177 workers of 9 nationalised units in Rajshahi, Khulna and Rangpur Districts. Most of the workers were found dissatisfied with the incentives like low rate of pay which created dissatisfaction. He suggested to remove the dissatisfaction to increase production.

Mokhlesur Rahman[2] had an article on "Labour Management relation in the Crescent Jute Mills, Khulna". He saw that employees of Crescent Jute Mills have not achieved a high level of job satisfaction. Vast majority of the employees are dissatisfied for low salary and benefits, bad factory conditions, in sufficient training facilities, lack of proper supervision etc.

Fashiul Alam[3] published the article on "Labour unrest in selected industries of Chittagong". He took two public and 2 private mills. 70 respondents like 40 workers, 15 managers and 15 union leaders were interviewed. He saw labour unrest in the form of strikes, demonstration, etc. for the unfair labour management practices, delay in disput settlement etc.

Abu Bakr Siddique[4] prepared an article on "Motivational Models, Managerial strategy and organisational theory: An analysis of their interdependence Based like and trends. He said that Manager must know how to motivate, lead and

communicate and develop interpersonal relationship. Motivation is a function of human needs, general economic condition of the country and social condition of the business. Managerial style, peer group loyality, bogs subordinate relationship and the organisational structure are the major social attributes.

Professor Habibullah[5] in study on "Motivation mix" recommended some major factors for increasing motivation and productivity of the workers.

Terms and Concepts

The term motivation comes from the latin word movers, which means to move. This meaning is supported by the following formal definitions given by Berelson and Steiner. "A motive is an inner state that energizes, activates, or moves (hence motivation), and that directs and channels behaviour towards goals". Stanford and Wrightmen describe a motive as follows : "A motive is a restlessness, a lack, a yen, a force. Once in the grip of a motive, the organism does something. It most generally does something to reduce the restlessness, to remedy the lack, to alleviate the yen, to mitigate the force.[6] Webster[7] defines motivation as "to provide with a motive; to impel; incite", and motive as "that within the individual rather than without, which incites him to action, any idea, need, emotion, or organic state that prompts to an action". The key understanding of motivation, lies in the meaning and relationship between needs, drives and goals.

The Motivation Cycle

Needs	DRIVE	GOALS
(Dprivation)	(Deprivation with direction)	(Reductionof drives)

Contemporary Motivation Theories

Many theories of motivation such as Herzberg's motivational and maintenance factors 1959; McGregor's Theory X and Y 1960; Vroms expectancy model, 1964; Maslows need heirarchy, 1965;

Mc, clellands achievement motivation; 1969 and Ovchis Theory Z, 1978 have contributed much to understand the content and process of motivation at work. High lights of these theories are discussed here[8].

Herzberg's motivational and maintenance theory : (1959)

Herzberg concluded that some job conditions operate primarily to dissatisfy employees when the conditions are absent, but their presence does not motivate employees in a strong way. The factors are really more potent as dissatisfiers. These potent dissatisfiers are called maintenance factors in the job, because they are necessary to maintain a reasonable level of dissatisfaction in employees. They are also known as dissatisfiers, or as hygenic factors because they support employees' mental health[9].

Another set of conditions operates primarily to build strong motivation and high job satisfaction, but their absence rarely proves strongly dissatisfying. These conditions are known as motivational factors: achievement, recognition, advancement, work it-self, possibility of growth, and responsibility. There were ten maintenance factors: Company Policy and Administration, technical supervision, interpersonal relations with supervisor, interpersonal relations with peers, interpersonal relations with subordinates, salary, job security, personal life, working conditions and status.[10]

Theory X and Theory Y : (1960)

Douglas McGregor analyses leadership into two thoughts: These are Theory X and theory Y. Theory X is traditional style of direction and control which is followed by the manager on the assumptions that[11] :

1. Human being has an inherent dislike of work.
2. The average human being prefers to be directed, wants to avoid responsibility, has little ambition and wants security above all.

3. People need to be threatened with punishment to get them to wards the achievement of organizational objectives.

Theory Y

Douglas McGregor labelled the theory Y. that the average human being does not dislike work. Work may be source of satisfaction as well as source of punishment. External control and the threat of punishment are not the only techniques to mobilize attention towards organizational objectives. Man may apply self direction and self control to the objectives to which he is devoted. Commitment to objectives is the output of he rewards related to their objectives. The satisfaction of ego and self actualization needs are treated as the direct result of the efforts to the organizational objectives. The average human being learns, to have responsibility, avoidance of responsibility, lack of ambition, and emphasis on security may be the consequences of experience. The intellectual potentialities of the average human beings are utilized to some extent[12].

Theory X is of direction and control exercising authority incase of theory "Y" it is the integrations, the availability of conditions enabling the members of the organization to achieve their own goals through using their efforts for the success of any concern.

The expectancy Model : (1964)

Expectancy model or expectancy theory, was developed by Victor H. Vroom. Motivation is a product of how much one wants and the probability of getting it. This relationship is shown in the following way[13].

Valence (Strength of one's desire for something)	X expectancy (Probability of getting it with a certain action)	=Motivation. (Strength of drive toward an action)

A need hierarchy of five stages has been given by A.H. Maslow. These are:

1. Physiological needs;
2. Safety and security;
3. Belonging and social needs
4. Esteem and status;
5. Self actualization and fulfillment

The Achievement Expectation Theory : 1969

David Mcclelland emphasises that if a person has thorough understanding of the theoretical concept relation to achievement motivation and his own scores, he would perform better[14].

The Benefits of Motivation:

The benefits of effective motivation are as follows:

1. Employees productivity;
2. Favourable company image becomes available;
3. It's a means of satisfying the employees needs;
4. It boosts group morale:
5. It creates discipline among the employees.

Ten factors of effective motivation:

1. Recognition of the individuality of individuals;
2. Making the subordinates feel important;
3. Guide rather than order;
4. Set a good example;
5. Show confidence in your subordinates;
6. Listen attentively;
7. Watch how can you communicate;
8. Encourage participation;
9. Do not be secretive;
10. Make your subordinates want to do things that you want them to do[15].

Major findings and their interpretation:

Budgeted spindles of the RTM were 22300 at the end of 1993-94 but actual spindles used were 12654 i.e. 56.74 percent. Actually 9644 spindles were remaining idle during the period. The budgeted production and actual production of the mill were as follows during 1989-90 to 1993-94.

Lakh kg.

			Achievement %
1989-90	16.56	11.44	69.07
1990-91	16.35	11.28	68.99
1991-92	15.90	11.51	72.39
1992-93	16.00	10.01	62.56
1993-94	15.65	3.06	19.55

Source : Office records of RTM.

The average achievement of production was not satisfactory at all. It is very much alarming for mill management.

Net losses of the mill during 1989-90 to 1993-94

Tk. in lakn

	Budgeted loss	Actual loss
1989-90	95.30	(49.87)
1990-91	18.28	(116.80)
1991-92	108.25	(92.93)
1993-93	77.74	(202.92)
1993-94	62.35	(295.19)
1994-95	---	(211.08)

Source : *Ibid.*

Every year there was net loss. Total losses were Tk. 967.79 lakh during 1989-90 to 1994-95. Productivity of the workers was declining during the period. The causes of the decline in employee productivity are mainly workers absenteeism, lack of spareparts, power failure, mechanical troubles, shortage of

quality raw carton, strikes and other unrest. The net losses for the absenteeism were as follows during 1993-94 and 1994-95.

	Idle spindles	Production lost in lakh kg (32 count)	Lakh Tk. amount of losses
1993-94	2754	0.14	4.55
1994-95	21034	1.04	26.96
Total :		1.18	31.51

Amount of losses were Tk. 31.51 lakhs for the absenteeism of the workers during 1993-94 to 1994-95.

Personnel division of the mill states that month-wise net losses for the absenteeism the year 1994-95 were as folows:

		Idle spindles	Prduction loss (lakh kg)	Amount of losses lakh Tk.
July	1994	--	--	--
Aug.	,,	1513	0.08	3.99
Sep.	,,	787	0.04	1.32
Oct.	,,	812	0.04	1.33
Nov.	,,	1138	0.06	1.92
Dec.	,,	1329	0.07	3.93
Jan.	1995	739	0.04	2.07
Feb.	,,	720	0.04	0.99
March	,,	340	0.01	0.45
April	,,	2301	0.12	1.10
May	,,	6809	0.31	6.16
June	,,	4545	0.23	3.70
Total:		21034	1.04	26.36

The average attendance of workers in RTM during 1994-95 was as follows :

		No. of total workers	Daily absentee of the workers
July	1994	710	91
Aug.	,,	,,	88
Sep.	,,	,,	116
Oct.	,,	,,	87
Nov.	,,	,,	75
Dec.	,,	,,	83
Jan.	1995	,,	92
Feb.	,,	,,	88
March	,,	,,	137
April	,,	,,	110
May	,,	,,	114
June	,,	,,	109
Total :		710	100

Here it is seen that on average 100 workers remained absent during July 1994 to June 1995. This affected the volume of production, cost of production, quality of products, man management relation, human resource development scheme of the RTM. While asking for such alarming absenteeism. the mill executives told the researcher that actually workers are not satisfied with the existing salary and bonus system. They demand for more salary and wages, overtime allowances, house allowance, medical allowance, festival bonus etc. Majority of the worker are dissatisfied with the insufficient training and development facilities, bad working environment, lack of social security schemes, participation in decision making and negligence of management towards their problem and barriers.

Management holds the opinion that due to non-availability of profits it's difficult to provide more financial and non-financial incentives to the workers. Unnecessary stock piling of yarn creates greater uncertainty in developing sound labour management relation. Market opportunity is very much limited by the availability of imported yarn and smuggled yarn. The mill fails to compete in the local market to sell their produce at a competitive price. Budget for production, sales, cash flow are not achieved.

Conclusions

From the analysis of the available information it is concluded that motivation of the workers is yet to be increased to remove the dissatisfaction of the workers, increased their productivity, shorten the excessive absenteeism of workers, their devotion to work. Although the RTM is a losing concern, still the facilities are given as per the decisions of BTMC. Workers need to be more sincere for the development of the mill. Once the mill becomes able to utilise their whole spindles, increase volume of production, sell the whole quantity at profitable rates, then it may be possible for the part of the mill of provide more and more financial incentives to the workers. Workers need to be more dedicated to increases their productivity reduce the cost of production and broaden the way of the development of the mill. Management should try to reduce the absenteeism through following the strategis of the theory Y and this will create congenial environment for improved labour management relation. Provision may be made for participation of the workers in decision making subject to the attainment of target production, profit and overall achievement.

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EXPERIENCES OF SOME SPECIAL CREDIT PROGRAMMES IN BANGLADESH TARGETING WOMEN

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ABSTRACT

This paper examines some selective special credit programmes targeting women. The findings reveal that weak organizational structure and poor loan supervision, low rates of return on certain activities financed and high cost of operation are potential constraints in expanding credit to women. It is recommended that strengthening of credit delivery and recovery mechanisms, group formation, and non-credit activities would minimize these constraints. Experiences of NGOs should be utilized in government programmes to adopt simpler procedures and format for application and for repayment of loans. Collective savings, as in the case of Grameen Bank, is highly desirable to act as an insurance and guard against unforseen situation. In order to improve manageability the credit groups should be kept small. The additional cost for strengthening non-credit activities such as training and social development activities could be recouped by reducing the large subsidy to better-off entrepreneurs who now default on their loans.

1. INTRODUCTION

Improved access to credit by women could lead to two developments: increased employment in income-generating activities and an incentive to adopt improved technology. In Bangladesh, the economic participation of most women depends on a very slim resource base consisting of mainly their unskilled physical labour. The role of women could be enhanced if their resource base were expanded by the addition of complementary

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resources (essentially through human capital development and access to credit). It is in this context that credit becomes important; if women had improved access to credit they could expand the "expenditure-saving" activities of the homestead into "income-generating" ones and in the process improve their economic status in society.

2. OBJECTIVES AND METHODOLOGY

This paper aims at reviewing some selective special credit programmes targeting women. The specific objectives of the study are:

a) to ascertain the types and number of women covered nationally by the selected special credit programmes;

b) to assess the quantum of credit disbursed, credit-financed activities, per capita savings, repayment rate and other concomitant parameters;

c) to identify issues and concerns regarding women targeted special credit programmes; and

d) to examine relative performance of government programmes, government supported programmes and programmes of Non-government Organizations with respect to a, b and c above.

The study is based on review of empirical literatures, computation of secondary information and further treatment of some reported primary data collected under different studies at different periods. Simple tabular method of analysis was carried out to arrive the results. Averages, percentages, ratios, two-way frequency distribution tables etc. were utilised for the analysis.

3. BACKGROUND INFORMATION

3.1 Importance of Access to Credit by Women

In a study of the Grameen Bank, female borrowers were found to work, on an average, for 18 standard eight-hour working

days per month of income generating activities, of which 16 days (around 89%) were spent on the loan-financed activities (Hossain, 1984a). In contrast, women in the non-target group (those with no access to Grameen Bank credit) spent only 2.4 standard eight-hour working days a month on income generating activities[1]. The adoption of new technology by women increased accumulation of capital. The study also found that the amount of working capital employed by borrowers increased, on an average, three times within a period of 27 months. In addition, investment in fixed assets was about 2.7 times higher for borrowers with three years membership in the Grameen Bank than those who joined during the year of the survey. Expansion in investment, the study found, facilitated the adoption of improved technology[2].

Table 1 : Findings of Some Micro Studies on Women's Work, 1974-96

Study year	Samples	Relevant Findings
1974	700 households	- 95% engaged in expenditure saving activities; - Women spent on average 1.8 hrs/day in income earning and 4.7 hrs/day cost saving; - Women worked for 10-12.5 hrs/day and men 9-10.6 hrs/day;
1977	343 households, 2043 respondents	- 9.3 hrs long working day for women, and 9.2 for men; - 1.8 hrs/day spent in productive work;
1977	34 households; for 210 days;	- Women (aged 10 plus) spent 2.4 hrs/day in economic activity, increasing to 3.3 hrs/day in agriculturally busy time and falling to 1.8 in slack times; - Women aged 15-54 spent 2.5 hrs/day on economic activities which is equivalent to 114 standard 8 hr. working days in a year; - Women worked for 8.4 hrs/day & men 6.5;
1996	392 women	- 91% active in economic activities; - On an average women spent 2.07 hrs/day in Sept-Oct. (economically slack season)

Source : Hossain & Afsar, 1989; Ahmed, Q.K., 1996

3.2 Nature and Extent of Access to Credit by Women

Access by women to institutional credit is not currently recorded in official documents as data are not kept on

disbursement and recovery in terms of gender. However, and assessment of the activities for which loans were disbursed and the formalities to be completed for receiving credit concluded that access by women to formal credit has been limited (Hossain and Afsar, 1988; Ahmed, 1996).

Bangladesh Institute of Development Studies (BIDS) analyzed data on a 1987 survey of 40 villages in Bangladesh, which focussed on the issue of access by women to credit in the rural areas (cited in Hossain and Afsar, 1988). According to this survey, female borrowers accounted for 2.8% of total respondents with access to credit, and 2.1% of total credit made available to then (Table 2). These findings, while subject to sample limitations, support a number of hypotheses relating to unequal access of credit by the poor and women, in particular.

Table 2 : Women's Access to Rural Credit

Sources of Credit	Male borrowers		Female borrowers		All borrowers	
	No.	Amount (000 Tk.)	No.	Amount of loan (000 Tk.)	No.	Amount of loan (000 Tk.)
Institutional Sources (a)	90 (91.8)	306.8 (91.5)	8 (8.2)	28.5 (8.5)	98 (100.0)	335.3 (100.0)
Informal Sources (b) (With interest)	120 (100.0)	667.1 (100.0)	Nil (0.0)	Nil (0.0)	120 (100.0)	667.1 (100.0)
Informal Sources (c) (without interest)	141 (98.6)	556.5 (99.3)	2 (1.4)	4.0 (0.7)	143 (100.0)	560.5 (100.0)
All informal Sources (b+c)	261 (99.2)	1223.6 (99.7)	2 (0.8)	4.0 (0.3)	263 (100.0)	1227.6 (100.0)
All Sources (a+b+c)	351 (97.2)	1530.4 (97.9)	10 (2.8)	32.5 (2.1)	361 (100.0)	1562.9 (100.0)

Source : BIDS, Field Survey conducted in 1987 for "Differential Impact of Modern Rice Technology" Project.

Note : Figures in parentheses are percentages of raw totals. The sample consists of 800 households, 20 selected randomly from each of 40 randomly selected villages.

4. EXPERIENCES OF SOME SPECIAL CREDIT PROGRAMMES

In addition to commercial banks, the Government entrusted Bangladesh Rural Development Board (BRDB) with the task of organizing the rural poor (including women) for developing programmes of employment generation. In this context, BRDB, deriving financial resources from Sonali Bank, organized affiliated primary societies which are known as Krishi Samabaya Samity (KSS) or agricultural cooperative society, Mahila Samabaya Samity Bittaheen Samabaya Samity (MBSS) or cooperative society for landless men and women, respectively. Two experimental programmes, which were initiated exclusively for the rural poor in the late 1970s, emerged as the Grameen Bank (village-oriented bank) and Swanirvar (self-reliant) programme. In 1982 another credit programme, the Women's Entrepreneurship Development Programme (WEDP), was initiated exclusively for impoverished, rural women with USAID financial assistance, under the organization of the Bangladesh Small and Cottage Industries Corporation (BSCIC). There are other government and government-supported programmes. Besides government and government-supported special programmes, NGOs like the Bangladesh Rural Advancement Committee (BRAC) and Proshika are also involved in credit for women. The coverage of women through special credit

Table 3: Coverage of Women Through Special Credit Programmes.

Programme	Period (Up to)	Number of Women Covered (thousands)	Cumulative Amount of Loans Disbursed (million Taka)	Per Capita Savings (Taka)	Repayment Rate (%)
Government					
BRDB Women's Programme	June 1988 [a]	122	91	126.60	62
	June 1995 [b]	256	320	-	75
BRDB Rural Poor Programme	June 1988 [a]	147	99	127.00	75 [h]
Ministry Social Welfare and Women's Affairs	1985 [a]	96	30	-	-
BSCIC Women's Entrepreneurship Development Programme	1986 [a]	9	15	-	73
	March 1995 [c]	34	1113	-	84
BSCIC Women Employment Generation Project	September 1996 [d]	10	1	-	-
BMET Bittaheen Credit Programme	June 1995 [b]	-	49	-	-
BARD Small Farmers Development Project	June 1994 [b]	-	54	-	-
DWA Rural Employment Generation Project	September 1994 [b]	6	29	-	-
Quasi-Government					
Swanirvar (women's programme)	June 1988 [a]	325	460	187.40	751
	November 1990 [b]	332	-	-	-
	September 1994 [b]	3250	689	-	-
Grameen Bank (Women's programme)	June 1988 [a]	347	2,015	680.00	98
	August 1995 [e]	1,938	50,155	2182.00	98
Non-Government Organizationa					
BRAC (women's programme)	1987 [a]	91	73	153.70	97 [j]
	September 1993 [f]	815	2,254	2557.00	98
Proshika (women's programme)	1987 [a]	16	9	2557.00	78
	1993 [g]	161	91	164.90	-

'-' indicates data not available.

Sources: a. Hossain and Rita (1988).
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g. BBS (1994).

h. The corresponding recovery rate for the male counterparts was only 38%.

i. The corresponding recovery rate in the year 1982 was 97%.

j. The corresponding repayment rate for the male counterparts was 90%.

4.1 Government Programmes

4.1.1 *BRDB Women's Programme*

Under BRDB, MSSs were organized to increase acceptance of family planning and MBSSs were organized to assist poor women to obtain self-employment opportunities[3]. Credit was the driving force for achieving the above aims.

Eligibility criteria for membership to these two societies are: (a) permanent resident of village and have attained a minimum age of 18 years; (b) membership of a cooperative society through the purchase of a share of Tk 10 and depositing weekly savings; (c) registration under cooperative law with the Cooperative Department after undergoing a specified probation period (at least six months) and complying with necessary rules and regulations; and (d) preparation of production plan by individual members and appraisal of it by the Thana Central Cooperative Association (TCCA).

There are additional criteria for membership in the MBSS. Only those women in households who own less than 0.50 acres of land and whose main source of income is agricultural wage labour or rural non farm activity are eligible for membership. Widowed, divorced, destitute and abandoned women get priority.

The MSS programme under BRDB was inititiated in 1976 in 20 Thanas and has now expanded to 100. Up to mid-1988, about 122,000 women have been organized in cooperative and BRDB has disbursed short-term loans amounting to Tk 91 million, in sizes ranging from Tk 500 to Tk 2,000 per borrower, depending on the nature of the activity. Similarly, the credit programme for the MBSS was initiated in 1985. Up to June 1995, Tk 320 million has been disbursed (3.5 times over 1988) and the repayment rate tended to be 75% as against 62% for the period up to 1988 (Table 3).

4.1.2 *BRDB Rural Poor Programme*

The programme cofinanced by CIDA under the Rural Poor Programme (RPP) component of the IDA-assisted Second Rural Development Project has covered more than 147,000 women in 87 Thanas and disbursed about Tk 99 million of loans by the end of 1988 (Table 3). Analysis of data on society formation, membership and disbursement indicates substantial disparity in performance between the female and male societies of BRDB. There are more male than female societies in both the regular BRDB programmes and the RPP. The total volume of credit and the average size of loans are also larger for males than female members. However, the recovery rates for women in both MSS and MBSS are better than their male counterparts estimated at 38% for KSS and over 70% for MSS and MBSS (Table 3).

4.1.3 *BSCIC Women's Enterpreneurship Development Programme (WEDP)*

WEDP was initiated by the Ministry of Industries and Commerce during the Second Five-Year Plan (1980-85) through financial assistance from USAID, with BSCIC as the executing agency and credit disbursed through the Bangladesh Krishi Bank. The primary goal is to help existing and potential women entrepreneurs in low income groups of selected Thanas by providing small loans to finance both working and fixed capital to set up small industries with locally available raw materials. Besides credit, the women are provided with extension services,

such as training, technical advice, supply of product design and marketing services. Existing and potential entrepreneurs are selected by BSCIC's female extension workers and they obtain credit primarily upon the recommendations by BSCIC's staff. Up to the end of 1986, Tk 15 million had been disbursed to 9,000 women as credit to cover activities like food processing, livestock development, and craft-making. The average recovery rate was estimated at 73% by the end of 1986. Up to March 1995, an amount of Tk 1113 million has been disbursed (Table 3).

4.1.4 *BSCIC Women Employment Generation Project*

The Bangladesh Krishi Bank (BKB) has a collaboration with BSCIC in the Project aimed at creating employment generation opportunities for the rural poor women involving all of their branches throughout the country. A sum of Tk. 5000 per member of the poor women is given as loan for undertaking income generating activities. A sum of Tk. 1 million has been disbursed to 10012 borrowers as on September 1996 under the Programme.

4.1.5 *BMET Bittaheen Credit Programme*

Bittaheen Credit Programme was launched by the Sonali Bank in collaboration with the Bureau of Manpower Employment and Training (BMET) since 1984. The programme aims at creating income and employment generating opportunities for rural poor men and women having less than 0.40 acre of land and depending on wage labour for their living. The loans are given against group security. A sum of Tk. 97 million has been disbursed under this programme up to June 1995. Around Tk. 49 million has been disbursed to women borrowers (Table 3).

4.1.6 *BARD Small Farmers Development Project*

The Janata Bank has been involved in financing the Small Farmer's Development Project in collaboration with the Bangladesh Academy for Rural Development (BARD). A sum of Tk. 108 million has been disbursed up to June 1994 with 50% of the credit i.e., 54 million earmarked for women.

4.2 Government-Supported Programmes

The government-supported programmes, Swanivar and Grameen Bank, although initially experimental, have made impressive progress in extending credit, along with other services such as training especially to rural women.

4.2.1 *Swanirvar Programme*

The Swanirvar programme was initiated in 1979 in ten Thanas of the country. By March 1988, it has expanded its operations to 9,070 villages (11.5% of the total villages in the country), with membership of about 0.5 million people and has disbursed about Tk 708 million to its members. A sum of Tk. 1060 million (i.e., 49.7% increase over 1988) has been disbursed to 5 million members as on September 1994 against which the present outstanding and overdue tune to about Tk. 850 million and 750 million (inclusive of interest) respectively. The programme covers landless (less than 0.40 acre of cultivable land) men and women. It is implemented at the village level by volunteer credit associates (Rin Shahojogies), who are appointed from the Swanirvar workers. They are not regular employees of the Swanirvar organization or the participating bank, but get as honorarium a share of the total proceeds accumulated in the Swanirvar workers Trust Fund formed with contribution from members. Credit is disbursed on a group basis, where the group serves as the guarantor for the scheme. Members attend weekly meetings in which loan proposals are discussed, approved and disbursed, and repayments made. Loans are usually repaid within 52 weeks from the date of disbursement in small weekly instalments of 2% of the loan amount.

There is no official record of the access of women to credit, but 65% of the borrowers are estimated to be women, accounting for about a similar proportion of the total credit disbursed[4]. Thus, up to 1988, about 325,000 women might have received

about Tk 460 million from the programme. The average size of a loan for male borrowers is estimated at Tk. 1,231 and for female at Tk. 1,041 (Afsar, 1988). The expansion of the programme and the resulting administrative difficulties have led to a decline in the recovery rate, from and estimated 97% in 1982 to about 75% in 1988. Up to September 1994, Tk 689 million has been disbursed to 3.25 million women (Table 3).

4.2.2 *Grameen Bank*

The Grameen Bank is one of the most innovative approaches in rural banking. It was created out of an action research project in 1976. The experience was replicated as a pilot project during 1980-82 with a loan from the IFAD. It was transformed in 1983 into a specialized financial institution with a paid-up capital of Tk 30 million, of which 60% was contributed by the Government and 40% by bank members (who are from households which own less than 0.50 acre of cultivable land and the value of family assets together does not exceed the market value of one acre of medium quality land in the area). An amendment in 1986 raised the paid-up capital to Tk 72 million, of which about 75% is contributed by its member shareholders.

To get a loan, the members must form a group of five who are "like-minded" and have similar economic and social status. Each group holds a weekly meeting, and joint weekly meetings of several groups (called the "centre") are also held. Loans are given to the individual or group, extended for one year and paid back in weekly instalments, each instalment being 2% of the principal amount. Every group member deposits Tk 1 a week in personal savings into the Group Fund account. In addition, each borrower pays an equivalent of 25% of the amount charged as interest on the loan into an Emergency Fund, which is used to give life and accident insurance coverage to all group members, to repay bad debts, and to undertake activities which will improve the health,

skills, education and investment opportunities of group members.

Since 1983, the Grameen Bank has given preference to female members in its credit programme; it has turned into the largest among the special credit programmes that cater to women. By June 1988, its operations covered 8,960 villages (about 10% of the total villages in the country), involving 413,000 members of which 347,000 were women (84% of total membership). It has also disbursed a cumulative amount of Tk 2,870 million by June 1988, of which Tk 2,015 million (70%) were issued to women. The members have saved Tk 281 million in Group Fund and Emergency Fund. The savings per member stood at Tk 680, about 14% of the per capita income of the country for 1987. Up to August 1995, 194 million women have received Tk 50,155 million from the Grameen Bank credit programme and the savings per member stood at Tk 2182, which is nearly 25% of the per capita income of the country (Table 3, BBS 1995).

By June 1988, female borrowers usually used about 50% of the credit for livestock and poultry raising, 31% for processing and manufacturing activities, and only 19% for trading and shopkeeping. In contrast, male borrowers used 51% of the loans for trading and shopkeeping, 19% for livestock and poultry raising, 14% for manufacturing activities, and the remainder for miscellaneous activities. Credit use pattern by December 1991 according to sex tended to be similar to that by June 1988 (Table 4). As with other credit programmes, the average size of loans for women was smaller than for men; in 1986, the average size of loan was Tk 1,686 for women borrowers and Tk 2,798 for men. The rate of recovery within due date for the bank about 98% for all borrowers; there are no separate data according to gender.

Table 4 Utilization Pattern of Grameen Bank Credit by Sex Since Commencement

Activities	% credit used			
	By June 1988[a]		By December 1991[b]	
	Women	Men	Women	Men
Livestock and poultry raising	50	19	47	18
Processing and manufacturing	31	14	30	17
Trading and shopkeeping	19	51	17	51
Miscellaneous[c]	0	16	6	14

a. Hossain and Rita (1989).

b. Barua (1992).

c. includes crop cultivation, forestry, fisheries, etc.

Up to June 1988, Swanirvar and the Grameen Bank together have extended credit to about 672,000 women members (Table 3), which is about 3% of the women in the active age group (15 years and over) and nearly 6% of the target group of women belonging to the functionally landless households. The total amount of cumulative disbursement to this group is estimated at Tk 2475 million, which is about 5% of the total amount of agricultural loans disbursed since 1981. In 1987, the two programmes together disbursed an estimated Tk 710 million to women borrowers, accounting for about 10% of the total agricultural loans disbursed by formal credit institutions during the year. Up to August 1995, the two programmes have covered 5188,000 women borrowers, which is 17% of the women in the active age group. These ratios point to the relatively substantial role played by the two programmes in assisting the landless poor women.

4.3 Non-Government Organizations

A number of NGOs also play an increasing role in providing credit to women for employment and income generating

activities. The major ones are BRAC and the Proshika Manabik Unnayan Kendra (Proshika)[5].

4.3.1 *Bangladesh Rural Advancement Committee*

Since 1972, BRAC has mobilized landless men and women in cooperative groups for development activities. The basic objective of BRAC is to inculcate awareness in its members who are organized in groups under village organizations. Members are encouraged to take up income generating activities under its Rural Development Programme, for which credit is extended to both individuals and groups along with training and functional education.

The basic conditions for providing credit include regular attendance at village organization meetings, regular savings by group members, establishment of a group bank account, completion of a functional education course by group members, and contribution of a least 10% of the value of the proposed scheme by the group.

By the end of 1987, BRAC has organized 77,900 males and 90,800 females (54% of total membership) in 3,400 village organization covering 1,700 villages spread over 31 Thanas of 15 districts. Its credit programme disbursed cumulatively Tk 169.1 million, of which women accounted for Tk 73 million (43%). Like other special credit programmes, the average size of credit to women (Tk 793) is lower than for men (Tk 1,239) for 1987, despite better repayment performance by women (estimated at 96.6% compared to 89.7% for men). A sum of Tk 2,254 million has been disbursed to 815,000 women as on September 1993 (Table 3). Women are also usually given short-term credits. Finally, while women dominate in obtaining credit for food processing, poultry rearing and rural industries; men directed their resources toward agriculture, trading, rural transportation, and leasing of markets.

4.3.2 *Proshika*

Proshika organizes landless women and men as well as poor peasants with the objective of increasing self-reliance in socio-

economic terms. The members are organized in groups and encouraged to take up projects for employment and income generation with own finance, supplemented by credit through Proshika's revolving loan fund. A group is considered eligible for credit when it accumulates internal savings to finance a part of a proposed project (25% in the case of male groups and 20% for female groups). Each group is required to have regular meetings and to maintain records of account. While collective projects are financed when viable, individual acitivities are preferred.

Historical data on Proshika's activities are not available, but on the basis of information for 1985-87, credit is estimated to have been extended to about 56,000 members, with 9% women. Approximately Tk 31.3 million disbursed during the period covered 3,000 projects, of which about 36% were organized by women's groups. Gender differences exist for Proshika's credit terms and interest charges. Interest charges varied according to the duration of the loan. For short-term loans (up to one year), interest was 7% for women and 10% for men. Credit targeted for irrigation projects also was subjected to higher interest charges (16% p.a.) because of the relatively long-term repayment period of 4-5 years. The differential credit terms are meant to provide incentives for women to participate in economic activities. There is no information on the repayment performance by gender, but for Proshika's activities as a whole it was estimated at 78% in 1987. Up to the end of 1993, Proshika covered 161,000 women and the cumulative disbursement of loan to them amounted to Tk 91 million (Table 3).

5. ISSUES CONCERNING SPECIAL CREDIT PROGRAMME AND WOMEN

The special credit programmes discussed above reached and estimated slightly over 1 million rural women during the 1985-88 (June) period, for which consistent data are available. This constituted about 4% of women in the active age group (above 15 years) in 1984/85 and about 9% of the target women classified

as functionally landless (i.e., those in households possessing less than 0.5 acres of land). Cumulative disbursement during this period to women amounted to about Tk 2.8 billion, of which Grameen Bank accounted for 72%, while the various government programmes accounted for only 8% (Table 3). In view of the fact that the government programmes, through BRDB, are national ventures, their limited coverage points to serious shortcomings in their implementation. In general, the total amount of credit availed by women constitued about 5% of the cumulative amount of loans disbursed by financial institutions in the rural areas during the 1980-88 period and highlights the need to improve the coverage of the special credit programmes for women.

Up to August 1995, the special credit programmes have covered 6.7 million rural women, which accounts for 22% of women in the active age group. Cumulative disbursement during this period to women amounted to about 54.88 billion, of which Grameen Bank accounted for more than 90%, while the various government programmes accounted for only 3% (Table 3).

Three factors confront the effective operation of most of the special credit programmes in the special context of reaching women. They are : (a) weak organizational structure and poor loan supervision, (b) low rates of return on some activities financed by the programmes; and (c) high cost of credit operation. These factors are highlighted as potential constraints in expanding credit to women and would require special attention.

5.1 Weak Organizational Structure and Poor Loan Supervision

For most of the special credit programmes, the weak administrative set up and inflexible and inappropriate operational rules serve as major constraints for the expansion in the access of women to credit. Under BRBD's two-tier cooperative system[6], for example, the managers and organizers of the "Samity" (society) abide by the cooperative laws, some of which

are not appropriate for undertaking and innovative credit programme. Furthermore, the procedures for taking action are lengthy and cumbersome. This explains why in may instances, the rural affluent do not repay loans borrowed from the banks through the cooperatives.

The organizational structure of BRDB for delivering credit to the rural poor also impedes the expansion of credit. For example, because the MBSS are affiliated to the TCCA (two-third of which are ineligible to receive credit due to high default rates), there is always the apprehension by Sonali Bank that eventually the MBSS will also adopt the practice of default. As a result, Sonali Bank does not comply with the request from members for increased loan amounts. Furthermore, because credit is channelled through the TCCA (which takes very little interest in loan supervision) to MBSS, supervision by Sonali Bank is minimal and that by BRDB inadequate.

The issue of adequate credit supervision is what separates the excellent repayment performance of the Grameen Bank from that of the other special credit programmes, especially that of BRDB. In the case of BSCIC, for example, the limited number of extension workers, the wide geographical coverage and the inadequate communication system have been highlighted as affecting morale and consequently performance.

5.2 Low Rates of Return on Certain Activities Financed

A limitation to the expansion of women's credit programmes is that women borrowers tend to invest in activities where the rates of return on labour and capital are very low and the scope for vertical expansion is limited (Hossain, 1984a; Alam, and Hashemi, 1986). Hossain (1984a, 1987) analyzed data collected by Bangladesh Institute of Development Studies on a sample of Grameen Bank members in 1983 and concluded that labour productivity is low in activities in which women were involved when compared to the prevailing agricultural wage rate. He estimated rate of return on investment by deducting imputed

cost of family labour (using the prevailing agricultural wage rate) from gross annual income derived from activities financed by credit and expressed them as a percentage of credit. The results indicated that the rates of return of investment were higher than the effective rates of interest on Grameen Bank loans for handloom weaving, livestock raising, shopkeeping, and miscellaneous cottage industries (such as gur, sweetmeat making, and tailoring). But in paddy husking, mat making, and cane and bamboo works, the rates of return on investment were negative.

Further analysis by Hossain (1984a, 1987), using more comprehensive data, indicated that the average rates of return on investment for individual activities financed by Grameen Bank ranged from 10-40%, the rates being higher for trading and "modern industrial activities" and lower for traditional processing and artisan activities. The rates of return tended to be negative in the activities in which women were predominantly involved. However, this issue has to be re-examined with more recent data. A major unresolved issue, therefore, is whether the expansion of credit for traditional activities undertaken by the poor reduces the profitability of such activities and limits future credit expansion because of market limitations.

The problem of limited market size could be avoided if appropriate investment in market research were continuously undertaken on the relative profitability of different activities in an effort to widen the range of economic activities in which the poor are involved. But this alone may not be sufficient until and unless there are external economies and general infrastructural development that favour the poor. All of this is a reminder that targeted credit programmes require the complementary support and growth of other sectors of the economy.

5.3 High Cost of Operation

The experience of the Grameen Bank as shown that the smallness of group formation, the training (and social

Development) activities, and the intensity of supervision are mainly responsible for its exceptional ability to reach poor women and its excellent credit recovery rate. Compared to BRDB, the worker/borrower ratio is 1:250 for the Grameen Bank while it is 1:400 (approximately) for BRDB's main programme. But this has cost implications. Hossain (1988) has estimated that in 1986 the operating cost of the Grameen Bank was about 22% of the loans and advances at the actual cost of funds (18.1% cost of administration plus 3.6% cost of fund subsidized by IFAD), compared to its lending rate of 16% (plus 4% for Emergency Fund and 5% for Group Fund). If the Bank has borrowed all its loanable funds from the Bangladesh Bank at its prevailing interest rate, the cost of operations would have increased to 27%, which would result in a deficit for the Bank. The cost issue has implications for the medium and long-term expansion of special credit programmes for the rural poor (including women). Since in the absence of adequate group formation, training, and social development activities as well as intensive supervision one cannot expect reasonable performance from the special programmes, they would need to be subsidized to direct credit to the poor. Public assistance in this area would be warranted; the cost would probably be small and could easily be recouped by reducing the large subsidy to better-off farmers and entrepreneurs who now default on their loans.

6. RECOMMENDATIONS

To effectively and successfully provide credit to women, the problems discussed in section 5 would need to be minimized, and if possible eliminated. The following measures could help in the process; (a) strengthen credit delivery and recovery mechanisms, (b) strengthen group formation, and (c) expand and strengthen non-credit activities.

6.1 Strengthen Credit Delivery and Recovery Mechanisms

Unlike conventional credit programmes, the establishment of special credit programmes targeted at poor women requires

careful planing to design precise delivery-recovery mechanisms. Institutional preparation is thus very important as conventional methods of credit dispensation have proven to be inefficient and inadequate for reaching poor women. The first strategy is to consolidate and strengthen existing government credit programmes directed at women. This would involve institutional changes in which the procedures and format for application and for repayment of loans should be made as simple as possible for women to understand and comply with promptly, as the experience of NGOs indicate. In particular, repayment schedules for recovery of loans should conform with the expected flow of income from the activities undertaken. Furthermore, the frequency of repayment should be high so that the amount to be repaid at each installment is as small as possible to reduce the feeling of pressure on the repayment of the loan. Finally, the development of institutions of collective savings, as in the case of the Grameen Bank, is highly desirable as it serves the dual purpose of an insurance to the credit programme for non-performing loans and a resource to cushion unforseen economic difficulties of members.

6.2 Strengthen Group Formation

The experience of the Grameen Bank and others indicate that, in the absence of formal collateral, the formation of a group is very crucial to the success of special credit operations. Membership in a group gives a feeling of protection. It also creates peer pressure to keep the members in line with the broad objectives of the credit programme. Furthermore, it is easier to keep track of a borrower as a member of a group than as an independent individual. Groups should be kept small in order to improve manageability.

6.3 Expand and Strengthen Non-Credit Activities

The rural poor women are not organized due to their illiteracy and poverty. As such, they are not able to employ concerted effort in their own interest to obtain credit, even if earmarked for them. Thus, apart from mobilizing them in the

context of group formation, the non-income aspects of poverty such as education and training in banking, sanitation, nutrition, health care and family planning, etc., would need to be initiated. In particular, provision for developing entrepreneurship among the poor women should be an important long-run task of the credit programme, without which proper implementation of projects, creation of risk-taking ability and exploration of market possibilities for both factors and products would be difficult. To facilitate this, training courses should be organized. As noted above, this aspect of required activities for training programmes is likely to increase the cost of operation, but the effectiveness of the targeted programme cannot be guaranteed without it, and thus some subsidization of the overhead from the Government would be necessary.

End Notes

1. Related findings of some micro studies are presented in Table 1.
2. The findings of Hossain (1984) have been confirmed by similar studies by Afsar (1988), Hossain (1988), and Rahman (1986).
3. The Government also sponsors the traditional cooperatives under the Register of Cooperative Societies, such as those for weavers, fishermen, etc. Because of lack of data on women's involvement in traditional cooperatives, the subject is not discussed here.
4. Afsar (1988) in a study of two villages with Swanirvar programme estimated that only 22% of the borrowers were female, in contrast to the 65% claimed by the Swanirvar authorities at the national level.
5. There are over 15,000 NGOs (both local and foreign) engaged in a wide range of development and relief activities, including credit delivery. Because of data constraints, only BRAC and Proshika are discussed here.

6. The two-tier cooperative structure (the Comilla model) under BRDB requires the federation of village level primary cooperatives into a TCCA.

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INDUSTRIAL DISPUTES IN BANGLADESH WITH SPECIAL REFERENCE TO LABOUR POLICIES AND LEGAL ENACTMENTS

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ABSTRACT

The key objective of the paper is to study the nature and magnitude of industrial disputes and their mode of settlement in Bangladesh from 1972 to 1994. It attempts to give a comparative picture of the situation prevailing during the different regimes i.e., the democratic regime, the martial law regime, and the pseudo-democratic regime. The increasing proportions of political factors in industrial disputes have an important ramification in the country. The magnitude and settlement of disputes depend, among others, on the labour policies and laws passed by the different regimes of the state. the magnitude of industrial disputes is low over the democratic regime, whereas it is high over the martial law or pseudo-democratic regime with its restrictive policies, laws, and regulations to workers' right. The number of disputes submitted to and disposed by the conciliation is the highest over the democratic regime, whereas the number of disputes referred to and disposed by the adjudication is the highest over the martial law regime. The magnitude and settlement of industrial disputes could largely be improved under a democratic regime with its labour policies and legal enactments promoting workers' right to labour relations activities.

Introduction

Disputes are a part of industrial life and may occur in any business, trade, manufacture, calling service, employment or occupation. Such disputes arise both within groups of workers, within the individual employment relationship or between a group of workers and an employer/a group of employers. The Industrial Relations Ordinance (IRO) 1969 provides that an industrial dispute means 'any dispute or difference between

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employers and employers, between employers and workmen or between workmen and workmen which is connected with the employment or non-employment or the terms of employment or the conditions of work of any person:[1]. In the law, the word 'dispute' has been used to mean difference or dispute between parties in collective sense. But any difference between an individual worker and an employer with regard to the terms of employment results in the emergence of labour dispute. e.g., the violation or breach of contract in case of an employee/worker may also be the subject of dispute.[2]

Although, the term 'dispute between', as in the definition, covers three types of disputes viz. (i) employers and employers (ii) employers and workmen (iii) workmen and workmen, there is hardly any scope in the law to deal with the first category of disputes. The disputes of the second and third types are mainly dealt with in the legal framework of the IRO 1969.

In many occasions, industrial disputes erupted out of restrictive labour policies, laws, and orders of the state. While there has been ample concern with labour policy and law, and industrial disputes separately, very little study of the effects of one on another has been done. The paper addresses that issue. It utilizes data and estimates from secondary sources like labour journal, conference and working papers & books of development studies.

Policies and Legal Enactments for Labour and Industrial Disputes

After liberation, Bangladesh adopted the Industrial Relations Ordinance 1969 with a view to regulating labour relations and disputes in the country. The labour policy, as announced in 1972, brought some restrictive orders and amendments in the law on trade union and collective bargaining. The non-worker trade unionists were debarred from becoming trade union executives at plant level. The watch and ward, security staff and

confidential assistants were restricted to becoming trade union members. Election for determining Collective Bargaining Agent (CBA) of the sector corporation and autonomous bodies was also suspended.

The policy 1972 emphasized that differences between labour and management would be resolved in private sector through bipartite negotiation, tripartite conciliation, and through adjudication in accordance with legal frame work and differences in public sector would be settled through joint consultations in the management board and the workers' management council.[3]

The management boards, at industrial level with two representatives each from workers and management and one from financial institution, were to dispose of all problems connected with the proper functioning of the industries, excepting wage structure and other financial benefits. The worker's management councils with equal number of representatives from workers and management at plant level were to deal with day-to-day problems and also disciplinary cases.

An Industrial Worker's Wage Commission was constituted in 1973 to fix up wage level and other benefits for the industrial workers in public sector. The State-owned Manufacturing Industries Workers (Terms and Conditions of Service) Act was passed in 1974 to implement the wage scale and fringe benefits determined by the wage commission. The Act 1974, however, withheld worker's right to collective bargaining and strike over wage and other benefits in public manufacturing sector.[4]

The labour policy 1972 contemplated that with the settlement of differences through joint consultative methods in the management board there would no necessity for collective bargaining by workers in the nationalized industries. The policy 1972 was opposed by the workers' organisations[5]. As a result, its implementation was postponed until an agreement or a consensus was reached between the government and the workers' representatives[6].

Under the circumstances of rising trend of disputes resulting in a large number of mandays lost, the ban on strike and lockout and union activities was imposed by the declaration of the state emergency in early 1975.

After the imposition of martial law, the Industrial Relations (Regulation) Ordinance was promulgated in late 1975 as an addition to the Ordinance 1969. The Regulation 1975 put some restrictions on the registration of new trade unions, right to be members or officers of any trade union for the persons employed as members of the watch and ward or security staff or confidential assistants of any establishment, and elections for determining CBA[7]. Under the Regulation 1975, a consultative committee was required to be constituted in any enterprise where there was no CBA and all industrial disputes were to be settled through peaceful means, and the right to strike was denied to the workers[8].

The Industrial Relations Rules were framed in 1977 which contained detailed procedures as to the formation and administration of trade unions, determination of the CBA constitution of work councils, powers and functions of the Registrar, and provisions relating to labour courts, joint consultation, mediation and conciliation. The Ordinance 1969 was further amended in 1977 with a view to limiting the number of unions. Under this Amendment, a trade union should not be entitled to be registered unless it has a minimum of 30 percent membership of the total workers employed in the establishment or a group of establishments.

The Industrial Workers' Wages and Productivity Commission and the National Pay Commission were constituted in 1977 to review wage structure, remuneration, and other benefits for the workers and employees of public sector and government establishments. The wage structure and other benefits reviewed were implemented in 1978. The National Tripartite Consultative Committee with the representatives from government,

management, and workers, was set up in 1978 to advise the government for formulating labour policy and programme. With a view to improving labour relations and dispute situation in early 1975 the National Labour Advisory Board was constituted with the members from government, employers, and workers to advise the government on labour matters.

A labour policy, as announced in 1980, recognized the need for consultation with the Tripartite Consultative Committee at national level constituted with the representatives from government, workers and employers in matters of policy affecting labour management relations and legislative changes. As to the fixing of wages, the policy of 1980 admitted the workers' right to trade unions, and strikes, and the employers' right to lockout. It encouraged workers' participation in certain designated functions relating to work place industrial relations. The policy 1980 retained the practice of formation of executive committees of trade unions at plant level with the representatives from among the workers. The non-workers were however, allowed to be elected as office bearers of the trade union federations at industry and national levels.

As per the policy 1980, a further amendment was made to the Ordinance 1969 in 1980. Under the Amendment 1980 the works council was replaced by the participation committee which was to be constituted with representatives from both management and workers in such a proportion that the number of members representing workers should not be less than the number representing management. The committee was to deal with the matters like application of labour laws, improvement of working environment and safety, adoption of welfare programmes for the workers, reduction of production costs and wastage, and education and training of workers. The amendment 1980, called as the Industrial Relations (Amendment) Act, repealed the regulation 1975 and incorporated some important features of the policy 1980.

In 1982 martial law was declared for the second time in the country. The Industrial Relations (Regulation) Ordinance, as promulgated in 1982 banned all trade union activities, strikes and lockouts. The Regulation 1982 was, however, withdrawn in late 1984 under political pressure. An agreement was executed between the government and a national labour federation called SKOP with a call of 48-hour strike at industry level.

The wages and salary levels were almost doubled for public sector workers in 1985 as per the recommendations of the Wages and Productivity Commission and the National Pay Commission. The practice of minimum wages fixed by the government and collective bargaining under legal framework still continued for private sector workers. As a result of this agreement, some amendments in the Ordinance 1969, as brought in 1985, provided the withdrawal of some previous restrictive measures on outsiders to become trade union leaders and an ex-worker of an establishment was also entitled to be an officer of a trade union in that establishment[9]. It was made illegal to transfer an officer of a trade union from one place to another[10].

Several amendments in the Employment of Labour (Standing Order) Act 1965, as made in 1985, attempted to enhance workers' compensation from 14 days to 30 days wages for every completed year of service in the event of their separation e.g., retrenchment, discharge, and termination[11]. Notice periods for terminating the service of a permanent worker were raised to 120 days in the case of a monthly rated worker and 60 days in the case of other workers[12]. The meeting of labour movement with political activities made labour situation worse. As a result, trade union activities were totally prohibited in early 1985. The prohibition was, however, withdrawn in late 1985. With the withdrawal of the martial law in late 1986, all restrictive provisions on trade unionism and labour relations were also withdrawn.

The political movement coupled with labour unrest made a change over to the democratic rule in 1990. The labour policy

declared and laws enacted were continuing to govern labour relations and dispute conditions up to 1995.

Type of Industrial Disputes by Causes

In industries, disputes might result from different causes. As defined in law, disputes are connected with employment, non-employment, and terms and conditions of employment marked as their causes. The causes of industrial disputes are classified into four broad categories: income (wages, bonus, gratuity), employment (retrenchment, lay off, reinstatement, and permanency), condition of employment (promotion, hours of work, normal strength, transfer, holiday, and discipline), and technological changes (standardisation or raw materials, and modernisation of machines).[13]

Another way of classifying the industrial disputes may be broadly termed as economic and non-economic.[14] Economic issues are: wages, bonus, dearness allowance, conditions of work and employment, working hours, unjust dismissals, leave and holidays with pay, retrenchment and termination of service, and refusal of employers to recognize unions. Non-economic causes are: political causes, eoncouragement by speculators whose interest has been to raise prices by stoppage of work and production, and rivalriy between rival unions and their leaders.

According to nature and causes, disputes are also classified into four types: interest dispute, right disputes, unfair labour practice disputes, and recognition disputes.[15] The types of the former two and the later two have been segregated into economic and political causes respectively.

Basing on the magnitude and frequency, the Department of Labour classified causes of industrial disputes into five broad categories: wages and dearness allowances, bonus, personnel, leave and hours of work, and miscellaneous. Besides these causes responsible for igniting disputes, there are also some cases where disputes occur due to political causes.[16]

At the plant level of public sector industries, issues related to disputes, marked as causes, are wages, labour welfare, personnel, and disciplinary, and administrative.[17]

The important examples of plant issues in public sector that cause disputes are dismissal and retrenchment of workers, regularization of jobs, overtime, implementation of wage scales, and quality and supply of raw materials. Industrial disputes at national level in public sector occurred for demanding implementation of wage award, cancellation of denationalizing industry, execution of all agreements made between the trade union federation and the government, and compensation to workers who were wounded and died in labour unrest.[18] Industrial disputes stem mainly collectively present a charter of demands to which the employers do not yield. Economic causes of disputes include demands for higher wages, better working conditions, and fringe benefits. Other examples of economic issues that cause disputes are dismissal of worker, retrenchment of workers, or union leaders, and similar issues.

Disputes in industry do not always occurred only because of failure of the management/employer and worker to come to an agreement. Political issues have become a dominant cause of industrial disputes in Bangladesh.[19] The issues that are categorized as political causes of industrial disputes include inter-union or inter-union rivalry, support to the causes for general strike, joining to the call of industry-wide strike, leadership clashes between a group of workers, unfair registration and cancellation of trade unions, occupying CBA office by the trade union affiliated to the political party in power, and other similar issues.

Both economic and political causes were mainly responsible for igniting industrial disputes over the period of 1973-91. Industrial disputes were largely influenced by economic factors accounting for 81 to 88 percent over the periods of 1973 & 1991 democratic, and 1977-81 pseudo-democratic regimes, whereas,

disputes occurred due to political factors amounting to 71 percent over the period of 1984-90 pseudo-democratic regime. Over the period 1982-83 of martial law, disputes were influenced almost equally by economic and political causes.

A shift from economic to political in industrial dispute happened between 1982 and 1983. An explanation of the shift may be that the workers had been struggling for improvement in their economic lots since 1971 and did achieve several struggling for improvement in their economic lots since 1971 and did achieve several wage increases and various adhoc increases in fringe benefits upto 1982. In the 3 years from 1971-72 to 1974 75, real wages of the industrial workers in the nationalised enterprises declined by about one half[20]. Workers tend to resort to political strike, reflecting a disenchantment with the prevailing economic conditions.

The prevalence of political causes for igniting industrial disputes in Bangladesh especially during 1984-90 could probably be due, in part, to the imposition of restrictive laws and regulations to workers' right accompanied by three important socio-political issue i.e., a government order of attaching trade unions with political parties, a denationalization policy of transferring workers jobs to private ownership, and the preference of private employers to non-unionized labour.

Table 1 : Industrial Disputes by Economic and Political causes.

Period	Economic No.	% Economic	Political No.	% Political
1973	51	87.93	7	12.07
1977-81	327	81.34	64	18.66
1982-83	57	56.25	14	43.75
1984-90	65	28.60	2.64	71.40
1991	2	66.66	1	33.33

Source : The Bangladesh Labour Journal Vol. 1-14, 1972-91, and the Bangladesh Development Studies, Vol. XIX, No. 1 & 2, 1991.

Dispute Number, Workers Involved and Mandays Lost.

During the 23 years of 1972-94, Bangladesh experienced 954 industrial disputes involving 19,47,862 workers, and 99,38,737 mandays lost. The yearly averages of dispute incidence are 41 industrial disputes occurred with 84,690 workers involved and 4,32,119 mandays lost. The highest incidence of dispute number and workers involved are seen in 1984 amounting to 364 percent and 1103 percent of those estimates in 1972 respectively. But the highest incidence of disputes in mandays lost occurred in 1986, which is 1,651 percent. The lowest incidence of disputes took place in 1994, which is 5 percent in dispute number, 13 percent in workers involved, and 2 percent in mandays lost of those estimates in 1972 respectively.

Table : 2 Magnitude of Industrial Disputes

Periods	Regime/Rule	Disputes No.	Workers Involved	Mandays Lost
1972-74	Democratic	129	1,36,029	6,42,913
		(43)	(45,343)	(2,14,304)
1975-76	Martial Law	7	42,844	1,87,618
		(3.5)	(21,422)	(93,809)
1977-81	Pseudo	160	4,54,065	37,50,572
	Democratic	(32)	(91,613)	(7,150,114)
1982-83	Martial Law	71	1,97,575	6,31,274
		(35.5)	(98,788)	(3,15,637)
1984-90	Pseudo	301	8,73894	46,47,958
	Democratic	(43)	(1,24,842)	(6,63,994)
1991-94	Democratic	27	18,384	78,402
		(6,75)	(4,596)	(19,601)

Source : The Bangladesh Labour Journal, various issues, supplemented from unpublished data of the Labour Directorate, Dhaka, Note : Figures in the parenthesis indicate average.

Dispute incidence varies under the different legal-political periods i.e., the democratic rule 1972-74, the martial law rule 1975-76, the pseudo democratic rule 1977-81, the martial law rule 1982-83, the pseudo democratic rule 1984-90, and the democratic rule 1991-94. During the 7 years of democratic rule (1972-74 & 1991-94), there were 156 industrial disputes involving 1,54,413 workers and 7,21,315 mandays lost. The yearly averages are 22 disputes, 22,059 workers involved and

1,03,045 mandays lost. The democratic rule 1972-74 encountered 129 disputes, 1,36,029 workers involved and 6,42,913 mandays last over the period of 3 years; and the democratic rule 1991-94 had less dispute incidence observing 27 disputes, 18,384 workers involved and 78,402 mandays lost over the period of 4 years.

Albeit suspending workers' right to strike and trade union activities, the martial law rule (1975-76 & 1982-83) recorded 78 disputes, 2,40,419 workers involved, and 8,18,892 mandays lost over the period of 4 years. The yearly averages are 19.5 disputes, 60,104 workers involved, and 2,04,723 mandays lost. The martial law rule 1975-76 showed 7 disputes, 42,844 workers involved and 1,87,618 mandays lost over the period of 2 years; and the martial law rule 1982-83 dealt with more dispute incidence involving 71 disputes, 1,97,575 workers, and 6,31,274 mandays lost over the period of 2 years.

Over the 12 years of pseudo-democratic rule (1977-81 & 1984-90), there were 722 disputes, 15,63,032 workers involved, and 85,18,530 mandays lost. The yearly averages are 60 disputes, 1,30,253 workers involved, and 6,93,211 mandays lost. The pseudo-democratic rule 1977-81 scored an incidence of dispute including 160 disputes, 4,58,065 workers involved and 37,50,572 mandays lost over the period of 5 years; and the pseudo-democratic rule 1984-90 registered dispute incidence including 301 disputes, 8,73,894 workers involved, and 46,47,958 mandays lost over the period of 7 years. It has been found that the dispute incidence is less over the democratic rules than that over the martial law or the pseudo-democratic rules with all their restrictive laws and regulations to workers' rights.

Dispute incidence is the highest over the pseudo democratic rule 1976-81 as it erupted out of the withdrawal of martial laws accompanied by political issues i.e., politicization of workers, and privatization of nationalized industries. An outburst of strike occurred in 1984, due to the lifting of martial laws reinforced by those two political issues i.e., politicization and privatization

during the pseudo democratic rule 1984-90. Disputes increased at an increasing rate but declined in 1985 due to the imposition of restrictions on trade union activities. They increased further in 1986 due to the withdrawal of restrictions and reached the peak of dispute incidence over the period of 1972-1994 in Bangladesh.

Mode of Dispute Settlement through Conciliation and Adjudication

The mode of dispute settlement in Bangladesh consists of negotiation, conciliation arbitration, and adjudication.21 Where an industrial dispute arises, the employer has to arrange a meeting with the representatives of the other party and shall settle the dispute by direct negotiation. Where the parties to an industrial dispute fail to reach an agreement by negotiation, any of them may report to the conciliator[22] and request him to settle the dispute. If the conciliation fails, the parties to the dispute have to agree to refer the dispute to an arbitrator. If no settlement is arrived at conciliation and the parties to the dispute do not agree to refer the dispute to an arbitrator, any CBA or employer or worker or the government may apply to the labour court for enforcement of any right guaranteed by any law or award or settlement, and for adjudication of interest disputes.

There has not been any single case referred to an arbitrator for settlement. No official records were kept on the dispute settle between trade union and employer by negotiation as an important and primary mode of dispute settlement. The study has been limited to the modes of dispute settlement through conciliation and adjudication under the provisions of IRO 1969. The settlement through conciliation deals with those industrial disputes which can not be settled through mode of conciliation deals with those industrial disputes which cannot be settled through collective bargaining. Disposal of these disputes can take three form: first, the disputes are resolved in accordance with law and to the satisfaction of the concerned parties; secondly, the parties might reach settlement while the disputes

are pending or the interest in the matter may abate when the case would be filed or closed; thirdly, when disputes are neither resolved nor filed and a certificate is issued to the effect that the efforts at dispute resolution have failed, which enable the parties to seek remedies through other legal and judicial means.[23]

Table 3 : Settlement of Disputes through Conciliation

Periods	Total No.	Resolved	Filed	Failured	Disposed	Pended
1972-74	6247	1790	3723	-	5513	734
	(2082)	(597)	(1241)		(1838)	(245)
1975-76	713	166	460	57	683	30
	(357)	(83)	(230)	(29)	(342)	(15)
1977-81	3761	1131	1109	1359	3599	162
	(752)	(226)	(222)	(272)	(720)	(32)
1982-83	1267	642	241	324	1207	60
	(634)	(321)	(121)	(162)	(604)	(30)
1984-90	7145	1300	967	4709	6976	169
	(1021)	(186)	(138)	(673)	(997)	(24)
1991-92	2827	326	243	1747	2316	511
	(1414)	(163)	(122)	(874)	(1158)	(256)

Source : SAAT Conference Paper; Conciliation in Industrial Disputes : A Practical Guide ILO Geneva, 1973. Note : Figures in the parenthesis indicate averages.

The result-wise frequency of disputes settlement through conciliation has been shown in table 3. From the table 2, it appears that there has been a cyclical trend of dispute between the periods. The numbers of total disputes submitted for conciliation are 9,074 over the 5 years of democratic rule, 1,980 over the 4 years of martial laws, and 10,906 over the 12 years of pseudo-democratic rule. The yearly averages of total disputes are 1,815, at conciliation for the democratic rule, 495 for the martial laws, and 909 for the pseudo-democratic rule. The average of total disputes is higher over the democratic rule than that over the martial laws or the pseudo-democratic rule.

The numbers of resolved disputes at conciliation are 2,116; 808; and 2,481 over the periods of democratic martial laws, and pseudo-democratic rules respectively. The yearly averages of resolved disputes are 423 for the democratic rule, 202 for the martial laws and 206 for the pseudo democratic. The average of resolved disputes is the highest over the democratic rule and followed by the pseudo-democratic rule. The numbers of filed disputes at conciliation are 3,966; 701; and 2076 over the periods of democratic, martial laws, and pseudo-democratic rules respectively. The yearly averages of filed disputes are 793 for the democratic rule, 175 for the martial law rule and 173 for the pseudo-democratic rule. The highest average of filed cases is seen over the democratic rule and followed by the martial laws.

The numbers of failure cases at conciliation are 1,747; 381; and 6068 over the periods of democratic, martial laws and pseudo-democratic respectively. The yearly averages of failure cases are 349 for the democratic rule, 95 for the martial laws, and 506 for the pseudo democratic rule. The average of failure cases is higher over the pseudo democratic rule than that over the other rules. It has been noted that the democratic rule 1972-74 has not any single case of failure at conciliation.

The number of disposed cases at conciliation are 7,829 over the 5 years of democratic rule, 1,890 over the 4 years of martial laws, and 10,575 over the 12 years of pseudo-democratic rule. The yearly averages of disposed cases are 1,566; 473; and 881 over the periods of democratic, martial laws, and pseudo-democratic rules respectively. The highest average of disposed cases is seen at conciliation over the democratic rule and followed by the pseudo-democratic rule.

Although, the yearly average of pended cases is high it has been observed that there are also yearly high averages of disposed cases as well as total cases submitted for conciliation over the democratic rule in the country.

Table 4 : Settlement of Disputes through Adjudication

Period	Total No.	Disposed	Pended
1972-74	12,343	6,308	6,035
	(4,114)	(2,103)	(2,112)
1975-76	8,580	5,234	3,346
	(4,290)	(2,617)	(1,673)
1977-81	19,501	7,529	11,972
	(3,900)	(1,506)	(2,394)
1984-90	13,627	5,627	8,000
	(6,814)	(2,814)	(4,000)
1991-92	9,638	4,115	5,523
	(4819)	(2058)	(2761)

Source : SAAT Conference Paper, Conciliation in Industrial Disputes : Practical Guide, ILO, Geneva, 1973. Note : Figures in the parenthesis indicate averages.

The numbers of total cases submitted for adjudication are 21,981 over the 5 years of democratic rule, 22,207 over the 4 years of martial laws, and 57,123 over the 12 years of pseudo democratic rule. The yearly averages of total cases at adjudication are 4,397; 5,552; and 4,760 over the periods of democratic, martial laws, and pseudo-democratic rule respectively. The highest average of total disputes at adjudication is recorded over the period of martial laws and followed by the pseudo-democratic rule. The numbers of disposed cases at adjudication are 10,423; 10,861; and 20,989 over the periods of democratic, martial laws and pseudo-democratic rules respectively. The yearly averages of disposed cases at adjudication are 2,085 for the democratic rule; 2,715 for the martial law rule; and 1,749 for the pseudo-democratic rule. The yearly average of disposed cases at adjudication is the highest over the martial law rule and followed by the democratic rule.

More disputes are submitted to as well as resolved and disposed by conciliation over the democratic rule than those over the other periods. On the other hand, more disputes are referred to and disposed by adjudication over the martial law rule over than that over the periods of democratic and pseudo-democratic rules.

Conclusion

Industrial disputes are necessary consequences of labour policy, legal enactment, and a change in the rule of the state. Political factors have become a dominant cause of industrial disputes in the country. This ramification of disputes can probably be attributed largely to a change in the rule of the state. Bangladesh has witnessed political instability for a change in the rule of the state from the democratic to martial laws and vice-versa.

Bangladesh has experienced two labour policies, a number of legal enactments regulations and measures with a view to regulating labour relations and workers' right to unionization, strike, collective bargaining, participation, tripartism and mode of dispute settlement over the 23 years of 1972-94.

Industrial disputes and their settlement are different in nature and magnitude during the six legal-political period i.e., the democratic rule 1972-74, the martial law rule 1975-76, the pseudo-democratic rule 1977-81, the martial law rule 1982-83, the pseudo democratic rule 1984-90, and the democratic rule 1991-94.

Dispute incidence is less over the democratic rule than that over the martial law or pseudo-democratic rule with all its restrictive laws and regulations to workers' right. Disposed cases of dispute settlement through conciliation are higher over the democratic rules than that over the martial laws or other rule. Disposed cases of dispute settlement through adjudication are the highest over the martial law rule and followed by the pseudo-democratic rule.

The improvement of disputes incidence and settlement there in could be ensured in the policy and legal environment designed for promoting workers' right to labour relations activities.

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A REVIEW OF PAST EFFORTS OF RUAL DEVELOPMENT AND ROLE OF EDUCATION IN ITS PROMOTION

Momtaz Jahan

Introduction

Bangladesh is predominantly a rural country. About 80% of her people live in rural areas. So rural development (RD) is both a goal and a condition for her development. In general RD means the overall improvement of living standard of rural population.

Bangladesh is one of the poorest country of the world inhibited by over 110 million people. About 85% of people live below poverty line and fail to meet the minimum basic human needs. This is specially true among the rural populace. Their per capita income is so low that they are standing on the margin between starvation and subsistence level. Nutrition level is much below the minimum required for the poorest strata of the society. Sanitation and good health are practically absent in the villages. People hardly get the minimum health facilities required for a community. A vast majority of the villagers are illiterate and ill-housed. Employment and earning opportunities are very limited and inadequate. Nearly 90% of the people directly or indirectly depend on agriculture for their livehood which has long been stagnant. The communication and transport system have not yet been developed in rural Bangladesh. Basic amenities of life are almost absent in rural areas and the rural people live a sub human life.

The poor socio-economic condition of the rural people has drawn the attention of government and non-government

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organizations and various attempts have been made from time to time to uplift their level of living through various RD efforts. Though RD has been accorded the top most priority in the agenda of our development activities, it has largely failed to reach and benefit the rural masses.

This paper presents a brief overview of the various RD programs and it attempts to identify the major obstacles standing in the way of their successful implementation.

A BRIEF REVIEW OF THE PAST

Efforts of Rural Development in Bangladesh

V-AID Program

The first organized effort for RD in Bangladesh was the village Agricultural and Industrial development (V-AID) Program. It started in both wings of Pakistan- West Pakistan and East Pakistan (now Bangladesh) in 1953 with massive American aid. Its main objective was to create conditions for better life in rural societies through increasing agri-productivity. For achieving success, two training institutions were established in 1959 at Commilla and Peshwar. But the program could not meet the objectives as it was disbanded in 1961 without any proper evaluation. No reason was shown for its sudden disbanded. However, it is generally believed that the reason was more political than any better socio-economic consideration. (Hossain 1993 : 46).

Basic Democracy

Bangladesh then experimented with a model of local self-government known as basic democracy. There was a five tiered system in basic democracy but it was generally controlled by the centre. President Ayub Khan who came to power through imposition of martial law in 1958 took up this local government issue to obtain legitimacy. The motive behind his idea of basic democracy was to create a political base in the rural areas. Basically this system did not help the rural people for their development and tumbled down in the face of bitter criticism.

Comilla Model

With the abandonment of V-AID, Akther Hamid Khan, its close associate initiated a new experiment in Commilla Kotwali Thana under the auspices of the Pakistan Academy for Rural Development and he advocated Comilla model of RD consisting of four components.

1) Two-tier Co-operative System (KSS and TCCA)

The first tier of the system is the Krisak Samabay Samities (KSS), which is a village based farmer's organization. It was established by organizing the small and marginal farmers who were interested in bettering themselves.

The second tier, Thana Center Co-operative Association (TCCA) is the federation of the village Co-operatives at the thana level. It is a supporting institution of the KSS.

The main objectives of Comilla Co-operatives are to make a development oriented rural institution which are expected to be functionally efficient, economically viable and socially desirable. (Khan & Khan 1969 : 1).

2) Rural Works Program (RWP)

The Rural Program was started in 1961-62 with the objectives of building physical infra-structure and creating off season employment opportunities for the poor and unemployed. It is developed as an economic program for giving gainful employment to the landless, small and marginal farmers during the slack season of agriculture. This is a kind of work on which the poor can fall back to earn an additional source of income.

3) Thana Irrigation Project (TIP)

The Thana Irrigation Project is mainly concerned with providing irrigation facilities to the co-operative farmers during winter and the time when there is not sufficient rainfall. It is responsible for the supply of cheap credit and subsidized equipment for the installation of irrigation facilities.

4) Thana Training and Development Center (TTDC)

Thana Training and Development Center in Comilla started functioning in 1963. It was a training as well as a development centre. All development and nation building departments were housed in the TTDC complex to facilitate coordination among different departments and provide a forum for a variety of training programs for different clientele groups of the rural people.

Comilla model of RD played a significant role in bringing about RD in Comilla. It helped to increase the agricultural productivity and brought a change in the living condition of the people of Comilla Kotwali thana. The progress was quite impressive.

Integrated Rural development Program (IRDP)

From 1969 to 1971 development activities wee totally suspended due to a mass upsurge and the liberation war.

After liberation, the Comilla model was replicated all over Bangladesh under the banner of IRDP by the Bangladesh Government. In 1971, IRDP was launched with a view to bringing gradually all the farming population under the fold of KSS and TCCA. Starting with a small area covering 33 TCCA's under its supervision, IRDP emerged as an important development program with 317 thanas under its coverage by 1981.

Though IRDP was a follow up model of the Comilla approach to RD, it could not achieve the same degree of success as the original Comilla model. IRDP was redesignated as Bangladesh Rural Development Board (BRDB) in 1985. BRDB took some area based development projects under a package program. The first project of this kind was the RD-1 project which was started in 1976-77 in seven(7) thanas of Mymensingh and completed in 1982-83. Some other area development projects are- Noakhali Integrated RD project, North- West RD project, South- West RD project, Serajgong Integrated RD project etc. The area development projects also have not been able to make their mark as expected.

Food for works Program (FFWP)

This relief oriented program started in the wake of the flood and famine situation in 1974 with the objective of utilizing the poor, distressed and unemployed labour force in RD works as well as of providing them with temporary employment opportunities.

Swanirvar Gram Sarker (SGS)

In 1980 President Zia introduced Swanirvar Gram Sarker (self-reliant village governments) for the overall development of villages, particularly for achieving the objectives of mass literacy, population control, increase food production etc. In its short span of life (abolished after Zia's assassination in 1981) SGS achieved only limited success. (Haque 1986 : 3854A)

Upazila (UZ) System

In 1982 upazilla as a decentralized system of administration was introduced in the country by upgrading the thanas to upazilas with great hope and expectation of improving the socio-economic condition of the rural people. Each upazila was administered by an Upazila Parished, headed by an elected chairman. The government assigned to it all round development activities of the local and in order to enable itself to discharge these functions it was given enormous power to levy tax and raise funds by various means. It was given also the power to formulate development plans and execute them through its own administrative machineries.

It was then expected that the upazila system would be able to improve the poor socio-economy condition of the rural populace at greater strides than the former system but its achievements were not spectacular. There remains a wide gap between what the upazila is assigned to perform and what actually is performed.

Non-Government Organizations (NGO)'s in Rural Development

Side by side with governmental programs, strong line of NGO activities have developed in the field of rural development

since liberation. There are a large number of NGO's now participating in tasks of rural development in the country. Some common features of their programs are -

1) Conscientization of the target population through informal education.

2) Formation of organization of the target population.

3) Credit and inputs distribution etc. (Faizullah 1987 : 186-87).

In addition to the above mentioned programs Bangladesh has adopted and experimented with many other rural development programs over the last three decades supported by various regimes. Among them *sabuj biplob, canal digging,* a number of credit programs for agriculture and employment creation, gramen bank, rural electrification deserve special mention.

Where do the poor stands in the process of rural development?

All rural development programs were taken mainly for the benefit of the common people of the rural areas but very little has reached the masses. These development programs benefited the few privileged while the sub human condition of rural life remain the same. The rich got richer and the poor poorer. They become powerless resulting in further deterioration of their living standard. There are a lot of empirical evidences that reveal how these programs almost exclusively benefited the already better off people and a small fraction of the total population of the rural societies.

According to Jones and Ahmed the two tier co-operative has become inducive to increasing agri-production but failed to bring equality in income of the people. (Jones 1979 : 51). The lion's share of the facilities are enjoying by the large farmers. As a matter of fact, they have also been able to buy the land property of the small and marginal farmers with the surplus and profit. The small farmers and the landless remain under represented. The well to do villagers particularly the rural leaders, bigger and

land holders and large farmers get the advantages of this program. The co-operative movement have failed to bring overall development of rural people.

The results of RWP, FFWP were not up to the expectation. Such seasonal projects are certainly no long-terms solution to the unemployment problem of the poor. Their main function is to take the edge off a potentially explosive rural situation by providing a few jobs during the slack agricultural season. A recent study by the FAO stressed that the FFWP lend themselves to misappropriation of grain, misuse of funds, false reporting of works, creation of new class of profiteers, poor quality construction etc. (Iapp, Ct, al. 1977 : 368).

The area development projects have not been able to mark their work as expected rather have created frustration and a sense of despair among the people of "non area development thanas". A small fraction of the total population of the country is benefited due to the intensive and quick development of specified small areas through these projects which do not lead to the development of the nation as a whole (Hossain 1993 : 52). The larger section of the people did not get the benefit of development and remained neglected. The trickle down effects of upazila development programs have been marginal to the quality of life of the vast majority of the rural ultra-poor, the landless and assetless. (Karim 1991 "43).

Form the above discussion, it is evident to us, that the real beneficiaries i.e. the vast majority of the disadvantaged rural people have not derived benefits from the development activities. Rather the common masses were exploited by a privileged few. According to Faizullah, rural touts and the rural rich in collusion with and expanded rural bureaucracy actually benefit from the development programs. They determine who is to get what. It is their view of things which often determines the nature of schemes and projects. Hence often basic needs of the masses remain outside the focus of rural development programs. In the

resultant situation RD in Bangladesh after over three decades remain to a large extent highly irrelevant and counter productive for the rural masses." (Faizullah 1987: 188).

Obstacles to the way of Rural Development

RD efforts, so far, have not demonstrated any impressive success in improving the quality of life of the rural masses. There are many constraints which impinge upon their success. The obstacles, identified by various researchers and scholars may be listed as follows.

1) Fatalistic outlook of life and living of the rural people.

Bangladesh is a tradition bound country. Our rural people are not conscious about their way of life. They live a traditional and sub human life and think it as their fate. Their mentality is essentially dominated by beliefs and myths. They are greatly conservative and tend to avoid novelty and change. Even they do not try to bring about changes in their life and living. As a result, in spite of the utmost care and endeavour of the government the RD efforts did not produce any overall achievement in Bangladesh.

2) Overpopulation

Bangladesh is faced with the problem of overpopulation. It is now inhabited by over 110 million people. Problems of food shortage, lack of job opportunities, scarcity of various facilities can be attributed to this gigantic population. Population explosion continues to drag our society towards poverty and the people backward.

3) Lack op people participation

People participation in the development process in the most needed ingredient for the success of any development effort. But peoples participation in rural development activities is not encouraging in our country. Our rural masses shows little interests in the development process and the degree of their spontaneous participation is very little. Without their fruitful co-operation the progress in rural development is slow.

4) Improper women representation

Women constitute half of the population. A prosperous society can only be built by combined effort of men and women of the society. So active participation of the rural women in the development process as equal partners of men holds a key to RD. But in our country, particularly in the rural areas we see a different picture. Women folk are almost absent from the development process and hence the problems of development remain.

5) Lack of effective rural leadership

Leadership should come from the grassroots level to organize and motivate the rural people with the ideas of development. But there is no organized leadership in rural areas. No rural development program can be successful unless the local initiative is encouraged.

6) Predominance of the rich in rural leadership

Under he existing socio economic pattern the rich are in the control of the institution of power, authority and sources of production. As a result the poor become dependent of the rich for their survival. Due to age old dependency relationship of the poor with the power structure the leadership generally comes from the affluent families with vested interest, there by leaving the vast majority of he disadvantaged rural poor out of development activities. (Aziz 1991: 36)

7) Illiteracy

In Bangladesh illiteracy is a curse which create a great obstacle for our rural and national development. Education is a per condition of any development activity. It is the vehicle of social progress and socio economic transformation. Minimum level of education is required for national development, which is particularly absent in rural Bangladesh.

Role of Education in Rural Development

The literacy rate in Bangladesh as per census of 1991 is 24.86%. If the literacy rate of the rural areas alone is taken into consideration it will markedly go down. This large scale illiteracy of the masses is the root cause of the failure of the RD efforts in Bangladesh. If we go deep into discussion, we shall observe that, illiteracy causes the other obstacles mentioned above.

Illiteracy and ignorance is solely responsible for the fatalistic out look of the rural people. Hossain said, unless the people themselves are fired with the enthusiasm for self development and are motivated to grow the conviction in their minds that the real panacea for all the ills they have been suffering from really lies in their own hands no amount of imposition from the government can bring about the desired changes. General awakening of the masses is the precondition for development of a country. In this situation, education only have the potential to bring about a change in the attitude of the people to awaken them. (Hossain 1993: 57)

The population boom and the consequent miseries of the people are result of their large scale illiteracy. People have a false belief that future security is proportional to the number of children. Their ideology is that God has given us mouth and He will provide us with food. As a result they think family planning as an antireligious program and instead of helping they create trouble for its proper implementation. It is empirically tested that, there has been a positive correlation between education of women and birth control practices. Literate women have relatively less children than the illiterate women.

Family planning may be defined as a medico-socio-economic program in our country. From medical point of view, it tries to improve the health of the mother and the child by spacing child birth. From social point of view, it tries to check the growth of population by limiting the members of the family. From economic point of view, it tries to improve the per capita income. This is a

welfare program for the people no doubt, but in spite of government approach, effort and advice some people particularly the rural poor turned a deaf ear to it. Due to illiteracy they fail to realize the importance and significance of the program. People's acceptance is must for the success of any development program and it is only possible when they will realize the importance of the program and understand that the program is meant for their own welfare. Without education this social consciousness cannot be expected from the people. Poor health condition, malnutrition, high rate of infant mortality are also the result of illiteracy. If the people would be educated they would be able to minimize these problems to a great extent.

Any attempt to improve the lot of the rural people must take into cognizance the problems and difficulties under which they are groaning. It is in fact the local people who posses better perception of the situation in which they live and solutions to the problems they are confronted with. Because "A wearer knows where the shoe pinches". Local needs can be better identified by the local people who are intimately familiar with the problem. So the country's hope for a quick and sustained development lies in effective participation of the people at the grassroots level. Due to illiteracy our rural masses for whom the developmental program are made know little about the importance and significance of these program and do not always actively participate in those. People should make to understand that these program are for there welfare. They should have to make conscious about the necessity of the programs. There should be a proper understanding between who provides the service and who receive it. This realization is possible only when they will be educated.

In our country plans and programmers are made from upper level due to non involvement of the masses in development programs and the people for whom these programs are made know little about the significance and importance of those. As a result they can not bring expected result. Illiteracy greatly hampers people' participation in our country.

Unless the women folk also feel equal responsibilities to solve the problems and share half of the efforts required for the successful implementation of the program no development program can be successful. The vast majority of our women folk are illiterate and for that they are not conscious of their rights, responsibilities, dignity and independence. As a result, instead of being a productive citizen of the country they are in a subordinate position and are considered as the responsibilities of the male members of the society. Due to social constraints, age old tradition and illiteracy, their participation in the development efforts is only marginal and symbolic.

No rural development program can be successful unless the local initiative is encouraged. It is therefore, essential to recognize and train up local leaders for shouldering the responsibilities of the rural development program. Only an educated person can properly organize, motivate and inspire the communities to embark upon a program of changing their own socio economic lot by their own effort. Therefore, illiteracy is the main hindrance behind the absence of organized leadership in rural Bangladesh.

It is due to high rate of illiteracy among the poor that they have failed to generate among themselves the necessary consciousness to organize in a common plane and challenge and dismantle the pro-rich power structure (Aziz 1991 . 36). A truly educated person can effectively fight any exploitation and only education can provide maximum support to a person.

Illiteracy causes poverty, which is by far the biggest problem of our rural people. Our economy is agrobased, Ninety percent (90%) of our population depend on agriculture for their livelihood. The traditional method of cultivation is practiced by them which is responsible for low yield. Their agri production is not sufficient to ensure them even a hand to month living. Due to illiteracy and ignorance they are not acquainted with modern scientific method of cultivation. The farmers work seasonally and during of season they remain idle and they have to pass their days in starvation or

half starvation. But if they would literate, they must think alterative way of earning and devote their time in income generating activities. Due to illiteracy many workable persons remain unemployed and live a sub human life. A minimum level of education is required for professional skill development, employment, and income generating activities and to lead a decent life.

Conclusion

The most important consideration in development is the human factor and education only have the potential to make a man self-developed. In this case, we may mention the famous proverb "Education is the harmonioues development of body, mind and soul". Education is the birth right of a person. It flourishes his inborn qualities and there by enriches his ability and efficiency of working. It makes a men conscious about his rights, responsibilities, needs problems and its remedial measures. It helps him to differentiate between right and wrong, utilize his power of judgement and makes him productive. An illiterate person does not get any respect or honour in the society. Only due to illiteracy a person is deprived of all opportunities and privileges of development activities. So education is only the effective instrument for all round development of the Society. Since development of growth i.e. economic. Social, political, human, environmental etc. their is no alternative of education for development. Hossain rightly said; had it been possible for man to live without food than literacy and education would have surely been listed as the first priority sector in the development of a nation. (Hossain 1993 : 85).

But in our country where the vast majority (about 76%) of the people lives in the darkness of illiteracy how can we expect development. No real development can be achieved in our country without at least minimum education for all. So human development through education should be the cardinal and Key policy in RD (Hossain 1993: 97). Our government have taken

various measures to raise the literacy rate. The national program of "Education for All By The Year 2000", "Universal Primary Education", Free Primary Education For Girls" deserve special mention. But in spite of these efforts our education sector is very poor. Education in Bangladesh is characterized by low enrolment and high drop outs at all levels. In order to expand the universal education program our education policy needs extensive changes to make it more life oriented. The present sectoral allocation for education is very insufficient compared to the need. Moreover major portion of these allocation is being spent in urban areas whereas about 80% of our population live is rural areas. So there is every chance that universal education will remain merely a slogan of "Education for all by the year 2000" (Salma 1992: 97) and development of rural Bangladesh will remain a remote dream. Development work in education must go hand in hand with rural development program, if such programs have to achieve success in our country.

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DISCLOSURE OF ACCOUNTING POLICIES IN THE FINANCIAL STATEMENTS OF THE INSURANCE COMPANIES IN BANGLADESH

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1. Introduction

Accounting polices encompass the principles, bases, conventions, rules and procedures adopted by management, in preparing and presenting financial statements.[1] The Accounting Principles Board of the American Institute of Certified Public Accountants in its opinion Number 22 stated that, whenever published financial statements are issued, a description of all significant accounting policies should be included as an integral part of the financial statements.[2] That is why, disclosure of accounting policies is a vital issue today in making disclosure of financial facts of the business enterprises. There are many different accounting polices in use even in relation to the same subject; judgement is required in selecting and applying those, which in the circumstances of the enterprise, are best suited to present properly its financial position and the result of its operations.[3] The considerations like prudence, substance over form and materiality should govern the selection and applications of accounting policies. Although the financial reporting of the insurance companies in Bangladesh is mainly influenced by the Insurance Act, 1938, this legislation does not clearly specify the

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accounting policies to be followed and disclosed. However, professional requirements are there in Bangladesh for making general disclosure of accounting policies. For the same purpose Institute of Chartered Accountants of Bangladesh (ICAB) has adopted the International Accounting Standard-1 (IAS-1), *Disclosures of Accounting Policies*[4] and the Institute of Cost and Management Accountants of Bangladesh (ICMAB) has issued a pronouncement, Statement of Standard Accounting Practice-2 (SSAP-2), *Determination and Disclosure of Accounting Policies.*[5] The present study strives to evaluate the practices relating to disclosure of accounting policies of the insurance companies in Bangladesh in the light of the relevant reporting requirements. Although Parry and Khan (1984)[6], Hye (1986)[7] and Alam (1990)[8] has studied on this subject, the present study would be more logical because, no indepth study on the same topic has yet been done.

2. Objectives

The main objective of the study is to evaluate the accounting policies disclosed in the financial statements of the insurance companies in Bangladesh. The specific objectives are:

(a) To identify the accounting policies followed.

(b) To compare the accounting policies disclosed with the relevant reporting requirements.

(c) To identify the shortcomings relating to disclosure of accounting policies and suggest accordingly.

3. Methodology

In the light of the privatization policy, a good number of insurance companies have commenced their business in the private sector of Bangladesh. For the purpose of our study, we

have considered nine of them working at least for three years so that uniformity in accounting policies followed and disclosed over the years can be compared. In the course of analysis special attention has been given on the professional requirements, viz. IAS-1 as adopted by the ICAB and SSAP-2 issued by the ICMAB owing to lack of legal requirements in this respect.

4. Reporting Requirements

The annual reporting practices of the insurance companies in Bangladesh are mainly influenced by the Insurance Act, 1938. The relevant provisions of the companies Act, 1994 (Previously known as companies Act, 1913) and the Securities and Exchange Rules, 1987 are also applicable for the reporting of the same.9 But neither of these legislations provides specific requirements for the disclosure of significant accounting policies. However, the common indications as indirectly provided by these laws that amount to disclosure of accounting policies on major particular items are the basis of valuation of fixed assets, method of charging depreciation, mode of valuation of investments, basis for deferring revenue expenditure, etc.

SSAP-2 and IAS-1 as adopted in Bangladesh provide guidelines for the disclosure of accounting policies. According to the SSAP-2, the statement of accounting policies should consist of (a) general accounting policies, (b) particular accounting polices and (c) changes in accounting policies, or if there have no changes, a statement to that effect. The general accounting policies should describe those general policies which are adopted in the preparation of financial statements with respect to measurement base (i.e. historical cost convention on going concern concept or like) and matching of revenues and expenses. The particular accounting policies should describe the bases, rules and procedures adopted by an entity for preparing financial

statements. The main as well as common requirements of both the SSAP-2 and IAS-1 as adopted in Bangladesh in respect of disclosure of accounting policies are as follows:

(a) Financial statements should include clear and concise disclosure of all significant accounting policies which have been used.

(b) The disclosure of significant accounting policies used should be an integral part of the financial statements. The policies should normally be disclosed in one place.

(c) Wrong or inappropriate treatment of items in balance sheets, income statements or profit and loss accounts or other statements are not rectified either by disclosure of accounting policies used or by notes or explanatory materials.

(d) Financial statements should show corresponding figures for the preceding period.

(e) A change in an accounting policy that has a material effect in the current period or may have a material effect in subsequent periods should be disclosed together with the reasons. The effect of the change should, if material, be disclosed and quantified.

5. Findings

Reporting practices of the selected insurance companies comply, to a great extent, with the professional requirements in respect of disclosure of accounting policies.

Table : Disclosure of Accounting Policies in the Financial Statements of the selected Insurance Companies in Bangladesh

Sl. No.	Practice	No. of Companies
1.	Insurance Companies surveyed Disclosure of accounting policies:	9
	(a) Disclosed	9
	(b) Not disclosed	-
2.	Title used	
	(a) Significant accounting policies	8
	(b) Basis of accounting	1
3.	Place of disclosure	
	(a) Within notes	9
	(b) Outside notes	-
4.	Placement of disclosure	
	(a) In a single place	7
	(b) In a different place	2
5.	Types of accounting policies disclosed	
	(a) General accounting policies	9
	(b) Particular accounting policies	9
6.	General accounting policies disclosed	
	(a) Measurement of basis	9
	(b) Matching of revenue and expenditure	-
7.	Major particular accounting policies disclosed	
	(a) (i) Compliance with law	9
	(ii) Compliance with IAS	8
	(iii) Changes in accounting policies	1
	(b) (i) Method of valuation of fixed assets	9
	(ii) Depreciation method	9
	(iii) Depreciation rates or useful lives	8
	(iv) Valuation of investments	3
	(v) Basis for deferring revenue expenditure	-
	(vi) Provision for unexpired risk	8
	(vii) Tax accounting	5
	(viii) Rearrangement of figures	3
	(ix) Rounding off	5

Source : Annual Reports of the Selected Insurance Companies during 1990-1994.

It appears from the above table that the accounting policies disclosed by the insurance companies were of two types viz. general accounting policies and major particular accounting policies. General accounting policies of all the sampled companies included usually the measurement basis. Historical cost convention on going concern concept was used as measurement basis. None of the companies mentioned anything about the matching or revenue and expenses.

The major particular accounting policies included the promulgations of compliance with law and accounting standards in preparing financial statements with the exception that only one insurance company did not mention whether they followed the accounting standards or not. Among other major particular accounting policies, about all the insurance companies disclosed the method of valuation of fixed assets, depreciation methods, depreciation rates, and provision for unexpired risk, while a good number of companies did not disclose the particular accounting policies in respect of valuation of investments, tax accounting, rearrangement and rounding off of figures etc. A disappointing finding was that none of the sampled companies disclosed the basis for deferring revenue expenditure.

The significant accounting policies were disclosed at one place within notes to the accounts. Eight companies used 'significant accounting policies' as title while another one company used 'basis of accounting' as title for the disclosure of accounting policies. Exception was that two of the companies disclosed a few accounting policies beyond such title but within notes to the accounts.

It is an appreciable feature that change in accounting policies over the years happened in the reporting practices of only one company and that was disclosed in the annual report. But the impact of changes was not quantified and disclosed which was an in compliance with the professional requirement.

6. Conclusions

Despite some short comings, disclosure practices relating to accounting policies of the insurance companies in Bangladesh deserve high appreciation. It was observed that 100 percent of the surveyed companies disclosed accounting policies in their financial statements as compared to 23 per cent found by parry and Khan (1984) and 70 per cent by Alam (1990). This is undoubtedly a chronological development owing to disclosure consciousness in the company reporting in Bangladesh.

Disclosed accounting policies of the insurance companies, except a few, included the promulgation of the accounting standards followed. In fact, in the context of the disclosure of accounting policies, the obvervations give testimony that the sampled companies strives to comply with the relevant professional requirements, viz. SSAP-2 and IAS-1 as adopted in Bangladesh. In order to provide a more comprehensible and adequate disclosure of accounting policies, the existing shortcomings as found out should be removed. That is why, the insurance companies should come forward as follows:

1. In spite of a specific title, those which provide some accounting policies in different places of the principal financial statement or supporting notes to the accounts should bring all the accounting policies under the shadow of the same umbrela like significant accounting policies or basis of accountings.

2. The insurance companies which do not promulgate as to compliance with the professional requirements in respect of preparation of financial statements, should promulgate the same.

3. In respect of changes in accounting policies followed, the changes, if material, should be quantified and disclosed.

4. Accounting policies relating to matching of revenues and expenses and basis for deferring revenue exterditure should be disclosed. Emphases are also needed in the disclosure of accounting policies relating to valuation of

investments, tax accounting, rounding off and re-arrangement of figures for the insurance companies which are not conscious in these regards.

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MARKETING OF HANDLOOM PRODUCTS: A STUDY OF CONSUMER BEHAVIOUR

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ABSTRACT

The use of handloom products in Bangladesh is perhaps gaining popularity. In view of the recent role of the handloom sector as an effective competitor in the market, there have been several changes in the markieting strategies of textile products in the country. Again, the introduction of handloom fabrics has also brought out many significant changes in the taste and preference of ultimate consumer. The purpose of this paper is to highlight some of these changes and examine the problems concerning marketing of handloom products. The paper is based on a sample survey of 400 households conducted in the four metropolitan cities of Bangladesh. The result suggests that the needs, attitudes, and preferences of the consumer of handloom products are changing but the industry is in a static position from the development point of view. The industry therefore, needs nourishment. Through product diversification and effective marketing programme, the industry can serve the nation in a better way. It will also be able to provide more and more employment opportunities in future.

Introduction

The essence of the modern marketing concept is perhaps confined to the different aspects of consumer behaviourism,

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including consumer satisfaction. This requires a thorough understanding of the consumer behaviour and buying motivations on the one hand and an indepth knowledge on market segment and strategies on the other for an effective penetration into the desired level of market segments. The recent trend of giving more weightage to consumer behaviourism probably makes a significant departure from traditional concept of marketing. This demands a positive role of the marketing manager, particularly in fulfilling the wants of the consumers. Thus, it appears that the marketing managers must have an active role in every sphere of their marketing activities, mainly to assess the magnitude of the needs, wants, desires, aspirations etc., of the consumers. They are also likely to offer their help in solving their numerous day-to-day problems. This being the current marketing philosophy, the existing activities and the desired policy of an organisation are, therefore, expected to be directed towards consumer satisfaction. This would ultimately lead to the true route towards profits and survival.

The recognition of the importance of consumer and his motivation, belief, attitudes, perception, emotion, opinion etc., have made tremendous strides, particularly in the context of the current marketing environment. This is perhaps the concept derived from behavioural and social sciences like economics, psychology, sociology and anthropology and their related sub-disciplines. These disciplines have all been employed now to develop many question marks on marketing management. A wide variety of sophisticated research tools and techniques from both quantitative and behavioural areas have also been injected into this understanding.

With this concept in view, a search into the behaviour of consumers of handloom products is likely to convey interesting thoughts to the development of marketing management theories and practices. It is widely believed that handloom products have quality differentiation. The prices of those products are not even

correctly assessed. What are then the major areas that may be taken into consideration by the buyers of different segments, particularly in taking a decision to that effect. This presupposes a thorough knowledge about the handloom industry in general and the consumer in particular.

A Profile of the Handloom Industry of Bangladesh

A report on Bangladesh Handloom Census has put the figure of total number of handloom units in Bangladesh at 197280. The Dhaka division has the highest number of handloom units. Handloom units are basically small scale units in terms of loomage, personnel and capital investment. These units have a total number of 4,37,015 looms, including a scanty number of 277 powerlooms. Of the total looms, over 59 percent numbering 2,59,921 are in actual operation. Among the six divisions i.e. Dhaka, Chittagong, Rajshahi, Khulna, Barisal and Sylhet, Dhaka has the highest utilisation ratio of looms.

In Bangladesh, the handloom industry produces nearly 173.7 million yards of cloth in two month period. The average unit, per loom, and per operational loom of bimonthly output comes out to be 880, 397 and 668 yards of cloth respectively.[1]

The handloom industry provides employment nearly to 848 thousand people of the country. Majority of the people (58%) involved in this industry are the family members of the owners. Total number of wage earners employed in this industry is about 356 thousand. Most of the wage earners employed in the industry are on regular basis.[2] The handloom units are basically small in size, almost of cottage type. Although the weaver's co-operatives hardly provide any useful service to the weavers themselves, yet those co-operatives are observed to be popular among the weavers. Very few units of handloom industry receive assistance from the Small Industries Facilities Centres, particularly in availing of dying facilities. Only a tiny segment of the handloom units enjoys the import licence for raw materials.[3]

From the development point of view, it may be observed that the industry is expanding slowly. A small percentage of units borrows money from banks and other indigenous sources but very few have the capacity for repayment. The money lenders (Mohajans) are the primary suppliers of loan but they charge interest at a higher rate. The service provided by the institutional sources like banks and other specialised financial institutions is considered to be very poor. But in spite of their drawbacks most of the units need borrowed funds to finance operation and naturally they have a substantial size of loan.

A Brief History of Handloom Industry of Bangladesh

In the early 17th century the handloom sector of the then Indian subcontinent and more particularly of the areas presently comprising Bangladesh gained a high degree of efficiency for producing quality products. The products were highly praised throughout the world and used to be exported all over the world.

In the report of "Fact Finding Committee on Handlooms" published in 1956 by Dr. A. Siddique, a member of the said committee it has been stated that the handloom industry suffered loss due to the advent of Industrial revolution in England. The textile industries of England started capturing the market of handloom products due to the cheapness of machine-made clothes. The quality of Lancashire cloth in the market of the then British India, now Bangladesh, was of coarse and medium varieties which directly competed with that of the average weavers of the region. It is due to the cheapness of the products the average weavers could hardly stand in competition in the field. They were ultimately ousted from their business and turned into landless agricultural labourers. Only a few specialised cloth weavers could survive in the competition. Thereafter, with the persistent increase in the supply of machine made cloth during the 20th century, the producers of coarse and medium standard cloth virtually lost their business. The producers of superfine varieties of cloth however were able to maintain their precarious existence. In this connection, it will be interesting to know that

the abundant supply of the cheapest Lancashire cloth did not affect the production and distribution of handloom products in the Chittagong Hill Tracts where the tribal community continued to produce their own traditional cloth entirely for their own consumption. Even today, the handloom industry of Chittagong Hill Tracts does not face any such problem, possibly because of the peculiar nature of the tribal people's consumption habit.

In 1906, the Swadeshi Movement of Indian Nationalist advocated for the home industries and discouraged the use of foreign goods. This movement virtually changed the behaviour of the consumers. They started buying more indigenous cotton cloth at a higher price. This increased the demand for handloom products. The Swadeshi Movement also provided stimulus for the establishment of famous handloom cloth emporiums at Baburhat, Tangail, Shahzadpur and Feni.

During World War-I, the importance of Lancashire cloth was practically restricted and in consequence, the handloom industry received an encouragement for growth. A general increase of prices of cloth at that time also helped the weavers to stabilise their business. After World War-I, the independence related movements increased the demand for handloom products. The handloom products became a symbol of dignity and patriotism. During this period, the professional weavers prospered significantly. Later on, in 1930, the hand spinning almost disappeared. The handloom weaving continued to spread among the agricualturists as their off-farm occupation to supplement their income. The handloom weavers of agricultural families were on a better competitive position because of their low cost of labour. In this way they continued to progress till the independence of India. Although it is difficult to estimate the number of looms and the workers that existed in Bangladesh region at the time of partition yet the census report of 1951 indicated the figure as 1,83,251 looms with a total number of 4,07,332 workers.

The partition of India brought about some structural changes in the organisation of handloom industry. A large number of Hindu professional weavers left for India while many Muslim weavers crossed the boarder from West Bengal. The cross movement of weavers did not destroy any of the localised centres of handloom products in Bangladesh. However, the large scale migration of Hindu merchant bankers created a vacuum, especially in the fields of finance and distribution of handloom products. Some Muslims however tried to fill up the gap. Subsequently, many old Hindu merchant bankers returned to their original position in some big towns. The problems of finance and distribution were thus solved. But the handloom industry faced serious problems in the matter of supply of raw materials specially the supply of yarn because most of the yarn producing mills were in India. To solve this problem, the then Government of Pakistan in 1949, allowed to import yarn under Open General Licence (OGL) and abolished sales tax on handloom products. This resulted in a tremendous growth of handloom industry and by the middle of 1951 the number of handloom stood at 383000. As a whole, the handloom industry had its prosperity during the period from 1947 to 1952. Following the year 1952, the handloom industry again faced serious problems in supplyuing raw-materials, specially the yearn.

In Bangladesh, although the Government has established "Bangladesh Handloom Board", no systematic census has been conducted to determine the status of the handloom industry which has been a serious impediment towards the formulation of realistic plans and policies for the development of the industry.[4]

Objectives of the Study

The main objective of a business is to make profit. But profit maximisation without considering the consumer's taste and preference is synonymous with the statement. Profit can no more be the object of a business than eating is the object of living.[5] Consumer should be the focal point of any business. Consumer

preference should, therefore, be the main consideration for producing cloth. In that context a study of the consumer preference and satisfaction of the consumer may be considered to be significant. Accordingly the objectives of the study will be of the following order.

i) To identify the actual users of handloom products;

ii) To study the consumer preferences and satisfaction of handloom products against other competitive products; and

iii) To examine the buying behaviour of the consumer - their shopping habit and attitude towards different types of fabrics available in the market.

Importance of the Study

The handloom industry fulfils one of the basic needs i.e. the cloth. The handloom industry plays a vital role in the economy of Bangladesh as it gives an employment opportunity for more than ten million people in the country.[6] But this industry is producing cloth without an assessment of consumer demand resulting in stock pile-up on the one hand and acute shortage of cloth on the other. Consumer behaviour plays a vital role in forecasting the consumer demand. Once the consumer behaviour is known and the demand in estimated, sales become easier. Marketing of handloom products is not concerned only with the flow of handloom products from the producer to the consumer but also with the flow of information from consumer to the producer. This is perhaps essential for the smooth sale of the products. With the help of the consumer's demand related information, the producers will be able to produce the right product, fix the right price of the product, place the product to the right channel of distribution and select right media to communicate with the consumer. Through an effective marketing programme the producer will be able to fulfil one of the important objectives of business i.e. to create a

satisfied consumer.[7] It has been rightly said that the marketing starts and ends with the consumer.[8]

Handloom industry can play more and more important roles in the economy of Bangladesh if the same is operated efficiently. That efficiency however depends on the effective marketing programme of the handloom products. This industry may be considered as an important instrument for promoting rapid industrial growth providing employment opportunity to the rural poor of Bangladesh. This argument may be supported from the fact that out of the total working people (other than agriculture sector) on-forth is engaged in this sub-sector. The present study may thus play a vital role in boosting up the production through developing effective marketing programme with the help of consumer behaviour related information.

Statement of the Problem

The nature of consumer behaviour for the purchase of cloth is different in different circumstances, such behaviouristic pattern also differs from one individual to another. Some persons prefer handloom fabrics whereas others prefer mill made cloth, though in both the cases the basic raw material for producing cloth is yarn. The mill made cloth may be preferred due to cheaper price than that of handloom products, whereas the handloom cloth is preferred because of its comfortability.

The weavers of handloom industry are generally exploited by the *Mahajans*, although they provide financial as well as other assistance to them. The Government is currently trying to mitigate the problems of the handloom weavers through implementation of different plans and policies. Accordingly, steps have also been taken to provide loan and other facilities to the handloom weavers. But the weavers are yet to receive any such assistance from the government. As a result the economic condition of the weavers is deteriorating day by day. Though the handloom products are costly, the people of high income group are increasingly interested to purchase handloom products. But

this trend is to be studied from marketing point of view. For an efficient marketing of handloom products, a study of the consumer behaviour is essential.

Methodology of the Study

Identification of customers for a given product is one of the main tasks of any marketing research. This symbolises the identification of the market segment to which the firm's efforts should be directed. An identification and assessment of customers belonging to different types or groups will perhaps enable us to get the right answers to questions like who are the potential customers and what is their income, age and occupation.

In our survey, we have tried to identify the customers for handloom fabrics. Towards that end the respondents included in the sample have been asked to answer about their behaviour and pattern of consumption. The result indicated the general consumption pattern of different clothes by men and women. That result has also highlighted the occupational characteristics of men and women who have purchased and consumed handloom products. With the backdrop, we propose to project the methodology of the present study.

The sample survey of the study has been confined to four metropolitan cities of Bangladesh viz. Dhaka, Chittagong, Rajshahi and Khulna. The selection of the households has been made on the basis of the information obtained from the officers concerned of the electoral offices of those four metropolitan cities. Altogether 400 households have been selected, taking 100 households from each of the four cities. The selection has been made on the basis of the stratified random sampling technique, obviously to ensure the representative character of the families of the different occupational classes. The occupational classes have been identified as dependent on agriculture and allied activities, worker, businessman, salaried personnel and professional person. Attempt has also been made to collect data from all the male and female heads of the families of the selected households. But it

may not be possible to collect information from all the concerning respondents, in that case at least one of them will have to interviewed to collect the required primary data. The secondary data have however been collected from books, journals, research reports, periodicals, etc.

The number of respondents from 400 selected households is likely to be (400 x 2) 800, but in reality, we have been compelled to collect information from only 354 men and 354 women respondents. Out of the 354 men respondents 32.49 percent are dependent on agriculture and allied activities, 24.58 percent are workers, 25.42 percent are administrative personnel, and the rest 4.52 percent are professional persons such as doctors, lawyers, engineers etc. On the other hand, the women respondents are classified into two major groups -- the house wives and the working women. Out of 354 women respondents, 93.29 percent are house wives and the rest 6.71 percent are working women.

The data have been collected through personal interview schedule prepared specially for the selected households. Two sets of structured questionnaire -- one for the man respondents and the other for the women respondents have accordingly been prepared for the purpose. But all these are meant for formal approaches. In addition, we have also been favoured to collect many other information in an informal way with this methodology in view, we now initiate to proceed towards landing to an area where we propose to work.

Background of the Customer of Handloom Products

The background information regarding income, age, occupation and education of the customers of handloom products are shown in Table 1, 2, 3, and 4 respectively. As can be seen from the Table 1, 29.37% of men and 38.61% of women belonged to the low income group (upto Tk. 3000.00 per month) 72.87% of men and 84.18% of women belonged to the lower middle income group (Tk. 3001.00 to 6000.00 per month). Whereas only less

than 10% of men and 1% of women belonged to higher income group (Tk. 9001.00 and above per month).

Table - 1 Percentage Distribution of the Customer by Income

Income (Tk. per month)	Men	Women
Upto 1500	6.21	15.55
1501-3000	23.16	23.06
3001-4500	27.12	26.54
4501-6000	16.38	19.03
6001-7500	13.28	12.87
7501-9000	5.65	2.41
9001 and above	8.20	0.54
Total	100.00	100.00

So far as the age of the customer is concerned, we have observed in Table 2 that 24.57% of men and 44.23% of women are below 30 years of age. 52.25% of men and 45.85% of women are in the age group of 30-44 years, while the percentage of men and women who belonged to the agre group of 45 and over constituted only 23.18% and 9.92% respectively.

The percentage distribution of customers by occupation as shown in Table 3 indicates that 4.52% of men are professional men. This group included Doctors, Lawyers, Teachers, Engineers, Architects etc. 24.52% of men are businessmen.

Table-2 Percentage Distribution of the Customer by Age (men and women)

Age group	Men	Women
Under 20	-	10.99
20 - 24	7.06	16.62
25 - 29	17.51	16.62
30 - 34	18.36	19.58
35 - 39	17.51	16.89
45 - 49	14.12	8.58
50 and above	9.06	1.34
Total	100.00	100.00

Table-3 Percentage Distribution of Customers by Occupation

Occupation Category	Men	Women
Worker	24.58	-
Cultivator	32.49	-
Businessman	25.42	-
Salaried personnel	12.99	-
Other professional	4.52	93.29
	Housewife	
	Working women	6.71
Total	100.00	100.00

Table-4 Percentage Distribution of the Customer by Education (men and Women)

Level of Education	Men	Women
Illiterate	22.88	30.56
Primary	22.03	38.34
Secondary	30.23	26.27
College/University	20.34	4.83
Professional Degree	4.52	-
Total	100.00	100.00

Only 12.99% of men is salaried people, 24.58% of men is workers and the rest 32.49% of men is cultivators. As regards to women, 93.29% of women is house wife and only 6.71% is working women.

Table - 4 shows that about 25% of the customers is illiterate and 28% has education upto secondary level. Only about 13% customers has a college or university degree and only 4.52% has the professional degree.

Different Handloom Products Purchased and Owned by the Customer and their Expenditure Pattern

As we can observe from Table 5, 6, 7 and 8 that the main handloom products purchased and used by the customers are Saree, Lungi, bedsheet, Gamcha, Addi, Khaddar, Dopatta etc.

Table - 5 gives details of major handloom products consumed by men. Almost all the customers use lungi and 60 to 70% use other different handloom products.

Table - 6 gives details of customers who use handloom products according to their occupation. Table - 7 gives information regarding major handloom items owned by women. It shows that 80% of the women customers use Saree, Bedsheet, Gamcha, Blouse and only 29.0% women use Dopatta. Table - 8 shows the use of different types of handloom products by different occupational women. It can be seen from Table - 8 that the larger percentage of working women use Dopatta than that of the housewives.

Table-5 Percentage of Men Owing Clothing Items Made by Handloom

Items	No. and percentage of men owing different clothing items
Lungi	350 (98.87)
Bed sheet	249 (70.34)
Gamcha	245 (69.21)
Addi & Khaddar	211 (59.60)

Table - 6 shows the average monthly expenditures on clothings by families belonging to different income groups. It also shows that the higher income groups use lower percentage of expenditure on handloom products, although they spent six times more than that of the lower income group. The average monthly expenditure on clothing is observed to have increased from Tk. 12.58 in the first income group to Tk. 183.07 in the last income group. With the increase in income, the monthly expenditure on clothing also increases. But among the different income groups, the rate of increase of the expenditure on handloom products is much lower than the rate of increase of expenditure on clothing. So, there is a close co-relationship between income and expenditure on handloom products.

Table-6 Percentage Distribution of Men's Clothing Items by Fabrics for Each Occupational Group

Occupation category	Nungi	Bed sheet	Gamchha	Addi/Khaddar
Worker	24.58	16.10	16.10	3.95
Cultivator/Farmer	32.49	18.64	18.64	20.62
Businessman	25.42	23.16	22.89	20.06
Administrative & other salaried personnel	12.99	9.89	9.60	11.01
Different professionals	3.39	2.55	1.98	3.96

Table - 7 Percentage of Women Owing Clothing Items

Items	No. and Percentage of women owing different clothing items
Saree	294 (83.05)
Bed Sheet	299 (84.46)
Gamchha	294 (83.05)
Dopatta (Urna)	103 (29.01)
Blousing	299 (84.46)

Table-8 Percentage Distribution of Womens' Clothing Items by Fabric for each Occupational Group

Occupation	Saree	Bed Sheet	Gamchha	Dopatta	Blousing
Housewives	59.89	56.50	55.37	6.50	59.89
Working women	23.16	27.96	27.68	22.51	24.57

Table-9 Average Monthly Expenditure on Clothing by Famjilies Belonging to Different Income Groups (expenditure per adult equivalent)

Income category (Tk. per month)	On Handloom fabrics	On other fabrics	Total
Up to 1500	9.98	2.60	12.58
1500 - 3000	15.46	12.25	27.71
3001-4500	21.84	22.30	44.22
4501 - 6000	30.87	41.68	72.55
6001 - 7500	42.68	62.81	105.49
7501 - 9000	48.39	71.78	120.17
9001 and above	60.36	122.71	183.07

Consumer Preference, Satisfaction and Marketing of Handloom Products

The degree of preference which men give to different attributes of handloom products is shown in Table - 10. The finding reveals that men considered "durability" as the most important attribute to handloom products. Next to durability, men preferred "social prestige", "attractive design", "easily washable", "cheaper to maintain", "comfortability" and costly as their order of preference.

60.90% of the customers considered "durability" as the most important reason to prefer handloom products, while only 15.07% felt that it did not make any difference.

The degree of preference which the women give to different attributes is shown in Table - 11. Majority of women customers considered attributes like "easily washable", "attractive design", "durability" and "cheaper to maintain" as their first four major attributes that influenced them to prefer handloom products. 57.59% of women customers considered "easily washable" as the "most important" attribute. 33.54% considered as "important", while only 8.87% felt that they do not make any difference. 44.4% of women considered "attractive design" as the "most important" attribute, 48.42% as "important" and the rest 4.11% of women did not make any difference.

Table-10 Degree of Importance Given by Men to Different Attributes of Handloom Products

(In percentage)

Attribute	Most important reason to prefer	Important reason to prefer	Less important reason to prefer	Makes no difference
Costly	3.53	6.73	29.17	60.57
Durability	60.90	21.79	2.24	15.07
Easily washable	9.94	3.85	26.92	59.29
Cheaper to maintain	9.94	11.54	33.33	44.79
Social prestige	16.99	41.99	10.26	30.76
Wearing confort	4.49	9.61	40.06	45.84
Attractive design	15.38	8.65	49.04	26.93

Table-11 Degree of Importance given by Women to Different Attributes of Handloom Products

(In percentages)

Attribute	Most important reason to prefer	Important reason to prefer	Less important reason to prefer	Makes no difference
Costly	3.16	4.43	12.02	80.39
Durability	44.62	24.68	10.76	19.94
Easily Washable	57.59	33.54	-	8.87
Cheapter to maintain	44.40	41.14	4.75	9.81
Social prestige	11.71	42.40	5.70	40.19
Wearing comfort	28.16	55.70	6.01	10.13
Attractive design	47.47	48.42	-	4.11

Table - 12 Purchase Planning by Men and Women

(In percentage)

	Men			Women		
	Always	Sometimes	Never	Always	Sometimes	Never
Advance planning for purchase	65.82	19.49	14.49	70.51	17.16	12.33
Made out budget for clothing expenses	44.63	16.38	38.69	45.58	19.03	35.39

It can be observed from Table-12 that the majority of the customers consider the purchasing of clothes as a planned activity. They prepare regular budgets for the same and some of them even chalkout detail plans for the items to be purchased. A larger percentage of women customers prepare budgets before purchasing. 65.82% of men and 70.51% of women customers always plan their purchasing prior to their actual purchases. 19.49% of men and 17.16% of women sometimes plan their purchasing in advance. 44.63% of men and 45.58% of women always prepare their budgets before purchasing of their clothing.

16.38% of men and 19.03% of women prepare budgets occasionally, while 38.69% of men and 35.39% of women never prepare their budgets for purchasing of their clothing items.

For the successful marketing of handloom products, it is necessary to identify not only the buyers of the products but also to know the stimuli that influence the buyers to buy. It would be further helpful to the marketing managers to know the relative role of husband and wife in the buying decision-making process of handloom products. Tables 13 and 14 show that the purchasing of clothing in a family is a joint activity of both the husband and wife. So far as the purchasing of major clothing items is concerned, that is mostly done according to individual preferences of each member of the family. But the husband, no doubt, plays a dominant advisory role in the selection of clothing items. 69.57% of men either always or sometimes ask for their wive's advice, while 72.38% of women always or sometimes ask for their husband's advice. However, 81.92% of men and 86.06% of women have reported that they never return or reject their choice merely because of the reason that their partners have not been enthusiastic about their selection of clothes. 73.45% men and 79.89% of women always or sometimes practise shopping together with their partners for purchasing their clothing items. 17.80% of men have reported that they never visit market places for shopping alone. The corresponding percentage of women is however 55.70.

In recent years, many handloom factories are using brand names for their products to get some advantages in competition. Brand name always helps the customers to identify easily the right quality product he desires. It offers steady supply of quality products and binds the firm behind the products. Branding often

Table - 13 The Role of Husband in the Buying Process

(In percentage)

	Always	Sometimes	Never
Husbands who asked their wives views in selecting their clothings	35.39	34.18	30.23
Husbands who returned their choice because their wives were not enthusiastic	3.67	14.41	81.92
Husbands who shopped with their wives for making their purchases	20.06	53.39	26.55
Husbands who shopped themselves for their wives	27.40	54.80	17.80

Table - 14 The Role of Wives in Buying Process

(In percentage)

	Always	Sometimes	Never
Wives who asked their husbands views in selecting their clothings	50.13	22.25	27.62
Wives who rejected their choice because their husbands were not enthusiastic	1.34	12.60	86.06
Wives who shopped with their husbands for making their purchases	26.81	53.08	20.11
Wives who shopped themselves for their husbands	4.02	40.48	55.50

helps in demand stimulation and attracts the attention of consumers. Through the creation of product image it motivates the customer to buy the product. But the question is as to what extent the Bangladeshi consumers are aware of the brand names of different textile products. To find out the answer to this

question, respondents were given a list of some of the popular brand names of handloom products and textile products. They were asked to identify each of the brand names associated with the relevant product. The results are shown in Tables 15 and 16. Our findings reveal that most of the customers are not aware of brand names of products they use. Majority of the respondents (men and women) replied that they did not know anything about brand names. Only a good percentage of women has been able to identify the brand names of their sarees correctly.

Table - 15 Brand Awareness Among Men

(In percentage)

Product	Particular brand is most important factor in buying	Particular brand is not so important	Don't know
Shirting (Addi & Khaddar	6.78	36.72	56.50
Bed sheet	10.17	38.98	50.85
Lungi	7.34	13.56	79.10

Table - 16 Brand Awareness Among Women

(In percentage)

Product	Particular brand is most important factor in buying	Particular brand is not so important	Don't know
Saree	20.37	42.09	37.54
Bed sheet	10.19	39.68	50.13
Dopatta	-	10.72	89.28
Blousing	-	4.82	95.18

In order to find out the extent of popularity of different types of retail shops among the ultimate consumers, the respondents were asked as to how frequently they purchased their cloth from those shops. The results are shown in Tables 17 and 18. It is revealed that 85.31% of men and 88.73% women purchased their clothing either frequently or occasionally from ordinary retail shops while 85.31% of men and 69.98% of women purchased their clothing items either frequently or occasionally from the manufacturers.

Table-17 Frequency of Purchases of Clothes by Men from Different Places

(In percentage)

Places	Frequently	Occasionally	Never
Retail shop	48.02	37.29	14.69
Manufacturer	20.62	64.69	14.69

Table - 18 Frequency of Purchases of Clothes by Woen from Different Places

(In percentage)

Places	Frequently	Occasionally	Never
Retail shop	48.52	40.21	11.27
Manufacturer	10.46	59.52	30.02

Table - 19 Relationship Between Age and Satisfaction

(Average satisfaction score)

Age Group	Percentage of respondents	Handloom cloth	Other cloth
Young (upto 34)	-	13.36	20.78
Middle Age (35-49)	-	16.06	20.55
Old Age (50 and above)	-	13.18	17.65

The consumer satisfaction with handloom and other competing products was measured through respective scales. The scales were constructed by scoring the answers of the respondents to various questions relating to his satisfaction with the various aspects of handloom and other textile products. The average satisfaction scores for the various groups were computed and compared to each group's satisfaction levels and inferences. It has been observed that the customers were more satisfied with other textile products than that of the handloom products. Perhaps age affects satisfaction, we have observed that the older and middle aged respondents were less satisfied with other textile

products than that of the younger groups. But respondents of all age groups were more satisfied with other textile products than with handloom products. But illiterate respondents were more satisfied with handloom products than with other textile products (Table 20). Again, occupational status

Table - 20 Relationship Between Education and Satisfaction

(Average satisfaction score)

Education	Percentage of respondents	Handloom cloth	Other cloth
Illiterate	26.82	17.08	16.25
Primary	30.40	15.63	17.60
Secondary	28.20	13.72	22.13
College/University	12.38	13.54	21.42
Professionals	2.20	13.06	22.82

influences satisfaction (Table -21). In our study the workers were more satisfied with handloom products than with other cloth. Respondents with higher occupational status were more satisfied with other textile products than the respondents with lower occupational status and vise versa. The level of income also has influenced the satisfaction level with other textile products (Table - 22). But it did not influence the satisfaction level with handloom cloth. The respondents of higher monthly income groups were more satisfied with other textile products than those of lower monthly income groups. The higher monthly expenditure (Table-23) on clothing increased the satisfaction level with other textile cloth while it did not influence the satisfaction level with handloom products. The higher the budget for cloth the more the satisfaction with other textile products than the handloom products.

Table - 21 Relationship Between Occupation and Satisfaction

(Average satisfaction score)

Occupation	Percentage of respondents	Handloom cloth	Other cloth
Worker	24.58	19.76	16.88
Cultivator	32.49	14.66	19.60
Businessman	25.42	11.27	22.22
Administrative & other salaried personnel	12.99	11.91	21.00
Different professional	4.52	10.65	22.91
Housewives	93.29	12.87	17.67
Working women	6.71	12.69	18.53

Table - 22 Relationship Between Income and Satisfaction

(Average satisfaction score)

Monthly income in Taka	Percentage of respondents	Handloom cloth	Other cloth
Upto 3000	34.11	13.93	19.90
3001-6000	44.57	14.59	21.00
6001-9000	17.06	10.60	22.86
9001 and above	4.26	18.33	23.33

Table - 23 Relationship Between Expenditure on Cloth and Satisfaction

(Average satisfaction score)

Monthloy expenditure on cloth in Taka per adult equivalent	Percentage of respondents	Handloom cloth	Other cloth
12.58	11.00	14.27	18.88
27.71	23.11	14.78	20.30
44.22	26.82	14.27	21.54
72.55	17.74	12.82	21.76
105.49	13.07	13.14	21.28
120.17	3.99	12.99	20.68
183.07	4.27	12.03	20.22

Conclusion

The study of consumer behaviour is very important to all business organisations, especially to those involved in the marketing of goods and services. As we have mentioned, profit through consumer satisfaction is the true route of a firm's existence. A knowledge of consumer behaviour is vital for the effective planning and execution of a firm's marketing programme.

In this study we have examined some aspects of consumer behaviour in relation to marketing of handloom products in Bangladesh. The study highlights the changing preferences of consumers for the purchase of different types of handloom and other textile products which may be helpful not only in expanding and diversifying their business but also in planning the total industry.

The study highlights the fact that the handloom industry of Bangladesh is in a static position. Through product diversification and effective marketing programme, the industry can survive and can serve the nation in a better way by providing more and more employment opportunities.

Several significant changes have taken place in the buying habits of Bangladeshi consumers in the past. Now, the consumer demands have been diversified to enjoy better quality of products. The market for handloom products is accordingly changing from seller's market to buyer's market.

In order to serve the consumer more efficiently and effectively both the industry and trade require new orientation towards marketing of their products. Changes are required in the channel of distribution and in the sales promotion methods of handloom products. The manufacturers have to give greater attention to the study of consumer behaviour because of the fact that an adequate understanding of consumer behaviour is considered to be vital for their success in business.

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SOCIO-ECONOMIC SUPPORT SYSTEMS FOR THE SENIOR CITIZENS IN A SUBURBAN COMMUNITY IN BANGLADESH

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ABSTRACT

The rapid rate of urbanization, industrialization and modernization in Bangladesh has set in many puzzling problems to cause a radical impact on traditional family life and to pose challenges to the traditional care system of the senior citizens. An attempt has been made in this paper to explore the status given to the senior citizens by the members of the family in this suburban community in Bangladesh. The study design is exploratory-descriptive and includes a suburban of Khulna metropolitan city-one of the sea-ports of Bangladesh. The findings reveal that in this suburban community extended family system has broken into smaller family but filial piety system has still retained. The senior citizens are still considered to be basic repository of knowledge from where accumulative experience is transmitted to the young generation for different professional and domestic activities.

Introduction

Life of a living being is interface between two vital events, birth and death. With birth life activity starts while all activities of a human being terminate with death. There occur, of course, innumerable events between birth and death. There also occur continuously and normally biological processes. As a result of these processes an infant becomes child who grows to by young. If death does not intervene in these processes the young person reaches an ultimate age (60+) and is known as the elderly or senior citizen. Advancing with age an elderly usually faces functional deterioration culiminating ultimately to extinction of life.

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The purpose of the present paper is to describe the varied roles played by the elderly in the household in terms of labor, management and decision making. The objective is also to explore the status given to the elderly by the members of a suburban community in Bangladesh.

Methodology

It is a case-study and adopts an approach that emphasize a comprehensive data collection strategy and in-depth data analysis. Under this framework the guidelines highlighted coverage of study, socio-demographic profile of the elderly, assessment of the economic potentials of the elderly, programme and policy development to involve the elderly in the main stream of socio-economic activities so that they are not isolated from the members of the household and the community they belong.

The study design was exploratory-descriptive and included a suburb (SHIROMONI) of Khulna metropolitan city which is located in the south of Bangladesh and regarded as one of the sea-ports of the country. For collection of data a retrospective survey was undertaken during March-May 1992. In the first round of the survey each household of the study area was recorded with some demographic and socio-economic charactaristics of each member of the household with a view to identify the elderly (if any) in the household vis-a-vis their familial ties with each member of the household. The questionaires were prepared to collect household data and detail information for the elderly persons (60+).

Socio-economic and Demographic Profile of the Study Population

A nuclear family refers to parents and their unmarried children in one household. Typically a nuclear family includes here a married man and woman in the relation of husband and wife with there unmarried children. A joint family system is one in which related males belonging to two or three generations live

together with their dependents. A common residence, common property, common worship, a common kitchen and a system of mutual obligation among the different members are the main characteristics of the joint family found in village. But the concept of extended family is confined here to a group of nuclear or joint families or of the both, where all members are magnetically related and living separately in the same homestead. (Sarker, 1997). The findings obtained from the household survey are tabulated in the following table-1 which shows socio-economic and demographic characteristics of the study population. Here the percentage of the elderly (60+) is found to be 22.82%, much higher than that of the national population (vide table-2). This table also shows that the systems of family formation and age structure have changed considerably-the percentage of nuclear families has been more than 50% while that of extended family (a norm of an agrarian society) has been less than 10%. The high proportion-47% of the household possesses land including agriculture and residential plots less than one acre and 39% of the household possesses land between one to five acres. More than 60% of the study population remain engaged in domestic work and 3/4 of them do manual work outside home. With regard to socio-culture activities about 60% of the population spend their leisure time with their friends and about 40% keep themselves busy with religious works. As regards education 75% of the population including children do not go to school and only 11% have completed education of primary level which are consistent with national level. It has been reported that about a quarter of the population remain unmarried and very few become divorced or separated after marriage. Most of the population in the study area are reported to be Muslim. Only a very few 6% have the opportunity for living purposes of having a room per member and 43% of these populations are required to live in a room with more than 5 members in one room. The sex ratio of the study population is 53 per 100 population, consistent with the national level.

Table-1 Socio-economic and Demographic Characteristics of the Study Population

Characteristics	percent	Characteristics	percent
Age		Education	
<60 years	77.18	No schooling	75.17
60+ years	22.82	Primary completed	11.46
Median (in years)	30.23	Secondary completed	08.03
		Higher secondary completed	04.72
		Graduate and above	00.62
		Mean (in years)	06.08
Size of household		Occupation	
Nuclear	57.64	Household work	68.19
Joint	32.10	Self cultivation	38.73
Extended	10.26	Service	09.06
Average family member	4.30	Business	11.64
		Other	2.38
Land owned by the household		Marital status	
<1 acre		Married	64.18
1-5 acre	47.13	Unmarried	22.04
5-10 acre	38.65	Widowed/Widower	12.92
above 10 acres	8.64	Divorced/Separation	0.86
Median land (in acres)	5.58		
	2.31		
Whether children still depend on them (elderly)		Religious	
Yes	53.89	Islam	89.73
No	45.24	Hindu	6.85
No reply	0.87	Other	3.42
Major activities		Living arrangements	
Domestic work	62.49	1 member/room	6.47
Manual labour (outside home)		2 members/room	18.42
Non manual labour	74.38	3-5 members/room	31.75
Did not work	12.58	5+members/room	43.36
	4.12		
Social participation		Sex	
No	3.80	male	52.61
Friends	58.75	Female	47.39
Social club	16.47		
Religious	39.62		
Other	2.14		

Table-2 Ageing indicators of Bangladesh Population

Ageing Indicator	1990	1995	2000	2005	2010	2015	2020	2025
P(60+)/P(all)x100	4.9	4.7	4.9	5.2	5.5	6.2	6.7	7.6
P(65+)/Pallx100	3.0	3.0	3.0	3.2	3.5	3.8	4.4	4.8
P(65+)/P(0-14)x100	7.3	7.8	8.6	9.6	11.2	13.9	18.2	24.2
Median Age (years)	18.5	19.6	20.2	21.2	22.2	23.4	24.9	26.7
Sex Ratio (per 100 females)	106.2	106.0	105.8	105.7	105.6	105.4	105.3	105.1
	Five Years Period							
	1990-95	1995-2000	2000-05	2005-10	2010-15	2015-20	2020-25	
Life Expectancy (Average)								
Male	53.1	55.1	571	59.1	61.1	63.1	65.1	
Females	52.6	54,9	57,1	59.4	61.6	63.9	66.1	
Both Sexes Combined	52.8	55.0	57.1	59.2	61.3	63.5	65.6	

Age group	1990			1995			2000			2005		
Population (in million)	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females
Total	108.1	55.8	52.3	120.4	62.1	58.3	134.4	69.3	65.1	148.8	76.7	72.1
0-14	45.2	23.5	21.7	47.6	24.5	23.1	49.8	25.6	24.2	52.9	27.2	25.7
60+	5.2	2.6	2.6	5.9	2.9	3.0	6.8	3.4	3.4	8.0	3.9	4.1
65+	3.3	1.7	1.6	3.7	1.9	1.8	4.3	2.1	2.2	5.1	2.5	2.6

Age group	2010	2015	2020	2025								
Population (in million)	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females
Total	162.5	83.7	78.8	174.8	90.0	84.8	185.2	95.2	90.0	196.1	100.7	95.4
0-14	53.8	27.7	26.1	52.4	26.9	25.5	49.0	25.2	23.8	47.2	24.2	23.0
60+	9.5	4.7	4.8	11.5	5.6	5.9	14.5	7.2	7.3	18.2	9.1	9.1
65+	6.0	2.9	3.1	7.3	3.5	3.8	8.9	4.3	4.6	11.4	5.6	5.8

Source : World population prospects, The 1994 Revision, United Nations, New York

The above indices of the study population shows that the system of family formation has been undertaking considerable change. Highly extended household pattern has got a tendency to a smaller family size. The national norm of iliteracy level 22% has been surpassed by the suburban community. The occupation pattern has also been transformed to serve under private and government control of commerce and industry. The infrastructure of dwelling houses has been undergoing radical change from traditional type to modern style. There however no significant change in sex ratio. The persons who do not own dwelling houses and live in rented houses are migrants from the rural areas of the country and mostly rikshaw pullers.

Family values and support to Elderly

Most recently debate has flared on family values and support to the elderly. After an opening day display of unity in the struggle for women's equality at the UN women's conference in Beijing to alleviate women's poverty and improve health care, education and job opportunities for women debate flared on the hot topic of family values. In the Fourth world conference on women the 5,000 official delegates had been splitting into working groups to begin debating the conference's proposed platform which gives start shrift to the family. Because the overwhelming majority of the world's women marry and have children it was emphasized more in the 120-page document about the traditional family. The word "family" appears only four times in the document and some said that amounts to imbalance. In an interview with the Associated Press one official delegate remarked "**The more close-knit the family is, the more close-knit society itself will be**" (Independent, 6 September '95).

Household Composition

The table-3 also shows that household size (Sl. No. 1,2,3) in this suburban community is not greater than 6. The composition is made of parents, sons, daughters, daughter-in-law, grand daughters and grand sons. The smallest household size is found to be 2-consisting husband and wife (Sl. No. 10). The household composition, as shown in table-3, is very cogenial to an environment where filial piety can work properly (Vern et al., 1976).

Table-3 Household Composition in a Suburban Community in Bangladesh, 1992

Sl.No.	Composition	Frequency	%
1.	Father, Mother, Son, Son's Wife, Two grandsons	20	19.6
2.	Father, Mother, Son, Sons, Wife, Two grand daughters	17	16.7
3.	Father, Mother, Son, Sons Wife, one grand son, one grand daughter	23	22.
4.	Father, Mother, Son, daughter	14	13.7
5.	Mother, Son, Son's Wife, Three Grand Sons	9	8.8
6.	Mother, Daughter, Two Grand-sons	6	5.9
7.	Father, Daughter, Son-in-Law, Son-in-Law's brother	4	3.9
8.	Father, Mother, Daughter	4	2.0
9.	Mother, Daughter, Son-in-Law	3	2.9
10.	Husband, Wife	2	2.0
11.	Grand mother, Two grand sons	2	2.0
Total		102	100

The socio cultural values that usually designate the extended family as the appropriate caretakers for frail elderly still exist in this suburban community. The informal support system consists of an amalgam of informal services provided by the elderly person's family (household) members, near relations, friends and neighbors. The family members render the main support in this system because they are considered to be the main source of emotional guidance that the elderly need in times of crises. The elderly in need of help first turn to members of the family, particularly adult sons/their wives. Though the influence of materialistic civilization, are constantly assaulting on our socio cultural values, some telepathic qualities work on our sons and daughters who enjoy divine pleasure in giving services to the frail parents (Alam 1995) Even the daughter or daughter-in-laws consider services to the parents, grand-parents, father or mother-in-laws not only as sacred moral responsibilities but a filial piety works on them due to telepathic powers. In this suburban community sons and daughters provide above 60% of support services needed by their parents, grand parents and other elderly. Besides sons and daughters if grand sons and daughters are included in the group of caregivers then this percentage becomes about 80% of rendering services to the elderly.

The research findings show that family members provide most of the care services to the elderly who suffer physical and other disabilities (Townsend 1965). The following table-4 shows the person who are the most likely to help the elderly when they have health, food, economic or other problems in a Suburban community in Bangladesh, 1992....

Table-4 Elderly's Designation of Person Who Helps Most with Health, Economic and Other Problems in a Suburban Community in Bangladesh, 1992

Person	Health (a)		Economic (b)		Other (c)	
	Frequency	%	Frequency	%	Frequency	%
Son	64	36.99	67	52.35	61	38.86
Daughter	49	28.32	25	19.53	65	41.40
Grand son	21	12.14	19	14.84	12	7.64
Grand daughter	12	6.94	5	3.91	4	2.55
Sister/Brother	15	8.67	3	2.34	7	4.46
Neighbour	6	3.47	4	3.13	3	1.91
Friend	4	2.31	2	1.56	3	1.91
Others(d)	2	1.16	3	2.34	2	1.27
Total	173	100	128	100	157	100

a. Out of 182 elderly 9 stated they had no health problems

b. Out of 182 elderly 54 stated they had no economic problems

c. Out of 182 elderly 25 stated they had no other (c) problems, e.g bathing walking across room or corridor or courtyard, brushing hair or teeth, washing face, putting on shoes, taking food.

d. Social worker, house servants, mosque caretakers, begging

Table-5 shows that the elderly in the suburban community were not only caretakers but also caregivers. Maximum number of the elderly male assisted the young family members in cultivations and trade and maximum number of the elderly female reported to assist in cattle rearing and fuel collection. In the activity of cattle rearing and fuel collection many elderly male also assisted the family. In mat making by sundri leaves, in baby sitting and care taking of house many elderly women were found to be engaged.

Table-5 Activity Patterns among the Elderly in a Suburban community in Bangladesh, 1994

Activity	Number of the Elderly	
	Male	Female
Assistance to Cultivation and trade	98	12
Cattle Rearing Fuel Collection	96	97
Mat Making, baby sitting, caretaking of house	84	91
Family Management	76	11
Household cores	63	79
Unable to activity too old and weak	2	5

Table-6 shows that among the elderly 86.3% male and 82.6% female had been satisfied with food and living arrangement while

9.0% male and 12.3% female and 2.7% female had not been satisfied with food arrangement but satisfied with living arrangement 1.4% male and 2.4% female had not been satisfied with food as well as living arrangement.

Table-6 Food and Living Level Available to the Elderly in a Suburb an Community in Bangladesh, 1994 (Male 85, Female 97)

Living	Food			
	% Satisfactory		% Unsatisfactory	
	Male	Female	Male	Female
Satisfactory %	86.3	82.6	3.3	2.7
Unsatisfactory %	9.0	12.3	1.4	2.4

Discussion

In this suburban community highly extended household composition has been to be transformed to a smaller composition but filial piety is still very active. Here the elderly are found to be giving services to the other members of the household in various types of domestic works, outside and inside the house. Except a small fraction of the elderly, numbering only 7 out of 182 elderly, other are active in the main streams of socio-economic activitioes sustaining life. Though aging process in this community is still in nascent state (% population of age 65+ is 6.95), yet one set of formation of smaller family is found be a significant transition to indicate an emerging problem of the elderly. As table-6 shows a very small fraction 1.4% male and 2.4% female, is not satisfied with food and living arrangements. The national policy makers should be careful to note that to keep the elderly in the mainstreams of socio-economic activities of life is one of the key elements for taking care of the emerging problems of the elderly in a community.

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