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TRADE, COMMERCE AND MANUFACTURE IN RAJSHAHI DISTRICT

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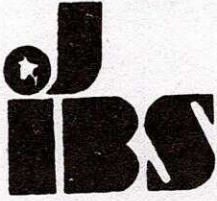
TASK ENVIRONMENT OF RAJSHAHI SUGAR MILLS

* SANJIB K. SAHA

REVIEW ARTICLE

* DR. PRITI K. MITRA

RAJSHAHI UNIVERSITY



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Phone: (0721)750753
(0721)750985
(0721)750041-49/456
Fax : 0088-0721-750064
E-mail: rajucc@citechco.net

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Address for Correspondence:

The Executive Editor, *JIBS*
Institute of Bangladesh Studies
Rajshahi University, Rajshahi 6205
Bangladesh

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Footnotes/Endnotes should be numbered consecutively and the numbers should be shown as super-scripts, i.e. slightly above the line. It should be composed single space at the bottom of the relevant pages or at the end of the article. The technical style of putting footnotes should be methodical and conform to the accepted standard.

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TRADE COMMERCE AND MANUFACTURE IN RAJSHAHI DISTRICT AT THE END OF NINETEENTH CENTURY: AN OVERVIEW

Wazifa Ahmed*

Rajshahi, like other districts of Bengal, was predominantly agricultural. More than 79 per cent of its population (according to the census of 1911) had taken agriculture as their occupation while only 4 per cent earned their livelihood through trade and commerce.¹ Generally it was the urban population, who carried on with trade. But in Rajshahi such population was very small (only 2%). "No increased inclination is perceptible on the part of the people to gather into towns or seats of commerce."² Consequently, "there is very little of commerce in this district."³ But notwithstanding the poor state of commerce of the district, the town of Rampur-Boalia itself had been an "important trade centre"⁴ even before the coming of the English. As early as in the 18th century the Dutch carried on considerable trade on silk with Boalia and established a *Kuthi* or factory there which is still known as *Bara Kuthi*.⁵

But the export and import trade of India itself did not develop until the later part of the 19th century.⁶ Hitherto people manufactured the daily necessities such as fuel, oil, vegetables, mats, milk, etc. only for their own consumption. It was with the construction of Railways that the export and import got importance. The commercial policy of the British made Bengal purely a raw material based country. Consequently, the raw materials or the principal crops of all the districts including the district under review, found their way into Calcutta, the nerve centre of all trades. In fact "Calcutta is . . . the centre and focus of the province since it was the first among the Presidency towns to become effectively influenced by European ideas and institutions and naturally could monopolise the benefits of trade and commerce."⁷ "Calcutta was the centre wherefrom all the exports commodities were passed to the European countries specially to England."⁸

The district of Rajshahi carried on both external and internal trade. The external trade was carried on mainly through the magnificent water routes and the insufficient rails that existed in the district and the

* Professor, Department of History, Rajshahi University.

internal trade was carried mainly through the unmetalled fair weather roads through which all the exportable commodities were accumulated into the principal trading centres. The main transport in those roads was pack bullocks and the ordinary carts.

The development and expansion of trade and commerce depended mainly on the communication system. Due to the lowliness of the district, construction and maintenance of high roads were very difficult and also very expensive.⁹ The result was that Rajshahi possessed lesser roads in comparison to other districts.¹⁰ All the roads were constructed and maintained by the District Board.¹¹ Financially the District Board was the poorest in the province.¹² Nevertheless the District Board and the three other local boards (*Sadar*, Naogaon and Natore) tried their best to keep the communication of the district in a good order. In 1903 there were 30 miles of metalled roads in Rajshahi and 507 miles of unmetalled roads.

The local trade was conducted through the important markets and *hats* in the towns and the larger villages. The important markets and *hats* were situated mainly either on the banks of river or nearby railway station. Villagers sold their surplus products at quite a cheaper rates in those *hats* and purchased their daily necessities which they could not produce. A *hat* also was a place of recreation for a village.¹³ The big and important markets were visited by the *Paikers* (so named because they went on foot in the interior of the villages to collect goods) who were the commissioned agents of the big merchants in the towns. They purchased articles intended for export from these *hats* at a cheaper rate and also sold imported articles at a considerably higher price. The *hats* were held on fixed days mainly twice or thrice a week. There were innumerable *hats* and *bazars* at Rajshahi. The important trading centres like Boalia, Natore, Godagari, etc. contained a number of *hats* in the centre and also in their vicinities of the many *hats* that Boalia contained the most important ones were Puthia, BiralDAH and Shahebganj *hats*.¹⁴ Shibganj and Matajirhat were both situated with the *thana* of Mohadevpur in the Naogaon Sub-division. The former was the chief *hat* for the export of grain and the latter was noted for traffic in cattle.¹⁵ Govindapur is a principal market in Godagari.¹⁶ There were four marts of importance in the Dubalhati Estate viz., Baburganj *hat*, Naogaon *hat*, Gopalpur *hat* and Shahapur *hat*. They existed even before the Permanent Settlement and were thriving trading centres.¹⁷

Besides these important *hats* and marts there were a number of periodical fairs held in different places of Rajshahi which serve as a temporary centre of trade. These fairs were held on the occasion of some religious festivals. Most important of these were a fair at (1) Premtali on

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the 20th day of the month of Aswin to celebrate the visit of the reformer Chaitannya to Gour (the former capital of lower Bengal); (2) the second religious fair was held at Manda on the 9th day of the moon of Chaitra in honour of the coronation of the Warrior-God Rama (one of the incarnations of Vishnu [a Hindu God]) and the (3) third was held at Bagha on the second day of the lunar month of Ramjan. Fairs were also held at Khetur, Baghmara, Pirgachhi and Pannagar in the month of Chaitra (the last month of Bengali year); at Taherpur, Lalpur and Moral in the month of Ashar (the 3rd Bengali month); at Majipur, Shahebganj and Chandrapur in the month of Baisakh (the first Bengali month) and at Kujal in the month of Shraban¹⁸ (the 4th Bengali month). Other religious fairs of considerable note were one at Budhpara near Lalpur Police Station held on the occasion of the Hindu *Diwali* festival, another at Kasimpur in the Singra Police Station, lasted for a fortnight and another at Taherpur on the occasion of the *Rathjatra*.¹⁹ The Khetur²⁰ *mela* was an important trading fair frequented by thousands of pilgrims. A large and considerable products of the districts were bought and sold in these fairs.

The principal characteristic of the trade of the district was that it was both an exporting and importing one as far as its food supply was concerned.²¹ The bulk of the trade was with Calcutta. The Collector reported - "the trade is almost entirely with the metropolis, to which we send our agricultural produce, receiving in return manufactured goods, salt and kerosine oil."²²

The principal exports were rice, jute, *ganja*, gram and pulses, oilseeds, indigo, silk, wheat, hides, tobacco, molasses, gunny bags, brass and bell-metal, etc. The principal exporting districts were Burdwan in the Burdwan Division, Calcutta including Hawrah, 24 Parganas, Nadia and Murshidabad in the Presidency Division, Jalpaiguri, Darjeeling, Bogra, Pabna, and Dinajpur in the Rajshahi Division, some of the districts in Bihar, Chhotonagpur, Assam and North West Province. The import comprised salt, coal, sugar, ghee, umbrellas, shoes, wines, machineries, brass ware, kerosene oil and spices. The principal importing districts were Burdwan and Hooghly in Burdwan Division, Calcutta including Howrah, 24 Parganahs, Nadia and Jessore in Presidency Division, Jalpaiguri, Darjeeling, Dinajpur, Rangpur, Bogra, Pabna and Cooch-Bihar in Rajshahi Division, Faridpur in Dacca Division.²³

Rice, the principal staple of the district was produced in abundance particularly in *Barind* for more than the local demand and the

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surplus was sent to the North-West Provinces, to Calcutta and to the adjoining district of Murshidabad.²⁴

Table - 1

The Number and Quantities of Articles Exported from and Imported into Rajshahi in Different Years to Different Places
Calcutta

Articles exported	1883	1884	1889	1890	1897	1898
Rice	212000 mds.	80000 mds.	450946 mds.	755208 mds.	1549 mds.	34560 mds.
Jute	221443 mds.	247350 mds.	131922 mds.	128116 mds.	969302 mds.	496766 mds.
Gunny bags	30000 pcs.	x	3-11 ch.	4 mds.	8114 Nos.	7520 nos.
Gunny Cloths	20000 pcs.	x	8 mds.	12-22 seers	x	x
Tobacco	8817 mds.	3000 mds.	-	2036 mds.	39 mds.	-
Wheat	10900 mds.	2000 mds.	20551 mds.	23526 mds.	-	-
Oil seeds	76000 mds.	75810 mds.	61083 mds.	65809 mds.	10953 mds.	-
Pulses	54144 mds.	53887 mds.	55774-18-8 ch.	46190 mds.	-	-
Ganjah	8200 mds.	7014 mds.	8149-2-2½	7076 mds.	-	-
Silk	3097 mds.	1818 mds.	18132-3-7 ch.	6863-39 sr.	4290 mds.	3805 mds.
Indigo	675 mds.	467 mds.	1800-18 sts.	2377-2 sts.	845 mds.	864 mds.
Hides	65200 Rs.	122771 Rs.	4810-14-8 ch.	3917-16	-	-
Mustard oil	81500 Rs.	80328 Rs.	2100	2500	-	-
Molasses	26760 mds.	42000 mds.	40601 mds.	47836 mds.	-	-
Gold ornaments	-	-	-	-	-	-
Silver ornaments	-	-	-	-	-	-
Other foodgrains	-	-	-	-	6775 mds.	80 mds.
Sugar un-refined	-	-	-	-	-	-

Source: General Administration Report of Rajshahi of the respective years.

Table - 2
Imports of the District (four years' statistics)

Articles imported	Year of import	Year of import
	1883-84 (Rs.)	1884-85 (Rs.)
Piece goods	11,83,644/-	11,86,310/-
Salt	1,86,357/-	1,75,238/-
Twist	248/-	6,266/-
Spices	2,950/-	3,479/-
Sugar	34,835/-	35,400/-
Ghee	1,869/-	1,620/-
Shoes	25,000/-	24,453/-
Molasses	4,060/-	5,735/-
Tobacco	19,500/-	18,798/-
Tea	300/-	300/-
English Stationery	3,000/-	3,150/-
Winter clothing	8,000/-	8,910/-
Umbrellas	2,000/-	2,500/-
Sticks	250/-	200/-
Medicines & instruments (European)	5,000/-	2,173/-
Books (Bengali)	200/-	600/-
English wines	7,000/-	4,430/-
Gold	20,000/-	23,810/-
Silver	10,000/-	6,276/-
Dhuties & sarees (country made)	20,000/-	19,800/-
Lime	25,000/-	6,649/-
Logs of Timber	13,000/-	12,000/-
Gold ornaments	7,000/-	2,697/-
Fruits	1,500/-	1,435/-
Potatoes	2,000/-	22,770/-
Mews fruits	200/-	200/-
Kerosene oil	Not shown	4,925/-
Brass utensils	Not shown	15,916/-
Crystallised sugar	Not shown	8,300/-
Mis. articles of luxury	Not shown	10,375/-
Wheat	Not shown	5,825/-
Rice	Not shown	4,134/-
Chillies	Not shown	1,600/-
Pulses and gram	Not shown	4,130/-
	1889-90	1890-91
Piece goods	760841-1-6 ch. and 85320 thans	542987 mds and 87260 thans
Salt	253886 mds	264971 mds
Twist	268 mds	280 mds
Sugar	24033 mds	44138 mds
Spices	24033 mds	44138 mds
Ghee	Rs. 20,000/-	Rs. 20,311/-
Kerosene oil	11716 boxes	16996 boxes (each box containing one mdl.)

Source: Reneal Administration Reports.

Since Rajshahi was an agricultural tract, trade was conditioned by certain things such as demand and supply, out-turn of crop, etc. The truth of the statement will be proved if we analyse the export and import trade of certain years.²⁵ In 1889 the quantity of wheat exported was 20551 mds. whereas in 1890 it was 23526 mds. The increase was due to the favourable out-turn of crop in 1890. Again about 12846 mds. of jute was exported in 1890 against 131922 mds. in 1889. The decrease was due to dull market in Calcutta. The total export of silk in 1890 was about 6864 mds. as against 18132 mds. in 1889. This great decrease was mainly due to the failure of the cocoon crop throughout the district. The year 1890 was one of the worst seasons in record. As regards the export of *Ganja* 7076 mds. 31 seers and 7½ chhataks were exported in 1890 as against 8489 mds. 2 seers and 2½ chhataks in 1889. The decrease was due to the abnormal floods which submerged the *Ganja* fields and destroyed the plants.

So far we have analysed some of the causes that influenced the export trade. The import trade also fluctuated due to innumerable causes, the principal cause amongst them being poor out-turn of rice crop. Since rice is the principal staple, its out-turn affects the whole trade. From the statistics made in 1896-97 it was found that there was a falling off in the export by 16985 mds. This was due to poor out-turn of both the *Aus* and *Aman* paddy during that year. The lesser out-turn led naturally to higher prices of rice.

The fall in the export of rice also led to the fall in the import of gunny bags which largely used for export of rice.²⁶ The decrease in the import of cotton piece goods and salt in the year (1896-97) was also due to the high price of food grains. Similarly trade was affected in 1884-85, a bad year of harvest. In the previous year i.e., in 1883-84 silver worth Rs. 10,000/- was imported whereas in 1884-85 the import valued Rs. 6,276/- only. The decrease was due to the distress of the lower classes of people by whom silver ornaments were generally used.²⁷ Again potatoes worth Rs. 2,000/- only was imported in 1883-84 whereas the import of the year next was of Rs. 22,770/- (more than eleven times) because the scanty rice crop "caused the people to make much more general use of potatoes".²⁸ The trade is also conditioned, as we have already mentioned, by the market condition and sometimes the calculations on the part of the businessmen themselves. For example lime worth Rs. 25,000/- were imported²⁹ in 1883-84, but in the year next i.e., in 1884-85 the import was only of Rs. 6,649/-. This gross decrease was due to the fact that there was

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a large quantity of surplus lime in the hands of the merchants. They imported an unusually large quantity in the hope of getting a ready market at Rampur Boalia since the construction of the new college (Rajshahi College) was going on at that time. But as the contractors of the College brought their own supply the merchants' lime remained unsold and hence the considerable decrease in the import.

Trade and Commerce at Natore

Natore was one of the oldest and principal centres of commerce in Rajshahi district. The Sub-divisional Officer (G.C. Mukherjee) reports

... there is a continuous export of nearly all kinds of ordinary household commodities to the neighbouring districts. Petty traders of small capital and well-to-do Mahajans are to be found everywhere dealing on credit with paikars.³⁰

The chief articles of export were paddy, til, pulses, sugar candy, jute, ghee, sweetmeats, molasses, brass and bel-metal utensils and fish. Articles of import of Natore Sub-division included piece-goods, spices, salt, tobacco, iron, twist cotton, cocoanut oil, kerosene oil, mustard oil, glass, sugar, flour, etc.

The principal places of trade in this Sub-division were Natore, Dighapatia, Singra, Kalam, Sherkole, Jonail, Lakshmikole, Joair, Walie, Dhupali, Lalpur, Kalaiganj, Malanchi, Gurudaspur, Nazirpur and Chandrapur. Trade was mainly carried on by means of carts, boats and rail.³¹

Manufacture

The district of Rajshahi might rightly be called the 'least advanced' in comparison to other districts, because the district was both least and the late urbanised area.³² In fact, urbanisation and industry, generally is closely connected. Urbanisation implies mobility. "Mobility increases as the city become more industrial and because of mobility industry often increases."³³ This absence of mobility,³⁴ it seems, constitutes one of the principal causes of the smallness of industry in Rajshahi. Another cause that might seem plausible, was the absence of initiative and stimulus on the part of the moneyed persons particularly the *Zamindars*. Rather they were, so to say, apathetic towards the growth of industry in the district since the abundant land they possessed was really paying.

The capital invested on land paid for more than that paid by industry. There was therefore no inducement for a man who has money to spare, to sink it in exploiting industries.³⁵ The principal industries and

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manufacture of the district worth mention were the following:³⁶ (1) Silk; (2) Indigo; (3) *Ganja*; (4) Molasses; (5) Brass and Bell metal; (6) Earthen potteries; and (7) Basket and mat making.

Silk: Amongst the so-called organised and systematic industries, silk must come to the forefront. As Rampur-Boalia has been the great emporium of silk for the past two thousand years.³⁷ Grant also in his Analysis of the Finances of Bengal states "the Rajshahi Zamindari produced within the limits of its jurisdiction at least four fifths of all the silk, raw or manufactured, used in or exported from the effiminated luxurious empire of Hindustan . . .³⁸ Factors congenial to the growth of that industry was present in the district and hence the mulberry cultivation and the silk industry thrived easily in and around the district of Rajshahi.

In the glorious days of the silk industry in Rajshahi especially in the seventeenth and eighteenth century the cultivation of mulberry was quite an interesting and lucrative profession for the cultivators themselves. "South and south east of Tanore, Baghmara, North of Pootia and Beaulah thanas are noted for their silk, cocoons are raised there insufficient quantities to supply not only the neighbouring factories but those also at a considerable distance."³⁹

Since mulberry cultivation was a profitable business thousands of people took up either the cultivation of the mulberry plant or rearing of silk worms or both as their means of livelihood and actually it did pay. They made it their household industry since they (cultivators) grew mulberry and their women in the house reared worms and spinned the silk-thread with *Charkas* (a handmade spinning machine made of wood). Sometimes the whole family the men, women and children were engaged in the cultivation, rearing, winding, dying, spinning and weaving silk and were "more prosperous than the manufacturers of any other industry."⁴⁰ "Gharghat, Boalia, Lalpur once attracted thousands of landless labourers by its silk industry."⁴¹ Nelson commented:

In this strip the silk industry has left its mark on the face of the country. The surface of the earth in many places has been carved into small table lands with broad ditches between often 8 feet deep. These table lands were made for growing the mulberry plants in the days when silk was flourishing industry.⁴²

The value of silk as an article of trade was highly appreciated by the East India Company at an early period of its existence. It carried on a considerable trade in Indian silk till about the middle of the 18th century when the cultivation of domesticated kinds of silk worms prevailed in some

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districts of Bengal proper such as Rangpur, Dinajpur, Purneah, Rajshahi, Murshidabad, Birbhum and parts of Hooghly, Midnapur and Howrah.⁴³ After the East India Company assumed power they devoted special attention to the development of the silk trade in Bengal.⁴⁴ Much efforts were made to extend the cultivation of the mulberry, the planting of which was urged upon the cultivators and the land holders. Encouragement was given to the clearance of lands suitable to this purpose.⁴⁵ In 1772 the ryots were invited to cultivate mulberry in addition to their actual holding and a declaration was made to the effect that the new and the waste lands laid out or reclaimed for this purpose should be held rent free for two years.⁴⁶ In 1773 the importance of encouraging the cultivation of mulberry and winding of silk was again urged upon the Government by the Court of Directors and also the supply of skilled superintendents was carefully kept.⁴⁷ In March, 1832 eleven hand factories were distributed throughout the silk producing districts including two in Rajshahi viz., Boalia and Sardah. At each of these head factories there was a commercial resident with commercial jurisdiction throughout the surrounding tract of the country having a number of filatures at his disposal.⁴⁸

The East India Company however gradually lost its commercial character and consequently had to give up the trade on silk in India. The filatures were then sold off to private hands⁴⁹ by 1837. Most of the filatures were purchased by a European firm i.e., Messrs. Robert Watson and Company. The Collector estimates that this firm invests from sixteen to eighteen lakhs of rupees as capital every year in the manufacture of raw silk and provided employment to eight to nine thousand persons and the annual outturn of manufactured raw silk from different filatures were supposed to be two thousand maunds or 73 tons.⁵⁰ The firm had factories at Charchat, Tanore, Puthia, Sardah, Shahebganj, Seroil and Kazla, etc. At Rajshahi the foreign firms had not the monopoly of trade on silk, but some filatures were also owned by some native merchants carried on to a "less extent at the ryot's house."⁵¹

Mr. Skrine, the Assistant Magistrate, has experienced some difficulties in obtaining the correct informations about the native manufacture since "the answer of the questions addressed to the native manufacturers and traders had been vague and unsatisfactory."⁵² In spite of the advantages of the native manufacturer as regards the purchase of raw materials, the native trade on silk was fast declining in the later part of the 19th century mainly due to the rivalry and jealousy of the foreign firms.⁵³ They run up the prices of the cocoons so high as to "make it

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impossible for any private spinner to enter the market.”⁵⁴ A comparative study⁵⁵ of the establishment and capital invested, both of the European and native filatures will make the picture clear -

	European	Native
Number of filatures	34	120
Number of Spinners	7,550	10,500
Number of Basins	3,360	4,500
Capital invested	6,15,000	15,00,000
Out turn	1,920 mds.	3,000 mds.
Value per seer	Rs. 25/-	Rs. 15/-

What the above statistics shows is that in spite of the larger number of filatures, spinners, basins and even outturn the native trade could not compete with the European firms specially due to the fact that the raw silk produced in the native filatures drew far lesser prices than the silk produced in European filatures. This was mainly because the high technique and the scientific appliances that were employed by the Europeans were totally absent in the native firms⁵⁶ and also because the capital the native firms invested was far less than that of their European competitors as has been shown above.

The silk produced whether in European or native filatures were all raw silk and almost the whole quantity produced were exported, mainly the European countries. The silk produced by M/s. R. Watson's filature is sent to Kushtia in the factory boats and from there to Calcutta by rail. It is sold in Calcutta and was shipped to London via the Canal. It ultimately finds its way to London, Lyons, Burmah, Bombay and Suez. M/s. Perrin's silk is despatched to Calcutta via Azimganj and Nalhati and therefrom to Lyons where it is manufactured into fabric.⁵⁷

The produce of the native filatures is generally bought up by few capitalists of Boalia and Natore for exportation as the manufacture of silk fabric was not carried on to any extent in this district.⁵⁸ The best sorts were sent by boats to Calcutta via Kushtia from there mostly shipped to Europe. Inferior kinds were sent by Azimganj and Nalhati upcountry to Mirzapur, Benares, Delhi, Nagpur and Bombay.⁵⁹

The production of the silk in this district began to decline by the end of nineteenth century. 'This was due to certain causes the principal of which was the foreign competition.'⁶⁰ The government attempted to improve the quality of the Rajshahi silk but failed due to the inadequacy of the measures adopted, and hence the decline could not be arrested.⁶¹

Ganja: The industry at Rajshahi next to silk was *ganja*. Babu Mahendra Nath Bose, Deputy Collector of Rajshahi reports⁶² in 1873 that *ganja* formed an important excisable article in Bengal yielding an yearly revenue of Rs. 11,06,818/-.⁶³ In fact *ganja* formed an important cash crop of Bengal in general and of Rajshahi in particular. The cultivation of *ganja* in Rajshahi was restricted to Naogaon Sub-division only, the tract being known as '*Ganja Mahal*'. There the *ganja* was cultivated and manufactured under strict government supervision. The quantity of *ganja* consumed in Bengal depended mainly on the outturn of the Rajshahi crop. It was both an exhaustive and expensive crop. Yet there was a wide cultivation, because the crop was also remunerative. Still more exhaustive was the manufacturing process.⁶⁴ Generally three kinds of *ganja* were manufactured in Rajshahi for excise purposes viz., flat, round and *chur* (powder). The manufacturing process of flat and round *ganja* were almost the same, they varied in some matters of detail only. What is curious is that the consumption of *ganja* in the district of manufacture (Rajshahi) was proportionately much smaller than it was supposed. There were only four *ganja* shops in the town of Rampur-Boalia with a population of 20,000 and the quantity daily sold by all these shops do not seem to exceed two *seers* or 120 *tolas*, a day, although in all parts of Rajshahi there were *ganja* consumers.⁶⁵ The amount of consumption was thus very small. Bengal, Assam and part of N. W. Provinces with a population of eighty million was supplied from an area of 800 acres (Naogaon *Ganja Mahal*) the standard size of a single tea garden.⁶⁶

Indigo: The story of the indigo industry was more interesting than any other Indian agricultural or industrial substance.⁶⁷ This particular blue dye was possibly the largest dyeing materials used in the world and one of the largest articles of sea-borne commerce.⁶⁸ In fact, indigo was one of the rare tropical products which first attracted European traders to India and after the Portuguese discovered the sea-route to India they began to import indigo in quantities sufficient to supply the entire European market.⁶⁹

The Portuguese monopoly of indigo trade was destroyed by the Dutch when again the English East India Company followed closely and numbered indigo among its most profitable imports.⁷⁰ Despite occasional reverses indigo cultivation continued to expand in Bengal till 1860, the year of indigo peasants revolt.⁷¹ In the Rajshahi Division indigo was extensively cultivated.⁷² The whole of lower Bengal was turned into a base for indigo plantations both by the European planters and the local

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Zamindars.⁷³ In 1859 there were almost 5 indigo planters in lower Bengal.⁷⁴ An indigo concern was composed of from five to ten factories.⁷⁵ Robert Watson & Company, the largest planter in the area North of Nadia, owned as many as seven concerns in Murshidabad, Rajshahi and Pabna.⁷⁶ "Rajshahi was once besprinkled with indigo factories"⁷⁷ and Robert Watson & Company had almost the monopoly of indigo trade in Rajshahi. From the *General Administration Report of Nator, 1896-97*, we find Messrs Robert Watson & Company are the only manufacturer of indigo and they have factories at Bilmariah, Lalpur, Bagatipara and Paikpara in Natore.⁷⁸ In Charghat also there were a large number of indigo factories.⁷⁹

During the manufacturing season large number of Boona coolies were imported from up country some of whom permanently settled in the district. Hence there grew a Boonapara near each indigo factory.⁸⁰ "The successful manufacture of indigo was no less precarious than its cultivation."⁸¹ Upto the indigo riot in 1860 the crop was extensively cultivated in the Rajshahi Division and after the riot the industry seem to be a declining one.⁸² The declining condition of the indigo manufacture could be understood from the following decreasing quantity of manufacture:⁸³

1878	--	1308 maunds
1894	--	872 "
1895	--	977 "
1896	--	810 "

Other Industries: Other smaller industries of the district consisted of the fishery, mollasses, basket-making, mat-making, bell-metal industry, industry of boat making, jail industry, etc.

Fish industry was one of the most important of the indigenous industries of the district. Fish abound in the rivers and *beels* especially in the Ganges and Atrai and Chalan Beel.⁸⁴ A considerable part of the rural population was engaged in fishing for personal consumption or for trade.⁸⁵

The number of fishermen or the *Jalia* class in Rajshahi according to the district census of 1881 was 13,774, most of them being women.⁸⁶ The number of fisherwomen in Rajshahi district was enumerated to be 887 according to the census of 1872.⁸⁷ But according to the district census of 1881 their number was far more greater as will be seen from their *thana*-wise distribution shown below:⁸⁸

Trade , Commerce and Manufacture

Boalia	--	313
Tanore	--	239
Godagari	--	108
Puthia	--	108
Charghat	--	282
Bagmara	--	140
Naogaon	--	755
Manda	--	520
Panchupur	--	301
Natore	--	472
Singra	--	448
Baraigram	--	653
Total		4,332

The value of the fish exported annually from the Chalan *Beel* was estimated at Rs. 60,000.00 and the value of the fishes in the Ganges alone within the Rajshahi district was calculated at about two lakhs of rupees.⁸⁹

Molasses: Manufacture of molasses of *Gur* from sugarcane was one of the old professions of the people of Rajshahi. "The arts of preparing, refining and crystalising raw sugar have been practised from ancient times in India. When the East India Company began to export the finer qualities of crystalised sugar their transactions were confined originally to Bengal."⁹⁰ "In fact the manufacture of Jaggury or *Gur* is almost the sole industry with sugarcane which is persued in Bengal."⁹¹

Brass an Bell-Metal: In certain villages of Rajshahi Brass and Bell-Metal ware of a fine quality was manufactured.⁹² The Sub-division of Natore was particularly noted for this industry where it was manufactured on a very large scale and were exported for sale all over the country.⁹³ In Natore about 100 families at Kalam (Singra *thana*) and 60 families at *Budhpara* (Lalpur *thana*) manufactured utensils of brass, bell-metal and alloy known as *bharon*.⁹⁴ There were 400 Brass and Bell-Metal shops at Kalam.⁹⁵ The artisans were both Hindus and Musalmans. The Hindu artisans originally migrated from Murshidabad and the Muhammadan artisans who set up independent shops were originally workmen in the employ of the Hindu artisans. The industry was almost entirely in the hands of the *Mahajans* who supplied the workers with the raw magterials and took back the finished products in lieu of a certain rate of wages per *seer* of finished products which varied with the quality of the article turned out. In that case the large share of the profit went to the pocket of the *Mahajans*. The result was that the workers earned on an average not

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more than Rs. 8 to 10 per month and everywhere he could just manage to live on while in some places he was in debt.⁹⁶

Jail Industry: The other industry or manufacture worthy of mention, was the Jail Industry of Rajshahi. Jail manufacture and industry had been carried on for a considerable period. This industry got importance gradually and were contributing to the jail maintenance.⁹⁷ Below is noted the name of the each class of industries carried on in the Rajshahi Central Jail and the manner in which the products are disposed.⁹⁸

Mastard oil	-	sold locally
Castor oil	-	sold locally and supplied to other jails and dispensaries and to railway departments
Cloth and Duree weaving	-	sold locally and at jail department, Calcutta
Carpentry	-	sold locally
Blacksmithy	-	sold locally
Pottery	-	sold locally

The percentage of the prisoners actually engaged in different manufactures are distributed as follows:⁹⁹

Gunny weaving	-	87.77
Cloth weaving	-	32.99
Brick making, etc.	-	39.89
Bamboo and reed work	-	22.55
Oil pressing	-	19.55
Carpet making	-	0.14
Carpentry	-	3.33
Paper manufacturing	-	2.34
Iron works	-	1.98
Rice husking	-	8.00
Grinding pulse	-	0.60
Tailoring	-	0.49
Baking	-	8.11
Gardening	-	19.68
Miscellaneous	-	1.72

Carpentry: Carpentry was also an important cottage industry. The village carpenter, catering for the ordinary agriculturists, was often an agriculturist himself who made doors, cartwheels, agricultural implements such as ploughs, *dhenkies* (for husking rice) *ghanies* (indigenous oil pressure) and *Khurums* or wooden shoes, wooden plates are also the other departments of a carpenter's profession. The town carpenter's business was of course a bit different. There he was mostly hired for making articles of furniture, house materials such as doors, windows, etc. Like the village blacksmiths, he earns from 5 to 6 *annas* a day, a moderately well-

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paid artisan.¹⁰⁰ According to the census of 1892¹⁰¹ there were 1,609 carpenters in Rajshahi. They made a community by themselves.

Weaving: Weaving industry of Bengal which, in her palmy days, enjoyed a considerable importance was nearly extinct all over Bengal in the later part of the 19th century. The introduction of machinery in Europe not only killed the Indian export industry but has flooded the country with cheap piece goods and has so seriously crippled the indigenous manufacture that many persons belonging to the weaver caste have been driven to abandon the loom for the plough.¹⁰² The importation of Manchester cotton goods caused in many places, the indigenous cotton weaving to cease and consequently the cotton weaving industry of Rajshahi was also seriously affected. Only a coarse cloth "of a cheap and inferior quality" was made in Natore for local consumption by the poorer classes¹⁰³ and some "coarse kind of cloth about 4 cubits long which is called chheat" was manufactured at Naogaon Subdivision, for local consumption only."¹⁰⁴ There were as many as 6,551 cotton weavers and 718 cloth venders in Rajshahi.¹⁰⁵

Other Smaller Industries: Of the other industries mention may be made of potteries, mat and basket making, gold and silver ornaments, etc. Earthen potteries are manufactured at Panchupur in the Naogaon Subdivision and Kalam in the Nator Subdivision. Beed mats are manufactured in some places of the Naogaon Subdivision.¹⁰⁶ There were 1,929 potters, 197 mat makers and 479 basket makers in Rajshahi as shown in 1872 census.¹⁰⁷

Natore sweetmeats, sugarcandy and *ghee* had acquired a reputation and are largely exported to the neighbouring districts of Pabna, Rangpur, Dinajpur, Bogra, Jalpaiguri, Darjeeling, Cooch-Bihar while sugar candy finds its way to Calcutta and some other districts.¹⁰⁸ Natore spoons were noted for their polish and make which were manufactured in the town.¹⁰⁹

Boat making, though in a very small scale, was another important industry of the district. Since rivers and channels formed the principal means of communication and provided the highways of trade for a considerable part of the year, the industry of boat making was at a high level. A sort of "country boats known as '*Joungs*' were in this district."¹¹⁰ There were as many as 7,432 boatmen and 455 boat owners in the district.¹¹¹

Conclusion

The discussion on trade and commerce, lead us to conclude that trade and coammerce developed and expanded to a great extent during the colonial rule, particularly in the later part of the 19th century, due to the expansion of the communication system specially the Rail communication. With the development of the communication system, the marketing system also developed and gave both the producers and the consumers an impetus to sell and purchase.

The industry and manufacture of Rajshahi though very scanty in comparison to the present day, played no less an important part in those days since it managed to keep the district going well though not self-sufficient. The volume of trade and commerce was not very large in Rajshahi since it was not basically a business centre. Nevertheless the people of Rajshahi, however, was economically happy and contented.

Endnotes

¹ L.S.S. O'Malley, *Bengal District Gazetteer, Rajshahi* (Calcutta: Bengal Secretariat Press, 1916), p. 103.

² W.W. Hunter, *A Statistical Account of Bengal*, vol. VIII (Rajshahi) (London: Trubner & Co., 1876), p. 57.

³ Government of Bengal General Proceedings, 1878. File 3, Nos. 61-67. Letter No. 2923, dated, Calcutta 27th November, 18789 (Bangladesh National Archives Records).

⁴ C.J.O. Donnel, *Census of India, 1891*, vol. III (Calcutta: Bengal Secretariat Press, 1893), p. 137; the town of Rajshahi was called Rampur-Boalia, the supposed combination of two villages viz Rampur and Boalia.

⁵ O'Malley, *op. cit.*

⁶ Numerous developmens took place in India's communication system in the second half of the 19th century. Railway lines (in India) were constructed; and the telegraphic communication between England and India began since 1855 and ocean freight and export duty ion many commodities were reduced after 1867, which "definitely contributed to the expansion of India's foreign trade in which Bengal played a great role." See N.K. Sinha, *History of Bengal (1757-1905)* (Calcutta: University of Calcutta Press, 1967), p. 248.

⁷ B.B. Misra, *Indian Middle Classes* (London: Oxford University Press, 1978), p. 75.

⁸ N. K. Sinha, *The History of Bengal*, *op. cit.*, p. 249.

⁹ *General Administration Report for Rajshahi 1890-91* (Rajshahi Muhafezkhana Records).

¹⁰ *Revision of Imperial Gazetteer*. Letter of the District Engineer No. 353 dated Beaulah 8th March, 1903 to the Assistant Magistrate, Rajshahi (Rajshahi Muhafezkhana Records).

¹¹ The District Board of Rajshahi was constituted in accordance with Local Self Government Act II (BC) of 1885 and came into operation in Rajshahi from 1st October, 1886. *Judicial Old Correspondence*, volume for 1892-93. Report on the working of several district records of Rajshahi Division for the year 1890-91 (Rajshahi Muhafezkhana Records).

¹² *Ibid.* Report of Mr. Price, Magistrate and Chairman of District Board.

¹³ "The chief amusement of the cultivator at all seasons of the year is to attend the neighbouring markets at market days. Probably ten or twelve of such markets will be within walking or boating distance of his homestead. all of which he will attend in turn." See J.C. Jack, *Economic Life of a Bengal District* (Oxford: Clarendon Press, 1916), pp. 46-47.

¹⁴ *Scarcity and Relief*. District fortnightly narratives of the Drought of 1873-74 (Calcutta: Bengal Secretariat Press 1874), p. 4. Letter No. 1799 dated Boalia March, 1874 from the Collector to the Secretary, Scarcity and Relief (Rajshahi Muhafezkhana Records).

¹⁵ Letter No. 432 from Babu Ananda Charan Gupta, S.D.O., Naogaon to Collector, Rajshahi dated Naogaon, the 28th August, 1903 (Rajshahi Muhafezkhana Records).

¹⁶ *Scarcity and Relief*. Letter No. 1634 dated Boalia, 14th July 1874 from Collector, Rajshahi to the Officiating Secretary, Scarcity and Relief (Rajshahi Muhafezkhana Records).

¹⁷ Collection No. XXI Statistics, File No. 5 of 1901-1902. Letter No. 267 from Babu Shashibhushan Roy, Manager, Dubalhati Estate, Rajshahi to A. Garret, Esq., C.S. District Magistrate, Rajshahi, dated, Dubalhati 6th October, 1903 (Rajshahi Muhafezkhana Records).

¹⁸ W.W. Hunter, *op. cit.*, p. 88.

¹⁹ The Rath festival of Jagannath, a Hindu God.

²⁰ Khetur, a small village in the Politice Station of Godagari, enjoys a high reputation for its having been visited by Chaitannya, the great Hindu religious reformer of the 16th century. See W.W. Hunter, *op. cit.*, p. 56.

²¹ A.P. McDonnell, *Report on the Food Grain Supply and Famine Relief, Behar and Bengal* (Calcutta: Bengal Secretariat Press, 1876), p. 276.

²² Extract from the *Annual General Admn. Rep. of the Rajshahi Division for the Year 1898-99*.

²³ Letter No. 2967G from District Officer in Charge to the Superintendent Rajshahi *Muhafezkhana* Records).

²⁴ A.P. McDonnell, *op. cit.*, p. 275.

²⁵ General Administrative Report of Rajshahi of the respective years.

²⁶ General Administration Report of Rajshahi 1896-97.

²⁷ *Ibid.*, 1884-85.

²⁸ *Ibid.*

²⁹ *Ibid.*

³⁰ Natore 1896-97 (File No. 27 of 1897-98) (Rajshahi *Muhafezkhana* Records).

³¹ *Ibid.*

³² "The North has always been less urbanised than the rest of Bengal, since the great rivers hampered easy communication with centres of trade, industry and administration". See, Willem Van Schendel, a paper for the conference on *The Analysis of Rural Improvement* (Rotterdam, 1981), p. 5.

³³ Nels Anderson, *Our Industrial Urban Civilization* (Asian Publishing House, 1964), p. 1.

³⁴ The very character of the people of Rajshahi is opposed to mobility. By nature they are lax, lack of painstaking, less adventurous and a purely home staying people. As we have noticed above, there was no mobility on the part of the people. To quote Hunter again "No increased inclination is perceptible on the part of the people to gather into towns or seats of commerce. W.W. Hunter, *op. cit.*, p. 57.

³⁵ O'Malley, *op. cit.*, p. 105.

³⁶ General Administration Report for Rajshahi, 1896-97 (Rajshahi *Muhafezkhana* Record).

³⁷ Letter No. 9, 7th April, 1873 of the Principal, Rajshahi College, to the Director of Public Instruction of Bengal (Rajshahi *Muhafezkhana* Record).

³⁸ James Grant, *Analysis of the Finances of Bengal*, quoted in W.K. Firminger, the Fifth Report, Vol. 2, Calcutta, 1812, p. 194.

³⁹ *Scarcity and Relief*, *op. cit.* Narratives for the fortnight ending the 18th August 1874, No. 2032 dated Beaulah 12th August, 1874. From Collector, to Secretary, Government of Bengal, Scarcity & Relief, p. 1.

⁴⁰ K. M. Mohsin, *op. cit.*, p. 262.

⁴¹ E.A. Gait, *Report on Census of Bengal, 1901*, Vol. VI, Part I (Calcutta: Bengal Secretariat Press, 1902), p. 57.

⁴² W.H. Nelson, *Final Report on the Survey and Settlement Operations in the District of Rajshahi 1912-1922* (Calcutta: The Bengal Secretariat Book Depot, 1923), p. 3.

⁴³ J. Geoghan, *Silk in India* (Calcutta: Office of the Superintendent of Government Printing, 1880), pp. 1-2; also see Wazifa Ahmed, "The Silk Industry in the District of Rajshahi in the Nineteenth Century", *The Journal of the Institute of Bangladesh Studies*, vol. XII, 1989, pp. 11-18.

⁴⁴ Wazifa Ahmed, *op. cit.*, p. 14.

⁴⁵ *Ibid.*

⁴⁶ *Ibid.*

⁴⁷ *Ibid.*

⁴⁸ *Ibid.*

⁴⁹ *Ibid.*

⁵⁰ *Ibid.*, p. 15.

⁵¹ Memorandum on the Revenue Administration of the Lower Provinces of Bengal, *op. cit.*, Appendix - XXIV.

⁵² *Ibid.* Appendix - XXV.

⁵³ *Ibid.*, Appendix-XXVII.

⁵⁴ Geophan, *op. cit.*, p. 15.

⁵⁵ Memorandum, *op. cit.*, Appendices- XXV-XXVII.

⁵⁶ Memorandum, *op. cit.*, Appendix-XXV.

⁵⁷ *Ibid.*, Appendix - XXVII; Wazifa Ahmed, *op. cit.*, p. 15.

⁵⁸ In Rajshahi silk weaving proper is hardly ever done. The district was well known for its *Matka* (a coarse cloth - spun by pierced and waste thread) silk. There were about 30 families of weavers at Dhaka who produce the well known Mirganj or

Dakra Matkas. See G.N. Gupta, *A Survey of the Industries and Resources of Eastern Bengal and Assam* (Calcutta: Secretariat Printing, 1908), p. 33, Para - 79.

⁵⁹ Memorandum, *op. cit.*, Appendix - XXVII.

⁶⁰ Wazifa Ahmed, *op. cit.*, p. 16.

⁶¹ *Ibid.*, p. 17; for details, see Chapter - V.

⁶² See W.W. Hunter, *op. cit.*, pp. 61-63.

⁶³ Memorandum on the Revenue Administration of Lower Provinces of Bengal, 1873, Appendix - XXVIII.

⁶⁴ For details of manufacture see *Report on the Cultivation and Use of Ganja* (Calcutta: Bengal Secretariat Press, 1893), pp. 12-13.

⁶⁵ *Hemp Drug Commission Report, op. cit.*, pp. 493-494.

⁶⁶ *Ibid.*, p. 18.

⁶⁷ George Watt, *The Commercial Product of India* (London, 1908), p. 668.

⁶⁸ *Indigo Commission Report* (Calcutta, 1860), p. 19.

⁶⁹ Blair B. Kling, *The Blue Mutiny* (University of Pennsylvania Press), p. 16.

⁷⁰ *Ibid.*, p. 16.

⁷¹ For details of Indigo Peasants Revolt, see Blair B. Kling, *The Blue Mutiny*, *op. cit.*

⁷² *Report on the Land Revenue Administration of the Lower Provinces of Bengal, 1860-61* (Savielle and Crannenburg Printers, Bengal Printing Co. Lt., 186, p. 16.

⁷³ Blair. B. Kling, *The Blue Mutiny, op. cit.*

⁷⁴ *Ibid.*, p. 26.

⁷⁵ *Ibid.*, p. 27.

⁷⁶ *Ibid.*, p. 26.

⁷⁷ *Revision of Imperial Gazetteer, op. cit.*

⁷⁸ *General Administration Report, Nator, 1896-97, op. cit.*

⁷⁹ *Bengal Census Report, 1872, p. 10.*

⁸⁰ *Government of Bengal Proceedings*, September 1878. Letter No. 62R dated Darjeeling, 1st August 1878 from W.S. Wells, Officiating Commissioner of Rajshahi and Cooch Bihar Division, to the Secretary, Government of Bengal, General Department.

⁸¹ For details of manufacturing process see Blair B. Kling, *op. cit.*, p. 32.

⁸² *Bengal Administration Report 1883-84*, p. 150; also *Bengal Administration Report, 1884-85*, p. 140.

⁸³ *General Administration Report of Rajshahi* for the respective years.

⁸⁴ O'Malley, *op. cit.*, p. 107.

⁸⁵ The Sub-Divisional Officer, Natore reported that the largest class to agriculturists were the fishermen.

⁸⁶ *Census of Rajshahi District 1881*, p. 2. The census file available in Rajshahi Collectorate Record Room found to be in a torn position and has the cover page which shows the date publication is lost.

⁸⁷ *Census Report Bengal, 1872*, p. clxii.

⁸⁸ *Census of Rajshahi District 1881*, pp. 1-12.

⁸⁹ Letter 2967, from the District Officer-in-Charge to the Superintendent, Revision of Imperial Gazetteer (Rajshahi Muhafezkhana Records).

⁹⁰ G.N. Gupta, *A Survey of the Industries and Resources of Eastern Bengal and Assam* (Shillong, Eastern Bengal & Assam Secretariat Printing, 1908), p. 64, Para - 169.

⁹¹ *Ibid.*, p. 65, Para - 173.

⁹² Letter No. 2967 from District Officer-in-Charge to Superintendent of Revision of Imperial Gazetteer (Rajshahi Muhafezkhana Records).

⁹³ *General Administration Report for Nator Sub-division for the Year 1896-97*.

⁹⁴ G. N. Gupta, *op. cit.*, p. 38, Para-90.

⁹⁵ *Government of Bengal Proceedings*, September 1878. Letter No. 62R Darjeeling, 1st August, 1878 from W.S. Wells, Officiating Commissioner of Rajshahi and Cooch Bihar Divisions, to the Secretary to the Government of Bengal. General Department.

⁹⁶ *Ibid.*, p. 40, Para-96.

⁹⁷ W. W. Hunter, *op. cit.*, p. 107.

⁹⁸ Letter from the Superintendent of the Boalia Central Jail to the Assistant Magistrate of Rajshahi, dated R. Boalia the 9th March, 1903 (Rajshahi Muhafezkhana Records).

- ⁹⁹ W. W. Hunter, *op. cit.*, p. 107.
- ¹⁰⁰ G. N. Gupta, *op. cit.*, p. 51, Para-125.
- ¹⁰¹ *Report on the Census of Bengal, 1872, op. cit.*
- ¹⁰² *Report on the Census of Bengal, 1901, p. 9.*
- ¹⁰³ *Administration Report of Nator 1896-97.*
- ¹⁰⁴ *Administration Report of Naogaon, 1896-97.*
- ¹⁰⁵ *Report on the Census of Bengal, 1872, p. cliii.*
- ¹⁰⁶ *General Administration Report of Rajshahi, 1896-97.*
- ¹⁰⁷ *Report on the administration of Bengal, 1872, p. clii.*
- ¹⁰⁸ *Administration Report of Nator Subdivision, 1896-97. MS.*
- ¹⁰⁹ *Ibid.*
- ¹¹⁰ Note by Mr. Mukherjee, District Engineer of Rajshahi dated the 9th October, 1889 (Old file available at Rajshahi Zilla Parisad Record Room).
- ¹¹¹ *Report on the Census of Bengal, 1872, p. cxvii-cxviii.*

PERFORMANCE EVALUATION OF UTTARA BANK - A CASE STUDY

Mohammad Eunus*

Introduction

Commercial Banks are important service industries. Bangladesh inherited a poor banking system in terms of liquidity, deposits, advances, human resources, financial discipline and banking network at the time of liberation. At the time of liberation of Bangladesh in 1971, a total number of 1169 branches of 17 scheduled banks including 3 foreign banks were operating in Bangladesh. Immediately after liberation 12 commercial banks were nationalised and merged into 6 nationalised banks namely Sonali Bank, Agrani Bank, Janata Bank, Uttara Bank, Rupali Bank and Pubali Bank. The main objective of nationalisation was to achieve effective control over the financial resources and to reconstruct the war shattered economy. Moreover most of the owners were from western part of the then Pakistan. This also necessitated nationalisation at that moment.

Afterwards, to cater the needs of the time, private banks were allowed to operate from 1982 and thereafter two nationalised banks Uttara and Pubali were denationalised and Rupali was converted to holding company. Since then 9 Private Commercial Banks (PCBs) have been functioning and competing with the NCBs. More private sector banks and foreign banks are coming in the banking spectrum of Bangladesh to face the challenge of market economy. In the present banking scenario of Bangladesh both the NCBs and the PCBs are crossing a difficult transition period in terms of their asset quality and overall performance. This situation has been prevailing because of disproportionate productivity due to some environmental constraints and socio-economic instability. They are also facing to cope up with justifiable investment in commercial and agricultural activities.

The Uttara Bank originally established as the Eastern Banking Corporation on the 28th January 1965, was nationalised in 1972 and again, it was denationalised in September 1983. Now-a-days we have NCBs, the private banks, foreign banks and denationalised banks working in our economy. The purpose of this study is to evaluate the performance

* Professor, Department of Economics, Rajshahi University.

of a denationalised bank. As a case study Uttara Bank is selected and we know actually there are two denationalised banks i.e., Uttara and Pubali Banks. Of the two the researcher has purposively selected UBL for the convenience of easy access and familiarity with it.

Short Review of Earlier Studies

Forrest Cookson¹ in a significant study entitled "Productivity in the Banking Industry in Bangladesh" highlighted that productivity in private banking is much higher than that in the NCBs. This is partly due to the very higher number of NCB employees and partly due to the lower earnings of fee income from service windows. The trend in NCBs' productivity over the past decade shows a significant improvement but recently that started to decline. Virtually, the productivity of the total commercial banking sector is nearly stagnant.

S.A. Shakoor² in his study on "Measurement of Productivity of Commercial Banks in Bangladesh" stated that productivity of NCBs had an increasing trend during 1972-86. It declined a little during 1978-80 with an improvement in 1981-82 but again deteriorated during 1983-85 although there was improvement in 1986. Agrani Bank had the highest level of productivity followed by Sonali Bank, Rupali Bank and Janata Bank. The major factors for such changes were increased in operational expenses, current expenses, establishment expenses and non-current expenses. Private banks in Bangladesh showed better productivity by way of increasing earnings through working funds.

Zainul Abedin, and others³ in a paper entitled "A Preliminary Note on Measurement of Productivity in the Commercial Banks of Bangladesh" narrated the trend in productivity of the commercial banks in terms of financial consideration. Cost control measures and improvement in earnings are essential elements for increasing the level of productivity. They suggested that performance budgeting, manpower planning and development, certain degree of mechanisation and computerisation will enhance the efficiency of the bank employees. This will reduce cost per employee. Proper management of assets and liabilities will help reduce cost. Regular development of bank fund and proper portfolio management are other important factors to add to bank's productivity.

Nurul Islam Chowdhury and S.A. Chowdhury⁴ in analysing performance of private commercial banks vis-a-vis banking sector highlighted that operational efficiency aspect of commercial banks suffered most after 1982. Both profitability and productivity declined significantly. All denationalised banks recorded negative productivity in

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1992. This very poor performance in regard to operational aspects was mainly due to large scale classification and provisioning of bank loan.

Abdur Raquib⁵ in a research paper narrated the rate and performance of private sector banks during 1983-1992, in terms of growth of capital and resources, deposits, loans and advances, quality of lending port folio, branch expansion, profitability, value of shares and employment generation. He concluded that the performance of private banks is satisfactory excepting the quality of lending. He expected that with the implementation of financial sector reform measures in the banking sector, financial discipline will be revived and a congenial atmosphere for the healthy growth of private banks will be available.

T.A. Chowdhury⁶ studied the impact of denationalisation and privatisation on the profitability and productivity of the commercial banks of Bangladesh. He highlighted the volume of working funds, total expenditure, manpower expenditure, total income, total productivity, manpower productivity, profit, spread, burden, interest paid, gross profit, net profit and profitability of all the commercial banks, NCBs and the private banks. He concluded that though absolute profit level of the commercial banks did increase after denationalisation and privatisation but it could not help improve the profitability and productivity of the commercial banks. The profitability of the NCBs and the commercial banks as a whole was declining from the level existing before the process of denationalisation and privatisation started. It was found that rise in expenditure ratio i.e., non-interest expenditure was mainly responsible for the fall in profitability and productivity of the commercial banks after denationalisation and privatisation. The changes in operational patterns, employee structure and emoluments and other establishment expenditure are the major factors leading to such situation.

Faruq Uddin Ahmed⁷ in a study on "Nationalised Commercial Banks in Bangladesh - An Analysis of their Operational and Functional Performance" stressed that despite the constraints faced, the NCBs had to gear up their activities to earn more profit by reducing expenditure and increasing income. With their vast net work of branches and huge staff, it is quite possible for them to attract more deposits, improving the quality of service.

Terms and Concepts

Productivity relates the output to input. From an input-output model we can say that the task of the managers is to transform the inputs in an effective efficient manner to produce outputs. Productivity is simply

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the ratio of output to productive operations. Output can be translated into services and inputs cover all forms of resources or assets. With a given extra input of resources, if production increases, the productivity has increased. Production remaining the same, if the input resource is reduced, then also productivity can be deemed to increase. Even when the output and input remain steady, but the quality of the "Output" is improved, then the productivity is increased, as the intrinsic value of the output will be more in this case. The average productivity in terms of mathematical concept is described as under:

$$\text{Productivity} = \frac{\text{Output}}{\text{Input}}$$

In general the term productivity indicates to mean more goods in the market, more capital for reinvestment, greater employment opportunities and stable prices. The productivity of a bank is the ratio of the incremental income and the incremental expenditure. In other words the output responsiveness measured by volume of change in income to volume of change in expenditure measures the productivity of commercial banks³ which may be expressed mathematically as under,

$$\Delta P = \Delta I / \Delta E$$

P = Productivity

I = Income

E = Expenditure

Δ = Change.

In any manufacturing industry, the operational efficiency can be practised at various stages of decision making. The amount of inputs, the methods of production process, the level of output, inventory holding, price changes, marketing etc. are important matters. There are considerable debates about the criteria by which the efficiency and the health of the banking industry can be assessed. Is it the level of deposits i.e., deposits mobilised, or the level of advances i.e., dispersal of credit, or the number of branches operating i.e., physical growth of banking or the level of capital and reserves i.e., capital adequacy or simply the profits i.e., commercial profitability? Other indicators in addition to the traditional ones, are the number of rural branches opened, the level of advances to the priority and the neither to neglected sectors etc. These can be grouped as measures of social profitability, which is an important yardstick to measure the success of the banking system.

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N.I. Choudhury defined the operational efficiency as the combination of profitability and productivity of the commercial banks. Operational efficiency can be defined as the effectiveness or competence with which a structure performs its designed functions. It is defined as the ratio between input and output efforts and result, expenditure and income, cost and the resulting satisfaction. In banking it refers to the accomplishing of the greatest amount of work in the best possible manner with the least expenditure of time and resources. In this article the researcher tries to emphasise the following criteria for measuring the operational efficiency of the operative management level of the Uttara Bank Ltd.

Spread: Difference between interest earned and interest paid.

Burden : Difference between non-interest income and non-interest expenses.

Net Profit : Spread-burden.

Working fund : Total liabilities minus contra items.

Operating expenses : Total expenditure excluding interest paid on deposits, borrowings etc.

Establishment expenses : Salaries, Allowances, Provident Fund and Bonus etc.

Gross income : Sum total of interest, discount, commission, brokerage and other revenue receipts.

Methodology

The study uses documentary analysis method. It is based mainly on the secondary data published by the bank and other organisations like Bangladesh Bank and Ministry of Finance. Firstly, growth and development of the bank showing number of branches, volume of working funds, number of employees, volume of deposit, and advances etc. over a period of 1983-1991 are shown, secondly, gross income and net income in relation to working fund, deposits, spread, operating expenses are analysed. The same indicators for the nationalisation period i.e. 1972-82 are shown. Advances, deposits, income, expenses, spread for employees and branches are given importance in highlighting the operational efficiency of the bank.

Findings and Interpretations

The growth and development trend of UBL shows that there was increasing expansion of branches and other facilities. The number of branches rose to 182 in 1982 as against 60 in 1972 and it further rose to 194 in 1991. Number of employees rose to 2471 in 1982 as against 1550

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in 1972. It further rose to 3122 in 1991. Volume of working fund rose to Tk. 117700.79 lakhs in 1991 as against Tk. 28200.37 lakhs in 1983. Volume of deposit rose to Tk. 109428.77 lakhs in 1991 against Tk. 23102.81 lakhs in 1983. Similarly volume of advances rose to Tk. 76914.65 lakhs in 1991 while it was Tk. 15907.9 lakhs in 1983. Total assets amounted to Tk. 128087.39 lakhs in 1991 as against Tk. 34708.49 lakhs in 1983. The rate of increase in deposit was 473.66 percent as against 483.50 percent and 369.04 percent in advances and total assets during 1983-91 respectively. Virtually rate of increase in working fund was 417.37 percent during 1983-91.

The profitability situation of UBL shows that the ratio of net profit to working fund deteriorated during 1983-1991 as against that in 1972-1982. The rates were 0.56 during 1983-1991 as against 1.69 during 1972-1982. The average ratios of the net profit to spread, establishment expenses and operating expenses were 23.30, 47.90 and 21.78 during 1983-1991 while those were 69.52, 167.87 and 65.79 respectively during 1972-1982. The volume of gross profit as percentage of total deposits was 15.24 during 1983-1991 while that was 17.47 during 1972-1982. Similar deterioration was found in net profit in relation to deposits, total income, interest paid etc. Net profit as percentage of spread was 23.30 during 1983-1991 while it was 69.52 during 1972-1982. Net profit as percentage of establishment expenses was 167.87 during 1972-1982 as against 47.90 during 1982-91. Even net profit was 21.78 percent of operating expenses during 1983-1991 as against 65.79 percent during 1972-1982 (Tables - 1 and 2). Standard deviation was 0.55 in case of net profit to working fund and C.V. was 98.21. Virtually highest S.D. was found in net profit to establishment expenses i.e. 48.54 and C.V. was also highest i.e. 101.14 S.D. was 1.68 in net profit to total income but in other variables there were increasing S.Ds. The minimum level of net profit to working fund was .02 which is very much discouraging (Table - 1). But minimum level of net profit to working fund was 0.55 during 1972-82. S.D. of the same variable was .65 followed by C.V. of 38.46.

The productivity level of the bank shows that advances per employee and per branch were Tk. 4.84 lakh and Tk. 93.68 lakh respectively during 1972-1982 while those were Tk. 14.23 lakh and Tk. 214.90 lakh during 1983-1991. Deposits per branch were Tk. 98.62 lakh during 1972-1982 as against Tk. 331.82 lakh during 1983-1991. Even deposits per employee showed increasing trend during 1983-1991 (Tables - 3 and 4). Income per employee was Tk. 0.93 lakh against expenses per employee of Tk. 0.81 lakh during 1972-82 while those were Tk. 2.98 lakh

Performance Evaluation of Uttara Bank and Tk. 2.87 lakh respectively during 1983-91. Establishment expenses per employee and spread per employee were Tk. 0.07 lakh and Tk. 0.18 lakh during 1972-82 while those were Tk. 0.45 lakh and Tk. 0.46 lakh respectively during 1983-91. Income per branch was Tk. 43.68 lakh against expenses of Tk. 42.62 lakh during 1983-91 while those were Tk. 16.98 lakh and Tk. 14.65 lakh respectively during 1972-82. Establishment expenses per branch and spread per branch were Tk. 1.45 lakh and Tk. 3.42 lakh during 1972-82. Those were Tk. 4.78 lakh and Tk. 6.68 lakh during 1983-91. Average volume of gross income was Tk. 8238.71 lakh during 1983-91. Average net income was Tk. 257.20 lakh against the average spread and burden of Tk. 1086.03 lakh and Tk. 527.98 lakh respectively during 1983-91.

Productivity trend during 1972-1982 shows that actually productivity was positive during 1973, 1975, 1980 and 1982 but in all other years' productivity was negative (Table-5). During 1983-1991, virtually productivity had an increasing trend during 1984 and 1985 but it declined later on. However, in most of the years productivity was positive (Table-6).

The latest data reveal that UBL had the increasing net profits during 1992 and 1993 but, that declined in 1994. It deteriorated very much up to March, 1995. There had been increase in deposits mobilisation during 1992 to march 1995. This had positive impact on the increasing productivity and profitability of the bank during 1994-95.

Conclusion

From the over all analysis of data, it could be concluded that profitability of the UBL deteriorated during 1983-1991, compared to that during 1972-1982 due to increasing operating expenses although there has been increasing productivity rates during 1983-1991. Actually there was increasing profit in 1992-1993 but again there was deterioration in 1994-95. Unless the bank becomes able to reduce their burden, and increase spread, there will be pressure on working fund as a result of which increasing cost of fund will be there. This needs planned approach in controlling cost mix, idle fund and financing mix of the bank. The recently introduced financial sector reform is a nice step towards increasing the operational efficiency of the bank. More emphasis should be given on collecting the overdues in industrial and rural finance. It is expected that the bank will be able to improve its operational efficiency through curtailing controllable cost and providing the customers with better services.

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Table - 1
Profitability Ratios of Uttara Bank Ltd. During the Period of 1983-1991
(In Percentage)

Year	Gross Profit as % of total deposits	Net profit as % of total deposits	Net profit as % of total income	Net profit as % of int. paid	Net profit as % of working fund	Net profit as % of spread	Net profit as % of est. exp.	Net profit as % of opert. exp.
1983	24.01	02.19	09.12	11.92	01.79	59.84	151.95	63.35
1984	22.44	01.11	04.95	06.21	00.86	36.52	77.63	32.35
1985	22.16	01.25	05.63	07.07	01.01	41.81	98.44	38.30
1986	11.03	00.44	04.03	06.08	00.38	16.87	28.69	13.62
1987	11.97	00.56	04.71	06.60	00.49	23.71	33.02	23.89
1988	10.83	00.51	04.71	06.60	00.45	23.23	33.30	19.61
1989	11.97	00.06	00.50	00.64	00.05	03.60	04.08	02.37
1990	11.78	00.03	00.27	00.33	00.03	02.39	02.32	01.30
1991	10.96	00.02	00.20	00.25	00.02	01.71	01.68	00.94
Average	15.24	00.69	03.79	05.08	00.56	23.30	47.90	21.78
S.D.	05.43	00.68	02.81	03.70	00.55	18.81	48.54	19.49
C.V.	35.63	98.55	74.14	72.83	98.21	80.73	101.14	89.49
'91 profit as % of '83	45.65	00.91	02.19	02.10	01.12	02.86	01.11	01.48
Max. level	24.01	02.19	09.12	11.92	01.79	59.84	151.95	63.35
Min. level	10.83	00.02	00.20	00.25	00.02	01.71	01.68	00.94

Source: Annual Reports of the UBL during 1983-1991.

Table - 2
Profitability Ratios of Uttara Bank Ltd. Before Denationalisation Period (1972-1982)
(In Percentage)

Year	Gross Profit as % of total deposits	Net profit as % of total deposits	Net profit as % of total income	Net profit as % of int. paid	Net profit as % of working fund	Net profit as % of spread	Net profit as % of est. exp.	Net profit as % of opert. exp.
1972	6.90	0.60	8.80	13.33	0.55	25.92	63.63	35.29
1973	10.36	2.63	25.42	47.77	2.05	90.61	216.85	1.19
1974	14.13	2.51	17.80	29.04	1.64	72.57	160.74	85.09
1975	17.93	4.42	24.67	40.60	2.96	147.98	364.46	169.61
1976	19.05	3.31	17.38	26.39	2.31	96.65	242.74	103.92
1977	18.01	2.57	15.69	23.94	1.95	65.30	195.92	83.47
1978	18.38	1.96	10.70	16.25	1.26	54.84	106.91	45.66
1979	15.88	1.40	8.84	13.64	1.04	38.66	70.00	33.60
1980	18.35	1.76	9.63	14.58	1.19	42.53	92.98	31.47
1981	25.56	2.23	8.74	11.80	1.45	54.87	132.70	51.06
1982	27.60	3.07	11.12	14.72	2.16	74.78	199.67	83.27
Average	17.47	2.41	24.44	22.91	1.69	69.52	167.87	65.79
S.D.	5.63	0.97	5.96	11.54	0.65	32.20	85.02	43.86
C.V.	32.63	40.25	41.27	50.37	38.46	46.32	50.65	66.67
'82 profit as % of '72	400.00	511.67	126.36	110.43	392.73	288.50	313.80	235.96
Max. level	27.60	4.42	25.42	47.77	2.96	147.98	364.46	169.61
Min. level	6.90	0.60	8.74	11.80	0.55	25.92	63.63	1.19

Source: *Ibid.*

Table - 3
Productivity Ratios of Uttara Bank during the period of 1972-1982 (before denationalisation)
(Tk. in Lakh)

Year	Adv. per empl.	Deposits per empl.	Income per empl.	Exp. per empl.	Ext. exp. per empl.	Spread per empl.	Adv. per branch	Deposits per branch	Income per branch	Exp. per branch	Ext. exp. per branch	Spread per branch
1972	3.26	4.45	0.30	0.28	0.04	0.10	84.18	115.20	7.95	7.25	1.10	2.70
1973	3.34	3.78	0.39	0.29	0.04	0.11	88.88	100.36	10.39	7.75	1.22	2.91
1974	4.11	3.82	0.54	0.45	0.06	0.13	106.54	99.16	14.01	11.56	1.55	3.43
1975	4.39	4.38	0.78	0.59	0.05	0.13	117.41	117.22	21.02	15.83	1.42	3.50
1976	3.97	4.21	0.80	0.66	0.05	0.14	98.36	104.33	19.88	16.43	1.42	3.57
1977	3.70	4.28	0.70	0.59	0.05	0.16	84.85	98.15	16.09	13.57	1.29	3.87
1978	4.24	4.18	0.76	0.68	0.07	0.15	74.25	73.21	13.46	12.01	1.34	2.62
1979	4.03	4.87	0.77	0.70	0.09	0.17	71.56	86.58	13.74	12.53	1.73	3.14
1980	5.53	5.55	1.02	0.98	0.10	0.23	85.98	86.28	15.83	15.30	1.64	3.58
1981	8.29	7.68	1.89	1.72	0.12	0.30	105.04	93.89	23.99	21.89	1.58	3.82
1982	8.35	8.13	2.24	1.99	0.12	0.33	113.48	110.39	30.47	27.08	1.70	4.53
Ave.	4.84	5.03	0.93	0.81	0.07	0.18	93.68	98.62	16.98	14.65	1.45	3.42
S.D.	1.74	1.44	0.57	0.53	0.03	0.07	14.74	12.65	6.14	5.53	0.20	0.53
C.V.	35.92	28.54	61.29	65.43	42.86	38.89	15.73	12.83	36.16	37.75	13.79	15.50
'82 as % of '72	256.13	182.70	746.67	710.71	300.00	330.00	134.81	95.82	383.52	373.52	154.55	167.78
Max. level	8.35	8.13	2.24	1.99	0.12	0.33	117.41	117.22	30.99	27.08	1.73	4.53
Min. level	3.26	3.78	0.30	0.28	0.04	0.10	84.18	73.21	7.95	7.25	1.10	2.62

Source: *Ibid.*

Table - 4
Productivity Ratio of UB during 1983-1991

Year	Adv. per empl.	Deposits per empl.	Income per empl.	Exp. per empl.	Est. exp. per empl.	Spread per empl.	Adv. per branch	Deposits per branch	Income per branch	Exp. per branch	Est. exp. per branch	Spread per branch
1983	6.40	9.29	2.23	2.03	0.13	0.34	87.41	126.94	30.48	27.70	1.83	4.64
1984	7.96	11.97	2.69	2.55	0.17	0.36	105.45	158.68	35.60	33.84	2.27	4.83
1985	10.25	15.03	3.33	3.14	0.45	0.45	136.90	200.69	44.48	41.47	2.55	5.99
1986	12.49	19.17	2.11	2.03	0.30	0.51	167.00	256.24	28.26	27.12	3.97	6.76
1987	13.41	22.80	2.73	2.60	0.39	0.54	194.88	331.45	39.67	37.80	5.66	8.72
1988	14.96	26.77	2.90	2.76	0.41	0.59	222.10	347.54	43.07	41.05	6.08	8.72
1989	18.07	27.85	3.33	3.32	0.41	0.47	292.11	450.11	53.87	53.60	6.64	7.52
1990	19.87	30.73	3.62	3.61	0.42	0.40	323.64	500.65	54.00	58.84	6.74	6.56
1991	24.64	35.05	3.84	3.83	0.45	0.45	346.47	564.07	58.67	61.69	7.32	7.20
Ave.	14.23	22.07	2.98	2.87	0.45	0.46	214.90	331.82	43.68	42.62	4.78	6.68
S.D.	5.53	8.32	0.54	0.61	0.11	0.08	98.78	147.43	10.84	12.08	2.02	1.28
C.V.	38.56	37.70	18.12	21.25	31.43	17.39	46.16	44.43	24.82	28.34	42.26	19.16
Max. level	24.64	35.05	3.84	3.83	0.45	0.59	20.91	564.07	59.00	61.69	7.32	8.72
Min. level	6.40	9.29	2.23	2.03	0.13	0.34	23.64	457.46	28.26	27.12	1.83	4.64

Source: *Ibid*

Table - 5
Productivity Trend of UBL During 1972-82

Years	Total income (Tk. in lakh)	Total Exp. (Tk. in lakh)	Productivity ($\Delta I/I/(\Delta E/E)$)	Fav. (+)/ unfav. (-)
1972	477.00	435.00	-	(-)
1973	759.00	566.00	1.96	(+)
1974	1219.00	1002.00	0.79	(-)
1975	1787.00	1345.00	1.36	(+)
1976	1830.00	1512.00	0.19	(-)
1977	1836.00	1547.00	0.14	(-)
1978	2167.00	1935.00	0.72	(-)
1979	2352.00	2143.00	0.79	(-)
1980	3166.00	2860.00	1.03	(+)
1981	4823.00	4401.00	0.97	(-)
1982	5546.00	4929.00	1.25	(+)

Note: I = Income Total : 9.20
 E = Expenditure Avg. : 0.92(-)

Source: *Ibid.*

Table - 6
Productivity of UBL during 1983-91

Years	Total income (Tk. in lakh)	Total Exp. (Tk. in lakh)	Productivity ($\Delta I/I/(\Delta E/E)$)	Fav. (+)/ unfav. (-)
1983	53.30	53.04	-	-
1984	794.79	651.62	1.23	+
1985	1676.91	1253.76	1.20	+
1986	2330.18	1944.78	0.71	-
1987	3530.32	2888.90	1.06	+
1988	4231.93	3435.68	1.05	+
1989	4122.04	4115.92	0.13	-
1990	5906.32	5184.53	1.67	+
1991	6862.87	6507.78	0.63	-

Note: I = Income Total : 7.42
 E = Expenditure Avg. : 0.93(-)

Source: *Ibid.*

Table 1
Productivity Index of UBE during 1972-85

Year	Expenditure (L.E. million)	Value of UBE (L.E. million)	Productivity (Value/Expenditure)	Index
1972	2,575.35	1,125.00	0.4368	100
1973	2,580.00	1,125.00	0.4360	100
1974	2,580.00	1,125.00	0.4360	100
1975	2,580.00	1,125.00	0.4360	100
1976	2,580.00	1,125.00	0.4360	100
1977	2,580.00	1,125.00	0.4360	100
1978	2,580.00	1,125.00	0.4360	100
1979	2,580.00	1,125.00	0.4360	100
1980	2,580.00	1,125.00	0.4360	100
1981	2,580.00	1,125.00	0.4360	100
1982	2,580.00	1,125.00	0.4360	100
1983	2,580.00	1,125.00	0.4360	100
1984	2,580.00	1,125.00	0.4360	100
1985	2,580.00	1,125.00	0.4360	100

Note: I = Income
E = Expenditure
Avg. = Average
Total = Total
Index = 100

Source: UBE

Table 2
Productivity of UBE during 1983-91

Year	Expenditure (L.E. million)	Value of UBE (L.E. million)	Productivity (Value/Expenditure)	Index
1983	2,580.00	1,125.00	0.4360	100
1984	2,580.00	1,125.00	0.4360	100
1985	2,580.00	1,125.00	0.4360	100
1986	2,580.00	1,125.00	0.4360	100
1987	2,580.00	1,125.00	0.4360	100
1988	2,580.00	1,125.00	0.4360	100
1989	2,580.00	1,125.00	0.4360	100
1990	2,580.00	1,125.00	0.4360	100
1991	2,580.00	1,125.00	0.4360	100

Note: I = Income
E = Expenditure
Avg. = Average
Total = Total
Index = 100

Source: UBE

DISLOCATIONS IN MARITAL STATUS AMONG THE RIVERBANK EROSION DISPLACED IN BANGLADESH

Dr. Md. Zulfiquar Ali Islam*

The paper is wedded to find out the dislocations in marital status of the riverbank erosion displaced in Bangladesh. It also presents a correlation between their marital status and the frequencies of riverbank erosion attack on their original homestead plot. It examines the extent of changes that is occurred in the marital status of the displaced of two northern Bangladesh villages due to riverbank erosion displacement. Such changes affected their familial life pattern and complementary social status.

The riverbank erosion displacement exerts a great influence on the socio-economic status of the riparian people of Bangladesh. It occurs changes and mobility in their life pattern. The correlations between socio-economic background characteristics and social mobility and/or change occurred in the society at a significant level have been traced out and recognized (see Durkheim 1912; Lipset and Bendix 1959; Anderson 1961; McGurie 1964). The displacement from their original riparian tract due to riverbank erosion determines and molds the displaced's present socio-economic status in their social stratification. Elahi and Rogge (1990) inferred that the riverbank erosion displacement significantly affects the conditions of household size, educational attainment, labor force participation of household heads, occupational status of family members, land ownership status and income of the displaced households. An estimated one million riparian people are displaced due to annual flood and riverbank erosion (Elahi and Rogge 1990:11). They have to face precarious environment and are compelled to grapple with economic hardship and socio-economic sufferings. It is hypothesized that many of the displaced are rendered widowers or widows due to the riverbank erosion displacement. Also a considerable number of female displaced have been divorced by their husbands and many of the unmarried female displaced of marriageable age have been compelled to be unmarried as

* Lecturer in Sociology, University of Rajshahi.

their socio-economic status is deteriorated due to riverbank erosion displacement. The sociological data from two Nawabganj villages -- Sehala and Sehala Kaloni are provided to operationalize the hypotheses.

Study Area and Methodology

Sehala and Sehala Kaloni -- two medium-sized villages of Sadar Thana of Nawabganj District -- have been selected as study locale (see Map 1). The geographical features of this *thana*¹ indicate that more or less half of the *thana* area amounting to 91039 acres is *charland*². The unstable characteristics of the Ganges (see Hossain 1991; Kalam and Jabbar 1991) and the Mahananda attest the fact that the north bank of the Ganges (Bangladesh) and the both banks of the Mahananda are more susceptible to erosion. It is one of the worst erosion affected *thanas* in the country (see Currey 1979; Nazem and Elahi 1990). The principal rationale for selecting Sehala and Kaloni as study area is that a sizeable number of displacees from different erosion-affected areas of this *thana* have settled in these peri-urban villages in order to search for food, shelter, and employment. These two villages are covered by the same *mouza*³. They are located in the same physiographic and ecological setting. They have identical culture area, and regional economy. Both the villages provide the displacees with the access to the labor market of Nawabganj Town and to the agricultural employment of the Barind Tract.

The sample size of the village of Sehala is 36 displacee households (20.34% of the total) and its population is 233 (23.49% of the total). Another village of Kaloni has 104 displacee households (55.03% of the total) with a population of 533 (57.68% of the total). The present study considers all the displacee households of both the villages as the appropriate primary sampling units. The displacee household heads were directly interviewed and in this way each sampling unit is represented by respective household head. The nature of this study is based on an extensive fieldwork for a period of 12 months from July 1991 to June 1992. The villages were surveyed intensively with two structured questionnaires. Additionally, other supplementary methods of participant observation, informal interviewing, group discussion, case histories, case studies are adopted for examining the accuracy of data collected.

Conceptual Clarification

Usually, the riverbank erosion displacees are those who are displaced due to riverbank erosion at least once. The present study designates them as a distinct category of riparian people in Bangladesh. They have already lost their dwelling unit of homestead and have experienced at least one move due to the disaster of riverbank erosion.

Dislocations in Marital Status

This concept has been used in this study to mean the displacee population and the displacee households as well. The displacees are categorized into once, twice, thrice, and more than thrice. This categorization is based on the frequencies of their displacement from the riparian tract due to riverbank erosion (*cf.* Amin 1991; Ahmed 1991; Saleheen 1991).

The marriageable displacees of Sehala and Kaloni have five types of marital status, *i.e.* unmarried, married, divorcee, widower, and widow. It is noticeable that many of marriageable female displacees have been divorced as their parents failed to meet their husband's demand. Another proportion of the female displacees are compelled to be unmarried. It is because that since their parents' socio-economic standing has been deteriorated due to riverbank erosion, their parents have failed to arrange their marriage ceremony. Some of the displacee husbands and wives lost their conjugal partners due to riverbank erosion attack and they became widowers and widows respectively. The displacee people have experienced once or more displacement in their lifetime.

Displacement Status

The frequent attack of bank erosion of the Ganges and the Mahananda displaced a considerable number of riparian people from their tract. The field data indicates that nearly 28 percent displacees of Sehala and 62.50 percent from Kaloni have been displaced more than once (Table 1). The calculation signifies that the displacees of Sehala displaced from their original homestead 1.39 times on an average and the average displacement of the displacees from Kaloni is 2.46 times.

Table -1

Displacement Status of the Displacees

Displacement Status	SEHALA Households: N-36		KALONI Households: N-104	
	n	%	n	%
Once	26	72.22	39	37.50
Twice	6	16.67	24	23.08
Thrice	4	11.11	18	17.31
More than thrice	-		23	22.11
Average	1.3 times		2.46 Times	

The riverbank erosion attack claimed their homestead plot, agricultural land, standing crops, houses, fruit trees, and many other properties. And thus most of them are rendered destitutes in true sense. The cataclysm of

attack and displacement from their original homestead plot affected their marital status in one way and/or in another.

Marital Status

The marital status of Bangladeshi people presents them a network of duties and obligation at levels of both familial and social life. The married persons have to administer all economic and social activities of their own family. As in other parts of the country, the displacee families expect more active participation of its married members in all familial especially economic activities. Almost all the married displacees have to head and to maintain their families as two-third of their families are nuclear type in Sehala and 86.54 percent in Kaloni.

It has been observed that nearly two-third displacees of Sehala and 59.47 percent of Kaloni have attained marriageable age. Among them, more than 72 percent from Sehala and 64.35 percent from Kaloni have been enjoying their conjugal life (Table 2). Of the married female population of both villages, nearly 87 percent from Sehala and more than 90 percent of Kaloni have been directly contributing to the increase of existing population. Because, they are the members of fertility age group.

The unmarried population of both villages comprise the age groups of 15-19 and 20-44. More than 18 percent of marriageable aged displacees from Sehala (13.51% male and 4.73% female) are still unmarried and it's in Kaloni is more than 19 percent (14.51% male and 4.73% female). While Sehala has only one (0.68%) female divorcee, Kaloni has four (1.26%) divorced women. Nearly 7 percent male from Sehala and more than 8 percent from Kaloni are widowers. Moreover, Sehala and Kaloni have three (2.03%) and twenty-two (6.94%) widows. The desolate state of livelihood due to riverbank erosion constraints many of these displacees to be unmarried although they have reached at the marriageable age.

Case # 1

Amiran Khatun of Sehala is 38 years old. She is with her widow mother and until now she is unmarried. After the riverbank erosion displacement, her father expired being stroked and brothers start to lead their nuclear family life. She has no schooling. Nobody of her kin group and neighbors undertake any effort to make her wedlock. It is because of her desolated economic standing due to riverbank displacement. She has a sewing machine and

Table - 2
Marital Status of the Displacees by Age Group

Age Group	Pop. N	Married				Unmarried				Divorced		Widower		Widow	
		Male		Female		Male		Female		n	%	n	%	n	%
SEHALA=36															
15-19	25	1	4.00	10	40.00	10	40.00	4	16.00	-	-	-	-	-	-
20-44	85	35	41.18	38	40.00	10	11.76	3	3.53	1	1.18	-	-	2	2.35
45-49	11	5	71.43	2	28.57	-	-	-	-	-	-	-	-	-	-
50-59	11	5	45.45	4	36.36	-	-	-	-	-	-	1	9.09	1	9.09
60 ≥	20	8	40.00	3	15.00	-	-	-	-	-	-	9	45.00	-	-
N	148	54	36.49	53	35.81	20	13.51	7	4.73	1	0.68	10	6.76	3	2.03
KALONI=104															
15-19	37	-	-	2	5.41	23	62.16	12	32.43	-	-	-	-	-	-
20-44	194	71	36.60	87	44.85	21	11.86	3	1.55	3	1.55	5	2.58	2	1.03
45-49	15	11	73.33	3	20.00	-	-	-	-	-	-	-	-	1	6.67
50-59	19	6	31.58	7	36.84	-	-	-	-	1	5.26	-	-	5	26.35
60 ≥	52	14	26.92	3	5.77	-	-	-	-	-	-	21	40.38	14	26.92
N	317	102	32.18	102	32.18	46	14.51	15	4.73	4	1.26	26	6.20	22	6.94

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she with her mother lives on it. She earns Tk. 20.00 per day.

Case # 2

Adina of Káloni is of 21. She is unmarried. Her father is 75 years old. Her father had 1.03 acres of land and it was the only source of income of her parental family. Now her family has lost this land due to riverbank erosion and their economic standing has reached at the poorest level. Because of this deserted condition of her family, her aged father cannot arrange a marriage-bond for her.

It is revealed that the preponderant majority of married population of both villages comprise the age group of 20-44. Since the riparian people of the country are recurrently vulnerable to flood and riverbank erosion, the married members of a family have to be more dutiful in confronting with their precarious riverine environment. They have also to formulate and undertake strategies for their survival in the economic hardship.

Riverbank erosion displacement is the independant catalyst in occurring changes and mobility in the socio-economic status of the displacees of Sehala and Kaloni. Eventually, the displacees were compelled to adapt to that changing environment as they did not have any alternative choice. They have received changes and mobility in their marital status.

Kaloni has 4 (1.26%) divorcee women among the displacees. Of them, two of 20-44 age group have been divorced due to riverbank erosion displacement. Their parental families have been rendered destitute after receiving riverbank erosion displacement. Such situation compels their parental families to be unable to satisfy their husband's demand for dowry.

Case # 3

Aduri Begum of Kaloni is 35 years old. She is divorced by her husband. Her husband demanded dowry but her parental family failed to satisfy that demand due to riverbank erosion displacement. She is now in her parental family and leads a separate household. She has a daughter of 5 years old. Aduri Begum has bought a sewing mchine in order to survive. She earns ~25.00 per day and leads her household independantly.

Case # 4

Anjuara Khatun of Kaloni is 20 years old. She is divorced by her husband since her parents failed to satisfy her husband's demand for dowry. It is because of the displacement of her parental family due to riverbank erosion. She has become a burden to her father. Her father is an agricultural labor.

The sample population of Kaloni have 22 (6.94%) widows and 26 (8.20%) widowers (Table 2). It is noticeable that once of the widows from Sehala and one of the widowers from Kaloni have lost their conjugal partner due to the attack of riverbank erosion. The widow's husband expired being stroked after receiving riverbank erosion displacement. And the widower's wife was victimized by the riverbank erosion attack during her bathing in the Mahananda River.

Case # 5

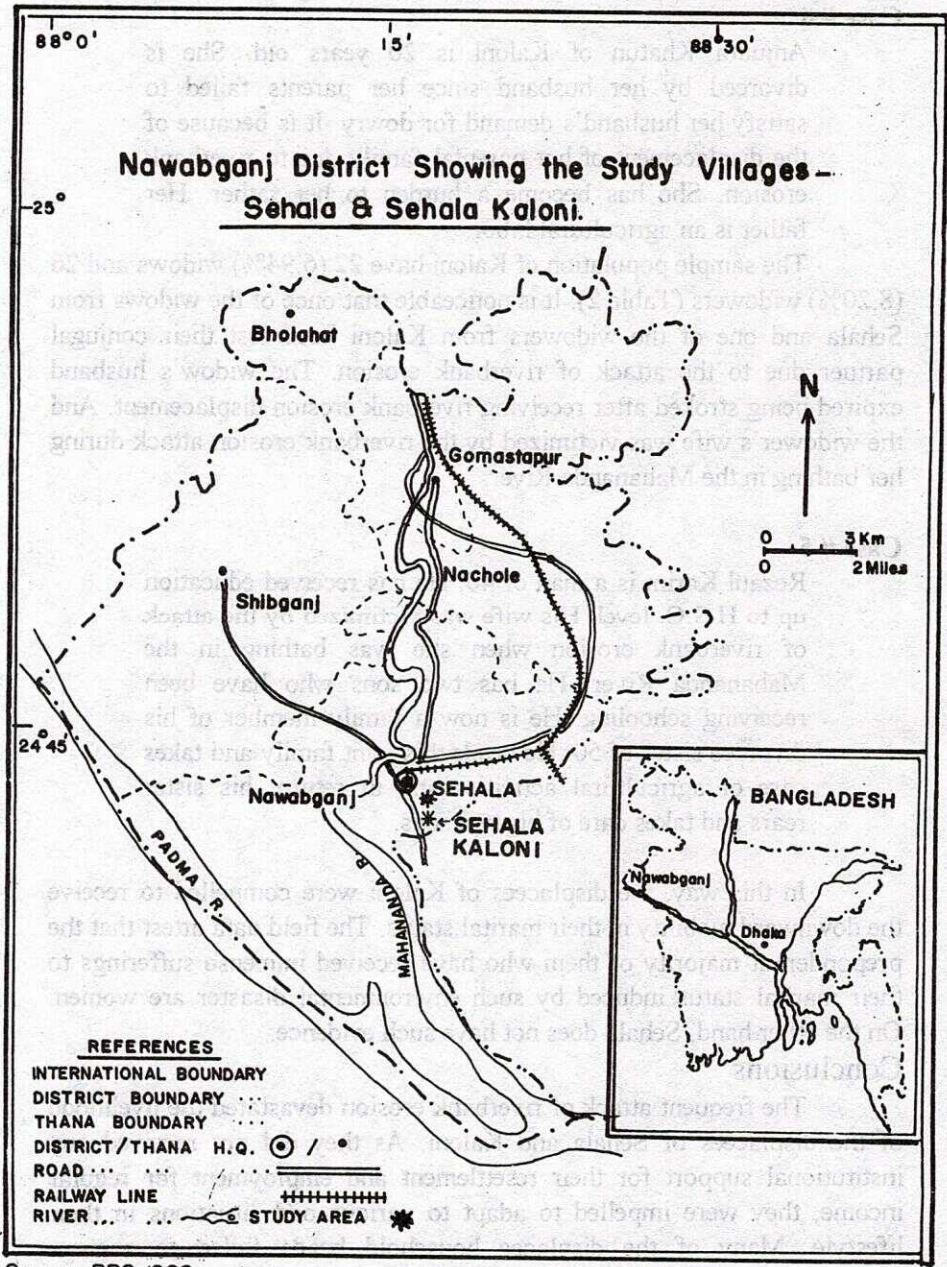
Rezaul Karim is a man of 40. He has received education up to H.S.C. level. His wife was victimized by the attack of riverbank erosion when she was bathing in the Mahananda River. He has two sons who have been receiving schooling. He is now a family member of his divorcee sister of 50. He heads this joint family and takes care of agricultural activities and in return, his sister rears and takes care of his two sons.

In this way, the displacees of Kaloni were compelled to receive the downward mobility in their marital status. The field data attest that the preponderant majority of them who have received immense sufferings to their marital status induced by such environmental disaster are women. On the other hand, Sehala does not have such evidence.

Conclusions

The frequent attack of riverbank erosion devastated the livelihood of the displacees of Sehala and Kaloni. As they did not received any institutional support for their resettlement and employment for regular income, they were impelled to adapt to various odd situations in their lifestyle. Many of the displacee household heads failed to arrange marriage bond for their marriageable daughters and/or sisters. Some of the displacee husbands and wives were rendered widowers and widows

MAP 1



Source: BBS 1989

Dislocations in Marital Status

respectively as their conjugal partners are died due to the attack of riverbank erosion. Some female displacees have been divorced by their husbands as their parents failed to meet their husband's demand for dowry due to disastrous riverbank erosion displacement. This environmental disaster dislocated their marital status and also prevented many of the marriageable female displacees to be married. The greater majority of them who received such dislocation are women. Because of this dislocation, the female displacees are rendered destitutes in their familial, economic and social life. It inflicted mental and social torture upon the displacees in both their familial and social arenas. It limited their familial skills and impelled them to grapple with odd situations in their lifestyle.

Policy Recommendations

This research has some findings which claim some policy implications. The government and non-government organizations should respond to the displacees' prodigious needs induced by riverbank erosion displacement. This response should be made in the period of pre-displacement in preventive manner. And also it should be corrective type in the immediateness of their displacement and in the post-displacement period as well for aiding them in their environmental adaptation on their riparian tract or on other places into where they immigrated. Some policy recommendations may be prescribed as the research findings claim which are as follows.

- a. The measures for prevention of riverbank erosion requires a large-scale engineering works, and huge financial cost. Since it is not possible for the individual to undertake effective measures in this respect, the government should do the job in time.
- b. The displacees need to be sheltered at any cost in the immediateness of erosion. The government and non-government organizations should provide adequate assistance of shelter for them.
- c. Riverbank erosion affects all the riparian people tremendously through eroding agricultural land and destroying employment facilities which land could provide with them. The displacees expect that the government should provide them with a homestead plot for resettlement and also with employment in non-agricultural sector for their survival.
- d. The government and non-government organizations should launch social programs for motivating economically capable young male persons to marry marriageable displacee women with no dowry.

Zulfiquar Ali Islam

Also these programs should be designed in order to identify the divorcee husbands of displacee women divorced for dowry and to undertake legal action against them.

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Endnotes

¹It is a higher tier of the local government administration in Bangladesh. It has been positioned in third step of administration, i.e., Division, District and then Thana. It comprises two or more unions and district comprises two or more thanas. It has been estimated that its administrative area is about 181 sq km on an average and an average of 176,000 population live under its administration.

²A mid-channel islet in the riverbed is called *charland* in Bangladesh. It is any accretion in the river which may be seasonal or may survive for several decades. *Charlands* are abundantly found in the large rivers of Bangladesh, such as, the Ganges, the Jamuna, etc. The intense competition among floodplain inhabitants to cultivate these *charlands* and/or to settle on it create social clash in terrible form. These lands were regulated in the British India by Bengal Regulations XI, 1825 (see Wilson 1855).

³It is a geographically defined land revenue unit. The land revenue survey undertaken by the Government of British India coined the term *mauza* for revenue purposes. It was the unit of this survey. This was defined in the note of Directions for Settlement Officers, 1849 as a **parcel of land which had a separate name in the revenue records, i.e., practically a local subdivision of an estate or mahal** (Nelson 1923; Wilson 1855). *Mauza* is nothing but the lowest revenue area for which the settlement records were prepared in 1850. One *mauza* may comprise one or more villages

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BEHAVIOURAL ASPECT OF BUDGETING

M. Mokarrom Hossain*

Prelude

Budget refers to predetermined plan of action for the purpose of guiding the operations of an organisation and also for evaluation of its performance effectiveness.¹ Budgetary control comprises the long range plan, annual profit plan, variable expense budget, supplementary statistics and budget reports for management. Projection of sales, cost, profit, ROI, cash flow and manpower are in long range plan. Annual profit plan covers operating budget and financial budget. Operating budget comprises budgeted income statement, sales budget, production budget, administrative expense budget, distribution expense budget, research and development budget etc.² Financial budget consists of proforma Balance Sheet, cash flow and funds flow statement, receivable budget, capital additions budget and depreciation budget.³ Variable expense budget shows the variable manufacturing, distribution and administrative expense budget. Break-even presentation on the basis of product and overall operations are in supplementary statistics. Budget reports for management are made to show on the actual and budgeted costs, revenues, assets, liabilities and equities in order to ascertain the extent of achievement of the profit plan.⁴ Muzaffar Ahmed⁵ states that budget serves as a declaration of policies and also define the objectives for executives at all levels of management. Budgetary control is "the establishment of departmental budgets relating to the responsibilities of executives to the requirements of a policy and the continuous comparison of actual with the budgeted results, either to secure by individual action the objectives of that policy or to provide a firm basis for its revision". Human problems, organisational weakness, late submission of budgets, lack of co-ordination and effective communication, absence of management support, omission of feedback process etc. are the factors creating hindrances on the effective use of budget. The purpose of the study is to review the various research studies done in the field of behavioural aspect of budgeting and arrive at the conclusions for the successful implementation of budget. The

* Professor, Department of Accounting, Rajshahi University.

study is mainly based on desk research carried out in different libraries in Bangladesh.

F.U. Ahmed⁶ states that the budget is looked by supervisors and workers as a management pressure device for attaining ever highest goals at the cost of their efforts. Workers have also a feeling that the budget is built up as a bigger target for them by the management. All these factors go against the budget idea. Understanding of the proper use of the budget is to be built, honesty and sincerity in budget preparation, co-operative endeavour, avoiding fabulous and imaginary factors, team spirit, realistic attitude, provision for rewarding employees, capable of meeting the budgeting etc. are of prime importance for the successful implementation.

H. Rahman⁷ holds the opinion that in a dynamic organisation, all personnel from Managing Director to Senior supervisors should be aware of their respective roles to play in order to achieve the target set. Clear plan of action, guiding control, measurement of performance are the yardstick for efficient running of an organisation.

Khaleda Khanam⁸ asserts that budget, is an evaluation device discriminating among good and bad managers. Supervisors and foreman treat budget as a 'club' over their heads. Supervisors sometimes think that budget is a tool of hard-task master approach leading to tension, suspicion and hostility. Once budgets are prepared ignoring human nature, negative reactions to budgets arise. Budget people do not often try to understand the values, attitudes and aspirations of the line-manager, for which serious problems arise in implementing the budget. Lack of participation in budget preparation, sense of belongingness and lack of consultation etc. generate an attitude of indifference, resentment and even resistance. Once budget is prepared on sound business premises, implementations are given active participation in budget preparation and target fixation, existence of communication and motivation tools, proper delegation of authority and responsibility, democratic outlook and integration of the interest of organisation and that of employees are significant in attaining effectiveness of budget.

M.A. Hye⁹ emphasizes the idea that managers should be involved in the preparation of budget, budget guidelines, budget review and follow-up, fulfilment of physiological safety, love and belongingness, esteem and self actualization needs of the managers, budgetary training, support of top management, training in the art of human relations etc. are more pronounced for successful implementation of budget.

Human behaviour has implication for budgeting and also that budgeting has implications for human behaviour. Human relation

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problems arising on the way of proper implementation of budget may take any of the following aspects:¹⁰ sometimes budget creates tension of the supervisors leading to in-efficiency and aggression. Finance staff may get pleasure in tracing fault with factory supervisors. Supervisors are not plant centered rather they concentrate on their own problems. Once the people get hurt, the budget in itself is blamed. Case discussion, role playing, member-centered conferences are contributory for the better implementation. Hofstede¹¹ opinions that when the budget is very tight, it has a depressing effect on both aspiration level and performance. In loose budgets, the budgetee fixes up his aspiration level below the budget level and his actual performance coincides with the aspiration level. As the budget level is tightened, his aspiration level is pushed up and his performance also improves. Thus the aspiration level influences performance and vice versa. Stedry, Becker and Gree, Child, Whiting and others also endorsed the viewpoint.¹² Behavioural scientists like McGregor, Likert, Argyris and Locke recommended participation in task goal setting and decision making.¹³ Participation is stressed as it results in better performance. It is the outcome of good communication, control and motivation fostered by participation. V.H. Vroom¹⁴ found that productivity was higher when participation was viewed as legitimate, but lower when it was viewed as not legitimate. Searfoss and Monczka¹⁵ viewed that perceived participation in budget process and motivation to attain the budget are positively related. Ken Milani studied foreman participation in budget setting and its relationship to performance, attitudes towards the job and the firm.

Frank Collins¹⁶ supported the correlation of participatory budgeting and positive response attitudes. Swieringa and Moncur also found higher need satisfaction among managers who were consulted on their budgets than those who were not consulted. Izzetin Kenis¹⁷ also found that participation and goal clarity had significant influence on budgetary performance of managers.

Virtually participation in the process of budgeting results in acceptance of budget, improves the quality of budget, motivation towards the achievement of targets and use of budgetary information by the managers. Participative budgeting needs to be introduced in our public and private enterprises to strengthen participation and acceptance of budgets to face the challenging situation of market economy.

The experience of the Managers relating to budgetary control practices in the jute, sugar, cotton, sericulture and paper mills in Bangladesh shows that the functional budgets, financial budgets and

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master budgets remain far from attainment due to internal and external factors. The similar idea is also endorsed by M.A. Hye in his doctoral thesis entitled "Acceptance and use of Budget by Managers of Nationalised Industrial Enterprises in Bangladesh" and another study on "Tools and Techniques Used in Profit Planning and Control System of Public Cotton Textile Enterprises in Bangladesh".¹⁸ The internal factors are mechanical troubles, shortage of spare parts, shortage of raw materials, labour absenteeism, lack of co-operation of the trade union workers etc. The external factors are business threats like smuggling, unfair competition with imported items, technological change, unfair competition in international market etc. Once our enterprises are capable of implementing the financial and operating budgets, maximisation of production, sales, earnings, cash flow and value added would be available and this some how depends on motivational aspects of preparation and implementation, feedback and corrective action of the budgets. In the Fifth Five Year Plan, we have pragmatic approaches towards industrialization through developing privatisation and denationalisation. Finance and accounting staffs of the business plant need to be more trained up in human relation skills as to ensure wide participation of managers and supervisors in preparation and application of budget. This will uncover the internal weakness and disincentives, improve their morale and attitude towards target attainment and organisational effectiveness will also improve. A.N. Siddique¹⁹ concludes that organisation is play ground, budget as well as budgetary control is the charted course towards goal-post and Accountant along with his team members is to play the role of scorer. Empirical research studies are the crying needs as to locate the deficiencies of the budgetary practice prevailing in our enterprises and possible ways of removing the deficiencies can be prescribed accordingly. The remarks and findings of the international authors are also more contributory for our management personnel.

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¹⁹Siddique, A.N., "Organisation Budgeting and Accountant", *The Cost and Management*, Oct.-Dec., 1979, pp. 31-34.

STUDY OF SOME POPULATION MODELS ON AGED POPULATION OF BANGLADESH

Md. Ripter Hossain*

Abstract

In this piece of work five models viz. Exponential, Modified exponential, Geometric, Makeham's and Logistic model have been used for modeling the aged population of Bangladesh. The exponential growth model is more appropriate for modeling the aged population of Bangladesh. Further projection has been done for aged population of Bangladesh for 2001-2051 as per fitted Exponential, Geometric and Makeham's models.

Introduction

The old segment in the population represents an important subset of the aggregate population and the elderly as a separate and identifiable group with their own specific needs has emerged as an issue quite recently. Our empirical knowledge about the sub-population in the developing countries is however limited till now. But even for these countries we know the size of the elderly population has increased significantly in absolute terms.

Until very recently, in developing countries like Bangladesh, problems associated with aging were generally perceived as issues to be considered and resolved at the level of the individual or family concerned. But now as the number of the total population represented by the elderly is rapidly increasing and the system of joint family has been changing to prefer a new system of nuclear family of husband-wife and unmarried children, the process of aging of population is making significant problems and consequently the issues such as public health measures, dependency ratios are required to be addressed by the policy makers in entirely different perspectives.

Aging is one of the emerging problems of Bangladesh. This problem gradually rising up with its far reaching consequences. With the advancement of medical science and public health care services and other

* Assistant Professor, Department of Statistics, Rajshahi University.

technological development, the length of life becomes more than double in present century. It has increased from 24 in 1901 to 56 years in 1988 (Sattar, 1992). With the rise of longevity the number of elderly population are increasing.

Bangladesh is probably passing in the second phase of its demographic transition. It is apprehended that population aging is gradually emerging as a problem in the country. Nevertheless, research on population aging is getting gradual momentum (e.g. see Sattar and Rahman, 1993; Kabir, 1987, 1992 and 1993; Rahman, 1991; Misbah, 1984; Abedin 1996). Recently under the auspices of ESCAP a series of surveys have been conducted in six countries including Bangladesh for the purpose of local level policy development to deal with the consequences of population aging of the country (ESCAP, 1994). The study address several issues related to the aged population but not amenable for generalization. There is a need to investigate the aging situation and its consequences in perspectives of overall development process in the country.

While viewing through such demographic transition it is rationale to consider the population structure leading to growing segment of elderly population in the coming decade. Hence, aone of the major issue in future of any country might be that of old age even though this problem in Bangladesh has been widely noticed yet. Because, first the life expectancy of Bangladeshi is still high and secondly the socio-economic conditions of old population which comprises of 5.4 percent (1991 Population Census) is in a measurable condition.

Population is a resource if it can be planned and utilized properly. Both under-population and over-population hamper the over all national development and are problems to the countries in question. Under-population fails to supply the necessary labour force for the national development, whereas, over-populated countries are facing acute problems to feed their hungry mouths. Hence, every nation of the day is to maintain an optimum population a balance between the two. To maintain an optimum population it is necessary to mould the trend of present population growth to the desired one, consistent with the available resources. To achieve the desired objective, the present trend of population and its important differentials must be thoroughly studied so that it is possible to plan a definite population with time.

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Perhaps the most valuable aspects of the demographic study of human population is the past, present and future population growth by age. National censuses, the most important source of data on the size, structure, and distribution of population are usually carried at decennial interval of time. They involve a great deal of planning, enumeration, compilation, analysis, publication and require tremendous expenditure in terms of money and manpower. Also, they require considerable time to make available the details of information collected at a certain point of time. The national government need the most upto date information about the size and structure of population so as to make reasonable plans of development for the present and the future. Moreover, the records of fertility, mortality, nuptiality and morbidity which are collected on yearly basis, also require the current estimates of denominator data to compute the rates of these events and to analyze their differentials and trends. The governments and demographers are not the only groups of users of population estimates; trade unions, social service organizations, university and other social research centres, market research analysts and business organizations often do need these estimates. Estimates of future population and more specifically projections do help the planners by providing magnified image of the consequences of current trends, to guide them for taking appropriate actions.

The current estimates make use of actual postcensal data from the recent past in the form of vital statistics, tabulations from population registers, or statistics that are merely correlated with population change. Where there are no such data, the current estimate reduces methodologically to a short-range projection; but even here account could be taken of qualitative information concerning, for example, a natural disaster, war, famine, epidemic, or mass migration. Conventionally, projections into the future make no attempt to speculate about such possibilities because they are essentially unforeseen.

Although we think of projections as applying to future population, the projection may also be into the past. There is sometimes interest in historical figures for dates preceding the first census. One way of making such a "precensal" estimate is to project the population backward by essentially the same techniques that are used for making forward projections.

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Population projections, then, are essentially concerned with future growth. They may be prepared for the total population of nations, their principal geographic subdivisions, or specific localities within them. Projections may also be prepared for residence classes, such as urban and rural population and size of locality classes. The principal characteristics for which projections need to be made are age and sex. In this piece of work the structures of aged population by sex are projection for Bangladesh.

Historical Population of Bangladesh

Proclamation of British Imperial Rule in 1857 portend the modern times in India. From this times, preventive measures against natural calamities like flood, draught, cyclone, famine, etc. along with western medical devices began to develop. As a result, death rate began to decline but birth rate remained unaltered causing a slow but steady growth rate (Percival Spear, 1967). Difference in the population figures of 1855 and 1867 for Bangladesh indicates this (Statistical Abstract, 1870). The famine of 1869 over Cooch Bihar and Orissa affected the northern districts of Bangladesh causing a remarkable decrease in the population figures (Hunter, 1870). Between 1941 and 1945, as part of undivided India and its eastern border province, Bangladesh came nearest to the theatre of war in the east, and suffered the major impact of the ensuing Great Bengal Famine of 1943. On partition in 1947, riots and the movements of millions of refugees across the Indian and East Pakistan border took a heavy toll of the population. Bangladesh (as East Pakistan) was further ravaged by some of the worst recent cyclones and floods, and more recently by military action during the beginning of the 1970s. Table - 1 represent the population growth of Bangladesh, 1901-1991. The table shows that in 1901 the population of the territory now under Bangladesh was 28.92 million, which rose to 44.17 million in 1951. This means an increase of 0.90 percent per annum during 1901-51. In 1961, 1974, 1981 and 1991 the population size was 55.22 million, 76.39 million, 89.91 million and 111.45 million respectively. The annual increments remained 0.50% during 1941-1951, 2.26% during 1951-1961, 2.48% during 1961-1974, 2.35% during 1974-1981 and 2.17% during 1981-1991 respectively. In 1995 the population size of Bangladesh was estimated to be about 119.96 million. If the present rate of population growth of about 2.13% per annum continues, the estimated population will be 150 million at the end of the century (BBS, 1995).

Study of Some Population Models

Table - 1
Population Growth of Bangladesh, 1911-1991

Year	Total Population (in million)	% Annual Increase
1901	28.92	--
1911	31.36	0.94
1921	33.25	0.60
1931	35.61	0.74
1941	41.99	1.70
1951	44.17	0.50
1961	55.22	2.26
1974	76.39	2.48
1981	89.91	2.35
1991	111.45	2.17

Source: Bangladesh Population Census 1991, BBS, Dhaka, Bangladesh, p. 43.

The Table-2 shows the population of Bangladesh by broad age group from 1911 to 1991. The table reveals that the number of aged population is increasing rapidly since 1941.

Table - 2
Population of Bangladesh by Broad Age Group
1911-1991 (Population in thousand)

Year	0-14	15-59	60+
1911	13348	16819	1387
1921	14067	17824	1364
1931	14918	19547	1139
1941	17387	23141	1470
1951	18638	23585	1845
1961	25458	26893	2644
1974	33212	31900	4074
1981	41899	42978	5034
1991	50378	55059	6021

Source: Same as Table - 1.

The aged population of Bangladesh are plotted in Figure-1. The figure indicates a nonlinear relationship between time and aged population of Bangladesh. Non-linear models like Exponential growth model, Modified exponential growth model, Geometric growth model, Makeham's model, Logistic model may be tried for adequate fitting. The methodology for fitting these models are given below:

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Methodology

(a) Exponential growth model

Exponential functions are the class of mathematical equations useful in interpolation and extrapolation of series of data. This class of curves is important in connection with the measurement and analysis of population growth. Exponential equations are used for many other demographic purposes. An exponential function is one in which one or more of the variables is expressed as a power of some parameter or constant in the formula. Exponential functions take many forms as indicated below.

The exponential growth function is

$$P_t = P_0 e^{rt}$$

where P_0 is the initial population

t is the period of time over which growth occurs

r is the growth rate per unit of time

e is the base of the system of natural logarithms

P_t is the population at time t .

Exponential function fitted to the aged population of Bangladesh enumerated at censuses from 1911-1991 gives

$$P_t = 5034e^{0.0179t}$$

(b) Modified exponential growth model

Modified exponential growth function is

$$P_t = P_0 e^{rt} + c$$

where c is a unknown parameter.

Thus the modified exponential growth function fitted to the aged population of Bangladesh enumerated at censuses from 1911-1991 gives

$$P_t = (1796.349)e^{(0.14495)t} + (1229.52)$$

(c) Geometric growth model

The simple geometric curve is a special case of the power function. In the geometric curve the given P_t values form a geometric progression while the corresponding t value form an arithmetic progression. The geometric growth function is

$$P_t = P_0 (1 + r)^t$$

Thus the geometric growth function fitted to the aged population of Bangladesh enumerated at censuses from 1911-1991 gives

$$P_t = 5034 (1 + 0.018)^t$$

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(d) Makeham's model

This classical model of population growth reproduces the observed population more less well. Consider the model

$$P_t = a + bc^t$$

Fitting of the Makeham's model is a complicated task. It involves the estimation of three parameters a , b and c . Therefore the Makeham's model fitted to the aged population of Bangladesh enumerated at censuses from 1911-1991 gives

$$P_t = (1618.0247) + (125.8335)(1.60879)^t$$

(e) Logistic model

This popular model fit the past population more closely than Makeham's model. Fitting a logistic curve is a more complicated procedure and requires a greater number of observations covering a longer period. At the same time, it is useful for projection over a greater period of years than simple geometric procedures, particularly if the past series has reached the point of inflection. This form of projection over comes a principal weakness in the use of the geometric rate, namely, the possibility of obtaining extremely large population figures after a short period. Assuming the logistic model to be

$$P_t = \frac{K}{1 + be^{-at}}$$

where t is the number of years, a and b are constants, e is the base of the natural system of logarithms, and K is the upper asymptote.

Therefore the equation of the Logistic curve fitted to the aged population of Bangladesh enumerated at censuses from 1911-1991 gives

$$P_t = \frac{629.83}{1 + (-0.4668)e^{0.08725t}}$$

Results and Discussion

The estimated values of aged population of Bangladesh applying various mathematical methods are summarized in Table-3. From the table it is observed that the use of different growth functions yield quite different estimates of the aged population Bangladesh.

Table - 3
Aged Population (60+) of Bangladesh, 1911-1991

Year	Census Populations (000)	Estimated Population (000)				
		Exponential model	Modified exponential	Geometric model	Logistic model	Makeham's model
1911	1387	1202	1490	1208	650	1744
1921	1564	1438	1756	1444	651	1821
1931	1139	1726	2911	1726	632	1941
1941	1470	2087	2271	2063	634	2142
1951	1845	2460	2531	2466	639	2461
1961	2644	2943	2792	2948	652	2974
1971	3519*	3519	2874	3523	685	3800
1974	4074	3713	3052	3717	704	4134
1981	5034	4269	3313	4212	782	5128
1991	6021	5125	3473	5125	1284	7265

*Own estimate.

Now the observed values and the estimated values using various methods are plotted in Figure - 2. From this figure it is difficult to say which of the techniques used could provide the best estimates, as the same indicates that the exponential growth function or the geometric growth function may be suitable fit for the aged population of Bangladesh. As the said figure could not suggest specifically which technique is the best, Mean deviation and Chi-square statistic has been used (in table-4) to examine which one is the best model for aged population of Bangladesh.

Table - 4
Calculated Mean Deviation and Chi-square Statistic

Methods	Mean deviation	Chi-square statistic
Exponential	491.444	933.628
Modified exponential	909.667	3860.125
Geometric	493.222	940.132
Makeham's	515.000	1138.349
Logistic	2043.333	68359.790

The table reveals that both the mean deviation and the Chi-square statistic are found to be minimum for exponential growth function. Thus it appears that the exponential growth function is more appropriate than others for modeling aged population of Bangladesh. However, since we are dealing with time series data, there is a strong possibility that the errors might be autocorrelated. The error structure of the exponential model presented in this paper indicates that errors might be autocorrelated as it was shown by Koutsoyiannis (1977).

Table-5 summarizes the results of projections through various suitable mathematical models of the aged population growth of Bangladesh, 1911-2051 and Figure-3 presents their graphical view.

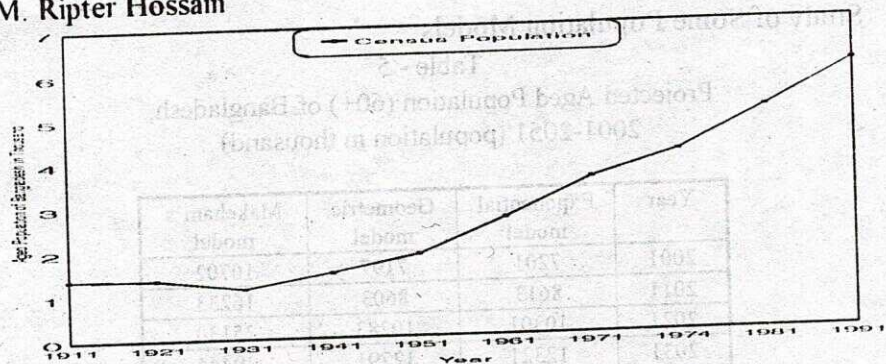


Figure-1: Aged Population of Bangladesh, 1911-1991

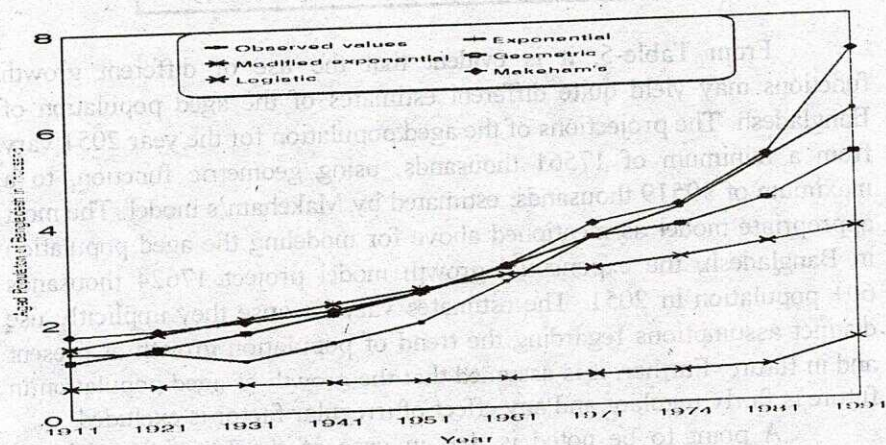


Figure-2: Observed and estimated Aged Population of Bangladesh, 1911-1991

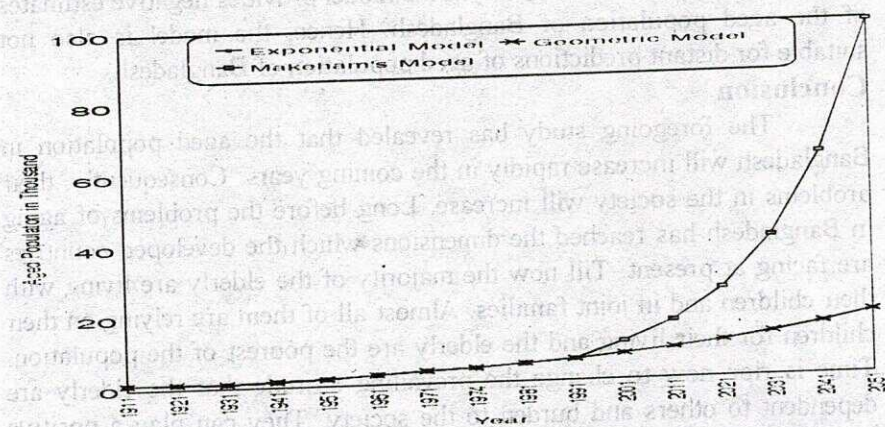


Figure-3: Aged Population of Bangladesh, 1911-2051

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Table - 5

Projected Aged Population (60+) of Bangladesh,
2001-2051 (population in thousand)

Year	Exponential model	Geometric model	Makeham's model
2001	7201	7197	10702
2011	8613	8603	16233
2021	10301	10283	25130
2031	12321	12291	39444
2041	14735	14691	62472
2051	17624	17561	99519

From Table-5, it is evident that the use of different growth functions may yield quite different estimates of the aged population of Bangladesh. The projections of the aged population for the year 2051 vary from a minimum of 17561 thousands, using geometric function, to a maximum of 99519 thousands, estimated by Makeham's model. The most appropriate model as mentioned above for modeling the aged population in Bangladesh, the exponential growth model project 17624 thousands 60+ population in 2051. The estimates vary because they implicitly use distinct assumptions regarding the trend of population growth at present and in future. Further, it is assumed that the growth of aged population in future is fairly regular and any effect of irregular factor is excluded.

A point to be noted is that in case of the logistic model, the limitation of the model with respect to available data is that its point of inflection is found to be imaginary. This model provides negative estimates of the aged population of Bangladesh. Hence, the model is also not suitable for distant predictions of aged population of Bangladesh.

Conclusion

The foregoing study has revealed that the aged population in Bangladesh will increase rapidly in the coming years. Consequently, their problems in the society will increase. Long before the problems of aging in Bangladesh has reached the dimensions which the developed countries are facing at present. Till now the majority of the elderly are living with their children and in joint families. Almost all of them are relying on their children for their living and the elderly are the poorest of the population. Time is ripe now to change the prevailing attitude that the elderly are dependent to others and burden to the society. They can play a positive

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role in the socio-economic development of the country. We should utilize their productivity and wisdom for our nation building. The Government, NGOs, communities, families, and the policy planners should pay attention in this regard. It is our expectation that there should be several in-depth and extensive research studies on continuous basis on the elderly population in Bangladesh and in the light of all these research findings appropriate measures will be taken.

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JUDICIAL REVIEW: THEORY AND PRACTICES IN BANGLADESH

Syed Kamal Mostafa*

ABSTRACT

The gestation and emergence of judicial review in Bangladesh is examined in the article. The political institutions and history of the nation have been profoundly influenced by Supreme Court's exercise of the power of judicial review. Provisions of constitution relating to judicial review, judgements of the Supreme Court regarding laws, rules, orders and amendment of the constitution are analysed. Constitutional restrictions and maxims of self-imposed limitations on judicial review and constitutional weaknesses of the Supreme Court have been pointed out as well. Relevant illustrations from foreign constitutions are also given.

Introduction

The expression "judicial review" is a governmental phenomenon. It is the power exerted by the courts of a country to examine the actions of the legislative, executive and administrative arms of government and ensure that such actions conform to the provisions of the nation's constitution. Actions not so conforming are considered unconstitutional, that is, illegal and of no effect.¹

There was a variety of judicial review in Roman Law.² Britain, where Parliament is supreme, is one of many nations that do not have judicial review. No court can interfere with the proceedings of the Parliament.³ There the present position of judicial review is governed by the provisions of the Supreme Court Act, 1981.⁴ In U.S. such power is not explicitly given by the constitution but rests on the Supreme Court's interpretation of its own authority. Although the intent of the framers of the constitution has long been debated, the question was settled by the decision of the Supreme Court in *Marbury v. Madison* (1803). In that

* Associate Professor, Department of Political Science, Rajshahi University.

celebrated decision, a section of the Judiciary Act of 1789, which authorized the Supreme Court to mandamus officers of the U.S., was held unconstitutional.⁵ Marshall's opinion is universally regarded as the classic justification for judicial review. This article ventures to examine the theory and practices of judicial review as it exists in the Constitution of Bangladesh.

1. Exercise of Judicial Review in Bangladesh

The Supreme Court of Bangladesh has acquired the power of judicial review. In *Jamil Hus v. Bangladesh*, K. Hossain, C.J., remarks:

A combined reading of the provisions (Preamble, Article 7, Article 26(1) and Article 108 of the Bangladesh Constitution) indicates that full judicial power has been conferred by Bangladesh Constitution on the supreme judiciary as an independent organ of the state. It has power to declare a law passed by the legislature inconsistent with the constitution or fundamental rights *ultra vires*. The supreme judiciary has also been conferred with the power of judicial review of executive acts and proceedings of subordinate courts or tribunals under Article 102.

Written constitution provides a standard by which the legitimacy of the government's action is to be judged, and it is the function of the court, which is endowed with the authority of interpreting the constitution. A reference to Article 110, read with Article 103(2)(a) and (3) indicates that the constitution as construed by the Court is the embodiment of the will of the people which is sovereign.⁶

The Supreme Court of Bangladesh has powers to issue writs as well as orders and directions. But the potentialities of the power of judicial review are much more limited, as compared to U.S. This is due to detailed provisions of the Bangladesh Constitution and the easy method of its amendment. The fundamental rights in our constitution are also broadly worded than that in U.S., and limitations thereon have been stated in the constitution itself, and in the strict sense of the expression this task has not been left to the Court. The nature of judicial review in our constitution will be realised from the illustrations given below:

I. An arbitrary retirement from service declared unlawful

In *Dr. Nurul Islam v. Bangladesh* it is stated that the appellant, an eminent physician, was served with a notice retiring him from service. The notice was served in exercise of powers conferred by sub-section (2) of section 9 of the Public Servants (Retirement) Act, 1974. No reason excepting that the appellant completed 25 years of service appeared in the

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notice. There were in the cadre as many as 34 doctors who had completed 25 years' service but none of them had been retired. The question that fell for consideration before the Appellate Division was whether retirement on completing of age of 25 years' service was discriminatory in nature. The Court held that the retirement was ultra vires of the provisions of Articles 27 and 29 of the constitution and that arbitrary and capricious action had been taken against the appellant. The impugned order was declared to be of no lawful authority.⁷

II. Eighth Amendment Act - whether unconstitutional?

In the appeal of Anwar Hossain Chowdhury v. Bangladesh the constitutional validity of the Eighth Amendment of the Bangladesh Constitution, so far as it relates to the amendment of Article 100 of the constitution, was challenged, among others, on the ground that the amendment was beyond the amending power of the Parliament under Article 142 and that by that amendment a basic structure of the constitution was destroyed and that in place of one High Court Division seven Mini-High Courts with mutually exclusive territorial jurisdiction were created rendering thereby the High Court Division totally ineffective and unworkable.

Justice Badrul Haider Chowdhury held that our Parliament has not unlimited power of amendment, because it is the creature of the constitution. By majority judgement the Appellate Division held that the impugned amendment of Article 100 along with constitutional amendment of Article 107 of the constitution was ultra vires and declared to be invalid. Old Article 100 of the constitution was restored along with the sessions of the High Court Division.⁸ The decision has been hailed as a landmark in the constitutional development and judicial history of Bangladesh.

III. Whether Local Government Ordinance, 1991, ultra vires the Constitution?

In Kudrat-e-Elahi v. Bangladesh the constitutional validity of the Bangladesh Local Government (Upazila Parishad and Upazila Administration Reorganization [Repeal] Ordinance, 1991, was challenged on the ground that the Ordinance is inconsistent with Articles 9, 11, 59 and 60 of the Constitution and as such it is void in terms of Article 7(2) of the constitution. The Ordinance abolished the Upazila Parishad. The High Court Division dismissed all the petitions but issued certificate.

Shahabuddin Ahmed, C.J. of the Appellate Division decided,

The system of Local Government institutions may be altered, reorganised or re-structured, and their powers and functions may be enlarged or curtailed by Act of Parliament, but the system as a whole can not be abolished ... The Upazila Parishad established by Ordinance No. 59 of 1982, as it stood amended by Ordinance No. 33 of 1983, is not a Local Government within the meaning of Article 59. This Parishad has been lawfully abolished by the impugned Ordinance of 1991, which has been later on made Act No. 2 of 1992. These are valid laws and not ultra vires the constitution except the words "অধিকার, ক্ষমতা, কর্তৃত্ব, সুবিধাদি" in sub-section 2 of the said Ordinance/Act. Other judges agreed.'

IV. Whether Ghulam Azam a citizen of Bangladesh?

In Professor Ghulam Azam v. Bangladesh it is stated that the petitioner Professor Ghulam Azam, a Bangladeshi citizen by birth, stayed in Pakistan and England against his will. He was disqualified to become a citizen of Bangladesh, though he did not obtain citizenship of any other country. Obtaining visa from Bangladesh Mission in London he arrived in Bangladesh in 1978. He filed an application for registration as a citizen of Bangladesh. He received a notice why he should not be deported and he was given detention too. A.H. Chowdhury, J, having agreed with the judgement delivered by B.I. Chowdhury, J found that the petitioner is a citizen by birth. The notice was declared illegal.¹⁰

The Appellate Division in Bangladesh v. Ghulam Azam held that the concept of citizenship is that of permanent residence and it does not evaporate with the passing of time and it clings to a person wherever he might go. The appellant (govt.) had totally failed to show that the respondent had voluntarily renounced his citizenship or was guilty of conduct as not being qualified to be "deemed citizen of Bangladesh". The judgement of the High Court Division was upheld.¹¹

V. Holding of office of Secretary by a H.C.

Judge – whether constitutional?

In Saleem Ullah v. A. Quddus Chowdhury the holding of the office of Secretary, Ministry of Law and Justice, by a Judge of the High Court Division, was challenged. According to the petitioner, the respondent being a Judge of the High Court can not be appointed as a Secretary to the Ministry, which is a bar as per provisions of Articles 22, 94, 99 and 147 of the Constitution.

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The Court in its judgement held that although the separation of judiciary was one of the fundamental principles of state policy but that can not be enforceable in a Court of Law. It does not speak of any bar on the part of the Judges to perform any other function.

In this connection, the Court echoed the U.S. Chief Justice John Marshall that "it is emphatically the province and duty of the judicial department to say what the law is" and added that the Court can decide cases only on its understanding and interpretation of what the law is and not on the philosophy of what the law should have been.¹²

VI. Whether unauthorized abstention in Parliament legal?

In Anwar Hossain Khan v. Speaker, Jatiya Sangsad, the petitioner challenged the unauthorized abstention of Sheikh Hasina, Moudud Ahmed and Matiur Rahman Nizami in fifth Parliament and sought relief so that the abstaining members might be sent back to the Parliament. The petitioner got a locus standi to file the application in accordance with Article 7 of the Constitution.

The respondents were directed by the Court to attend the Parliament. The Court also ruled that the illegal and unauthorized receipts of salaries, emoluments and allowances by the absentee members of the Parliament without leave was recoverable by appropriate authority upon the process of law.¹³

VII. Sending of troops to Haiti -- whether lawful?

In M. Saleem Ullah v. Bangladesh the petitioner alleged that the decision to send troops to Haiti to help restoration of the elected government there in 1994 is against the Fundamental Principles of State policy, Fundamental Rights and Articles 7, 25, 63 and 141A of the Constitution.

The Court held that the decision of the government had been taken on the principles enunciated in the U.N. Charter and in consonance with the spirit of the Fundamental principles of State Policy and there was no infringement of the Fundamental Right or any provision of the Constitution.¹⁴

VIII. Resignation of seats of Parliament -- whether constitutional?

In Rafique Hossain v. Speaker, Bangladesh Parliament the writ petitions arose out of resignation of seats of Parliament by 147 members of the fifth Parliament. The Court examined its jurisdiction in respect of the action or inaction of the Speaker in the matter of resignation, the relevant provisions of the Constitution and the Rules of Procedure of the Parliament. The Court was of the

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view that action taken by the Speaker or his failure to take action on the resignation letters of 147 members of the Parliament is not sacrosanct from judicial review and Court's jurisdiction is not barred under Article 78(2) of the Constitution to examine the legality of action or inaction of the Speaker if a really aggrieved person complains against the same. Since the petitioner is not an aggrieved person and has no locus standi in the matter before us and the Speaker has not yet taken any action in the matter ... this Rule (also) fails and is discharged."

However, in Special reference No. 1 of 1995 under Article 106 of the Constitution by the President of Bangladesh the Appellate Division gave its advisory opinion in the matter. The Chief Justice said, "If not representing the constituents by one member bears a penalty why should there be reward if it is done by a group of members belonging to a party or parties ... democratic culture is required to be practised by all those who are in the business of politics."¹⁶

IX. Whether the retired Chief Justice disqualified to become the President?

In Abu Bakkar Siddiqui v. Shahabuddin Ahmed the main question is as to whether the retired Chief Justice Shahabuddin Ahmed is disqualified under Article 99(1) of the Constitution to become the President of Bangladesh. The High Court ruled,

We hold that the President of Bangladesh holds office of profit, but it is not an office of profit in the service of the Republic ... Article 99(1) of the Constitution does not debar the former Chief Justice of Bangladesh from being elected as President of Bangladesh and from holding the office of President ... The holders of the offices and posts constitutionally created and controlled do not hold office of profit in the service of the Republic. The election of Justice Shahabuddin Ahmed to the office of the President of Bangladesh is absolutely constitutional and legal."

X. Constitutional validity of Indemnity (Repeal) Act, 1996.

In Shahriar Rashid Khan v. Bangladesh the constitutional validity of the Indemnity (Repeal) Act, 1996, has been challenged. The High Court holds,

Khondokar Moshtaque Ahmed as a President of Bangladesh promulgated this Indemnity Ordinance, 1975, under Article 93(1) of the Constitution, but he did not exercise his power as Martial Law Authority ... So, this Indemnity Ordinance is an ordinary civil legislation and, as such, the same can be amended or

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repealed by ordinary legislation without recourse to Article 142 of the constitution ... Neither the Fourth Schedule nor any other provision of the constitution provides that this Indemnity Ordinance should be treated as a part of the Constitution.

The Court further holds that since there is no provision in the Fourth Schedule or anywhere else in the Constitution that the laws continued and saved under para 3A and 18 would require two-third majority for amendment, the Indemnity Ordinance can be amended or altered or repealed by simple majority members of the Parliament and two-third majority is not at all required for the same. The Court concludes that the Indemnity (Repeal) Act, 1996 is a valid piece of legislation and the Indemnity Ordinance, 1975, is void being ultra vires of the Constitution.¹⁸

Thus, different judgements of the Supreme Court delivered from time to time regarding cases challenging the validity of laws, rules and orders on grounds of violation of rights and provisions of the constitution demonstrate the exercise of the power of judicial review in Bangladesh.

2. Power of Judicial Review - not absolute

In the Constitution of Bangladesh there are provisions in which the power of judicial review has been expressly curtailed and the Court has been precluded to exercise such power and in some cases even by its own interpretation of statutes.

I. Provision of a disciplinary law

Article 45 of the Constitution excludes judicial review of fundamental rights to any provision of a disciplinary law relating to members of a disciplinary force for ensuring the proper discharge of their duties or the maintenance of discipline in that force. This Article is attracted when fundamental right is involved by a member of a disciplined force under Article 102(1) of the Constitution. An analogous provision is found in Article 33 of the Indian Constitution.

In *Colonel Md. Hashmat Ali v. Bangladesh* the Appellate Division holds that a member of disciplined force will not be entitled to any remedy if he is aggrieved by any violation of fundamental rights resulting from application of a disciplinary law for the purpose of ensuring the proper discharge of his duties or the maintenance of discipline in the disciplined force.¹⁹

II. Saving for certain laws

Article 47(1)(a) to (f) excludes the judicial review of certain categories of the laws which are primarily enacted to give effect to any of the fundamental principles of state policy. In *A.T. Mridha v. the State* the High Court Division observes that in part II of the Constitution of Bangladesh the fundamental principles of the state policy are detailed and Article 8 (2) says the principles set out will be fundamental to the governance of Bangladesh but this shall not be judicially enforceable. This part emphasised the future social and economic reforms.²⁰

According to Article 47(2) the constitutional validity of all the laws which have been specified in the First schedule can not be challenged. In the First schedule 27 laws are included. In *A.T. Mridha v. State* it is stated that in the First Schedule a number of pre-constitutional Presidential Orders find mentioned. The framers of the constitution in their wisdom considered it fit to give protection to these laws. Otherwise some of the laws may come within the mischief of Article 26 of the Constitution. Article 47(2) thus protects everything done "under the authority of such law." But if on facts it transpires that the action taken is not "under the authority of such law" such action is not protected.²¹ Articles 31-A and 31-B of the Indian Constitution are similar in line with Article 47 of the Bangladesh Constitution.

III. Inapplicability of certain articles

Clause (3) of Article 47 and clause (I) of Article 47A protect legislation providing for detention, prosecution or punishment of any person, who is a member of any armed or defence or auxiliary forces or who is a prisoner of war, for genocide, crimes against humanity or war crimes and other crimes under international law and denies them any of the remedies under the Constitution of Bangladesh.

IV. Certain authorities not amenable

There is an exclusionary provision in Article 102(5). Any court or tribunal established under a law relating to the defence services of Bangladesh or any disciplined force or a tribunal to which Article 117 applies will not be amenable to the jurisdiction of the High Court Division under Article 102(1) and 102(2) of the Constitution.

In *Fazlur Rahman v. Secretary of Home Affairs* it is stated that a few petitioners (riflemen) were discharged from service by an order of an individual officer. The High Court holds that Article 102(5) comes into play only when a personnel belonging to any disciplined force is dealt with by a Court or Tribunal established under a law relating to any disciplined force. The petitioners were not dealt with by any Court or Tribunal

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established under the Bangladesh Rifles Order, 1974. The Court held that the impugned orders of discharge "can not be sustained."²²

In Ehteshamuddin v. Bangladesh the High Court Division lays down the rule that the superior Courts are competent to examine the propriety of the inferior tribunal, but the position is altogether different in the case of Martial Law Court or Tribunal acting within the ambit of the M.L. Regulations. Of course, when the M.L. Court or Tribunal has acted without jurisdiction or such Court or Tribunal is not properly constituted, that is to say, is *Coram non judice* or has acted mala fide, the power of the superior Courts under Article 102 of the constitution in an appropriate case may be exercised.²³

In Colonel Md. Hashmat Ali v. Bangladesh the Appellate Division holds that a member of any disciplined force of Bangladesh can move, subject to Article 45, the High Court Division for enforcement of fundamental right, but he will not be entitled to any remedy if he is aggrieved (i) by any decision of a court or tribunal established under law relating to the defence services unless that decision is *coram non judice* or mala fide; or (ii) by an order affecting his terms and conditions of service, passed by or by order of the President; (iii) ...²⁴

The case of LR Khurana v. Union of India seems to be relevant here. A Constitution Bench of the Indian Supreme Court held that a person, paid from the defence estimates, could not claim protection under Article 311 of the Indian Constitution.²⁵

V. Administrative tribunals

No court shall entertain any proceedings or matter falling within the jurisdiction of an Administrative Tribunal established under Article 117. In Mujibur Rahman v. Bangladesh it has been held that the decision of the (Administrative) Appellate Tribunal is immune from any review under Article 102 because Article 117 also applies to the Appellate Tribunal.²⁶

The Administrative Tribunals (Amendment) Act, 1991, provides that a person aggrieved by a decision of the Administrative Appellate Tribunal can prefer a petition for leave to appeal before the Appellate Division. That is, provision of Article 103 of the constitution shall apply in relation to the Administrative Tribunal as they apply in relation to the High Court Division.²⁷

VI. Alternative mechanism and emergency provision

Alternative institutional arrangement for judicial review can be made by the Parliament. Under Article 44(2), without prejudice to the

powers of the High Court Division under Article 102, Parliament may by law empower any other court, within the local limits of its jurisdiction to exercise all or any of those powers. Family Court and Rin Adalat are examples. And according to the provision of Article 141 C(1), the power of the Supreme Court to issue writs and to continue pending proceedings for the enforcement of fundamental right may be suspended by the President.

VII. Limitation concerning interpretation

Notwithstanding having jurisdiction, the High Court Division may refuse any remedy to the person aggrieved in view of the nature of the statutes under which he is ruled and seeks a relief.

The case of Major Hafizur Rahman v. Bangladesh is a typical example. The petitioner, a Major, was appointed Deputy Assistant Judge Advocate-General and later on Officiating Advocate-General. But after retirement the respondent cancelled the previous order of his officiating appointment. The question before the High Court was the maintainability of the petition under Article 102 of the constitution. Having conceded that the writ petition was maintainable, the High Court concluded,

...we hold that the petitioner got no legal right to be enforced by this Court. In other words, the petitioner got no cause of action. Absence of cause of action in a particular case should not be confused with the absence of the Court's jurisdiction.²⁸

Absence of cause of action was attributed to the nature of service of the petitioner in which he was in.

Hence the power of judicial review in Bangladesh is not available in absolute terms and this power of the Court has been curtailed through many provisions in the constitution and decisions of the Court.

3. Judicial Self-restraint: Justiciable Questions

There are always procedural techniques available to the Court by which it can avoid having an opinion or rule on embarrassing or difficult issues. Few are chosen for discussion.

I. Advisory opinion

One can, of course, think of many circumstances in which it would be convenient to have an advance opinion from the Supreme Court on the constitutionality of proposed legislation or contemplated executive action. President Washington requested an advisory opinion from the Supreme Court regarding a proposed treaty, but the Court refused the opinion.²⁹ There is also no such provision in the constitution of Australia.

Article 106 of the Bangladesh Constitution, however, gives advisory jurisdiction to the Appellate Division of the Supreme Court. By Special Reference No. I of 1995 (supra), the President of Bangladesh sought to obtain the opinion of the Supreme Court on legal questions arising out of the continuous absence of some members of the Parliament. Constitutions of India (Article 143), Pakistan (Article 186), Sri Lanka (129) and Malaysia (Article 130), among other countries, bear more or less identical provisions.

II. The political question

In a substantial number of instances, the Supreme Court of U.S. has announced its refusal to decide a controversy -- political questions. In *O. Brien v. Brown* (1972) the Supreme Court decided against judicial intervention in contests over the selection of delegates to the Democratic National Convention.³⁰

In *Dulichand Omraolal v. Bangladesh* the Appellate Division holds that as regards arguments of constitutional legitimacy of Yahya Khan, all that need be said is that this is a political question which the Court should refrain from answering, if the validity or legality of the Law could otherwise be decided.³¹

III. Standing to sue

Not every person is entitled to litigate the legality of government action. In order to have standing to maintain such a suit, the petitioner must establish that he has acquired some right which has been adversely affected in the controversy. In 1974 the Supreme Court in *U.S. v. Richardson* held that a tax-payer had no standing to challenge the constitutionality of the act which permits the CIA to account for its expenditures.³²

The expressions a "person aggrieved" and "enforcement of any of the fundamental rights" in Article 102 of the Bangladesh Constitution have narrowed down the scope of writ jurisdiction. In *Mazharul Huq v. Returning Officer* the Appellate Division dismissed an appeal observing "it can not be said that the appellant, a voter, is an "aggrieved person" and has locus standi to move the High Court Division".³³

However, the Court permits the representative proceedings on the ground of Public Interest Litigation. In the case of *Retired Government Employees v. Bangladesh* it is observed that since Bangladesh Retired Government Servants Welfare Association is an association for looking

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after the common interests of all government employees, the association is entitled to ventilate their interests before the Court in the form of public interest litigation.³⁴

IV. No challenge after availing of benefit

The Court refuses to pronounce judgement upon the legality of a statute or action at the instance of a person who has availed himself of the benefits and then proceeds to challenge its legality. In *St. Louis v. Prendergast Co.*, a company connected its premises with a new sewer and availed itself of its benefits. It then turned back and challenged the validity of the statute which provided for a tax levy against recipient of the services. The U.S. Supreme Court held that by availing of the benefits the company could not maintain a suit.³⁵

V. Procedure of exhaustion

Writs are not ordinarily issued where there exists an alternative remedy, equally efficacious and adequate. In accordance with Article 102(2) the High Court Division makes an order "if satisfied that no other equally efficacious remedy is provided by law." This has been the subject matter of a number of decisions. In *Nawab Ali Khondkar v. Aminuddin and Sons* the point raised is as to whether the rule relating to Union Parishad election of Malonchi, Pabna, has been strictly followed or not. The High Court finds

... that an alternative forum is open for the petitioner to place his grievances seeking remedy before the Election Tribunal and hence we are inclined to keep our hands off from deciding the case on merit.

The petition was dismissed.³⁶

VI. Complicated questions of fact

It is a well-known principle that complicated question which needs determination by oral and documentary evidence should not be entertained in a writ jurisdiction. In *Nawab Ali Khondkar v. Aminuddin and Sons* the High Court rules:

We are called upon to decide a complicated question of disputed fact which can be better settled upon evidence appropriately by the Election Tribunal ... In the summary proceeding under Article 102 of the constitution it is neither desirable nor advisable to entertain into merit and record a finding as to a disputed question of fact.³⁷

VII. Unreasonable delay

There is a saying that delay defeats equity. Impugned actions or laws if left unchallenged without reasonable delay may make the situation different. The petitioner must come with all possible expedition. Delivering the final judgement Anwarul Chowdhury, J, in Professor Ghulam Azam v. Bangladesh holds that the Court, however, entertains a petition for writ if the delay is explained to the satisfaction of the Court and it would be examined in the light of the attending facts and circumstances of each case.³⁸

VIII. Presumption of validity of statutes

According to established principle of interpretation constitutionality of a law must be presumed. When two constructions are possible, one invalidating a statute and the other upholding it, the Court is inclined to adopt that which will remove the statute furthest from constitutional infirmity. The Appellate Division in Mujibar Rahman v. Bangladesh remarks that it is a settled rule of construction of statutes that there is a presumption of validity of legislative statutes. The maxim "it is better for a thing to have effect than to be made void" applies more liberally in the case of a constitution. As Gwyer, C.J., said in *Re CP Motor Spirit Taxation Act (FC)* I:

A constitution of Government is a living and organic thing, which of all instruments has the greatest claim to be construed *ultres magis valeat quam pareat*.³⁹

IX. Save the act between two possible interpretations

The fundamental rule of statutory construction is to save and not to destroy. As between two possible interpretations of a statute, by one of which it would be unconstitutional and the other valid, the Court usually adopts that which will save the act. Shahabuddin Ahmed, I, in *Dr. Nurul Islam v. Bangladesh* holds that one of the cardinal principles of interpretation is that a law should be interpreted in such a way that it should be rather saved than destroyed.⁴⁰

X. No imputation of illegal motives to the legislature

The Court does not usually impute improper motives to the legislator. Justice Harlan observed, "the judiciary lacks authority to intervene on the basis of the motives which spurred the exercise of that power."

In the case of *Moshtaque Ahmed v. Bangladesh* the appellant Khondkar Moshtaque Ahmed was convicted by the Special M.L. Court.

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The Appellate Division did not strike down a Martial Law regulation (legislation) as mala fide. But the Court concluded that proceedings were instituted with ulterior purpose and such proceedings were mala fide. The orders of conviction passed on the appellant were quashed.⁴¹

But self-restraint is not the ultimate in judicial wisdom. The Court's primary obligation is not to avoid controversy. The Supreme Court has a duty of self-restraint, but not to the point of denying the guidance on basic problems which its situation equips it to provide.

4. Constitutional Weakness of the Supreme Court

In Bangladesh the Supreme Court has suffered from interference at the cost of judicial review. It has a mauling experience restricting its role as the upholder of fundamental rights. The Fourth Amendment (1975) repealed Article 44 of the constitution and inserted that Parliament may by law establish a constitutional court, tribunal or commission for enforcement of the fundamental rights. This amendment eventually did not survive. But the actual exercise of judicial review was thwarted over and over again by either a Proclamation of Emergency or Martial Law. In 1986 the Constitution was revived and the jurisdiction of the Supreme Court was restored.⁴²

In accordance with Article 95(1) of the constitution the Chief Justice and other judges of the Supreme Court shall be appointed by the President. In appointment of other judges by the President no consultation with the Chief Justice is necessary. In fact, the President is obliged to appoint other judges in accordance with the advice of the Chief Executive, that is, the Prime Minister. An appointment made by the President is not also subject to ratification by the Parliament as in the case of some other countries. Hence the Supreme Court is not safe from political and expedient appointments.⁴³

Retired judges are eligible for appointment to a judicial or quasi-judicial office. They are being appointed as Chairman of Tribunals, such as Labour Appellate Tribunal, Administrative Tribunal. But under the colour of quasi-judicial office a retired judge may be appointed to an executive office also. Opening up of opportunities for appointment after retirement may serve as a temptation and "tamper" with his independence during the concluding period of his service.⁴⁴

The principle of the independence of judiciary is vital for the maintenance of rule of law and judicial review. The government has been proceeding to introduce the bill of independence and separation of the judiciary from the executive as published in the mass media.

The foregoing analysis shows the gestation and final emergence of judicial review in Bangladesh. The political institutions and history of the nation have been profoundly influenced by the Supreme Court's assertion and exercise of the power of judicial review. The Supreme Court has not merely power to read down statutes or to hold executive actions illegal and void but also to strike down laws. It has the power to review and invalidate constitutional amendment. It has become an arbiter to reconcile conflict of jurisdiction. It has been called upon to enforce individual rights and of governmental prerogatives.

In every system of government operating under a written constitution the function of finally determining its meaning must be located in the judiciary which is considered most competent to exercise this function. The Supreme Court is bound by its oath and duty to act so as to keep the provisions of the constitution fully alive and operative, to preserve it in all respects. The power of judicial review must exist in the Supreme Court in order that it may be enabled to interpret the constitution in all its multifarious bearings on the life of the citizens.

Endnotes

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⁴⁵DLR (1993) 464.

¹¹Bangladesh v. Professor Ghulam Azam, 46 DLR (AD) (1994) 192.

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⁴⁷DLR (1995) 42.

⁴⁷DLR (1995) 218.

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⁴⁷DLR (AD) (1995) 111.

⁴⁹DLR (1997) 01.

⁴⁹DLR (1997) 133.

⁴⁷ DLR (AD) (1995) 01; Lt. General (ret.) ASM Nasim was removed in 1996 by the order of the President on allegations of insubordination and mutiny. The High Court observed that the writ petition challenging his retirement or dismissal from the post of Chief of Army Staff is not maintainable. December 9, 1997, *The Daily Star*.

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²⁵ DLR (1973) 335; see also Kazi Mokarram Hossain v. Secretary, Cabinet Affairs; 31 DLR (AD) (1979) 64; Md. Rezaul Huq v. Bangladesh, 28 DLR (1976) 38.

⁴¹ DLR (1989) 459.

³³ DLR (1981) 154; Bangladesh v. Zahangir Hossain, 34 DLR (AD) (1982) 173; Jamil Huq v. Bangladesh, 34 DLR (AD) (1982) 125.

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⁵AIR (SC) (1971) 2111.

⁴⁴ DLR (AD) (1992) 111.

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³⁹44 DLR (AD) (1992) 111; Dr. Nurul Islam v. Bangladesh, 33 DLR (1981) at 253; Chandra Mohan v. State of UP, AIR (SC) (1966) 1987.

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⁴²M. A. Fazal, *Judicial Control of Administrative Action in India, Pakistan and Bangladesh* (Allahabad: The Book Co. Ltd., 1990), p. 22.

⁴³Consultation with the Chief Justice is now a convention which may be ignored.

⁴⁴41 DLR (AD) (1989) 165 at 259.

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URBAN TRANSFORMATION IN SECONDARY TOWNS: STUDY ON A KHULNA CITY FRINGE

Akhter Husain Chaudhury*

Kazi Kamrull Hassan†

Study on Urban Fringe

The matters of rural urban fringe are being studied by the geographers since forties. Later on with the emergence of urban planning as a new field of knowledge the issues of urban fringe became more akin to urban planning. Though the study of urban fringe is not a recent affair but it has become an area of serious discussion among the planners due to the sprawling urban centres and concomitant problems arising out of the nature and dimension of their development. The early geographers confined their studies mostly on the physical aspects of the fringe. But the planners, in view of the potential importance of the fringe land give a more wider and in-depth look into the fringe issues to save them from the crisis of urban degeneration. Despite rapid urbanisation in Bangladesh there is yet to be any serious awareness among the policy makers about the encroaching dangers of uncontrolled urbanisation in fringe areas. The matters of urban planning practices and the implementation of plans face severe questions in Bangladesh. Under such a depressed conditions prevailing in urban planning, urban fringe as a special area of study, remains as neglected area of study. However, urban fringe deserves special care and attention not only for its strategic location from the view point of its potential role in guiding physical growth through creation of a better living environment in land hungry country like Bangladesh.

Rural-Urban Fringe: Conceptualisation

Due to its location and particular spatial and socio-economic attributes it is extremely difficult to give a precise definition of rural-urban fringe. An insight into the words 'rural' and 'urban' may help to conceptualize the position of rural-urban fringe. The word 'rural' commonly denotes to an environment where natural elements dominate over the man-made elements. People earn their living through primary occupations based on land and water resources. In developing countries

* Assistant Professor, Urban and Rural Planning Discipline, Khulna University.

† Research Officer, Finnapp FM International.

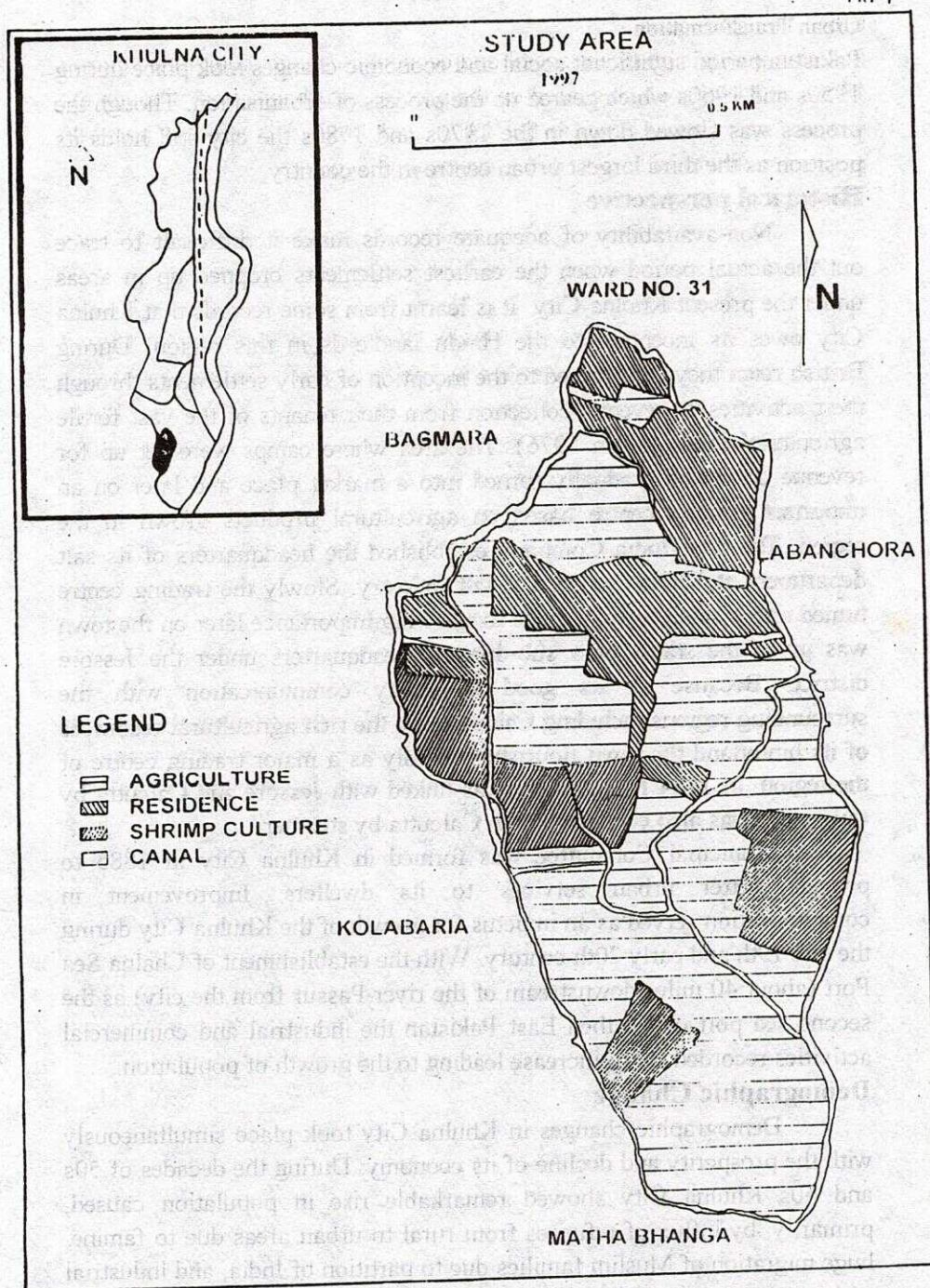
rural areas are particularly characterised by low level of income and education, dependency on land for earning a living, structures built of indigenous materials, absence or limited basic services. The Oxford English Dictionary defines 'rural' as, "living in the country having the standing quality of measures of peasants or country folk, engaged in country occupation, agricultural or pastoral or pertaining to or characteristic of the country or country life as opposed to towns." Aroussean (1921) defined rural population as "those of the sections of the people who are spread over country side and are engaged in the production of primary necessities from the soil." The above definitions make it clear that the inhabitants of rural areas depend on nature for their sustenance. This definitions of rural area aptly applies to the case of Bangladesh. On the other hand the term 'urban' has been derived from the term 'Urbanus', the name given to eight popes (Encyclopedia Britannica). Ratzel (1903) defined city as a continuous and dense agglomeration of people and dwelling occupying a large area and lying at the focus of great trade routes. Rilchthofen (1938) described a town as an organised group in which people are concerned with commerce and industry opposed to agriculture.

Bangladesh Census Commission defined urban area as, "developed areas around (i) an identifiable central place where (ii) amenities, like, metalled roads, communication facilities, electricity, gas, water supply, sewerage, sanitation exist and (iii) which are densely populated and (iv) majority of the population are non-agricultural and (v) where community sense is well developed (Bangladesh Population Census, 1991, Vol. 2, BBS).

When one observes and analyses the elements of rural-urban fringe it becomes difficult to apply any of the above definitions. It is such a place having spectacular characteristic features that it can not be put in either of the above classes. In fact fringe is neither purely urban nor entirely rural but it embraces the characteristics of the both. Actually there is no point in settlement space where rurality ends and urbanity begins and vice versa. Fringe is an intermediate zone of transition where rural urban features are found intermingled and penetrated. As Thakur (1991) points out, "the rural urban fringe, as such, is a smug which resembles neither with the urbanscape nor with villagescape but at the same time corresponds to both."

Urbanisation in Khulna City

Urbanisation, in its true sense, began in Khulna city during British era when trading activities were getting momentum. During



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Pakistan period significant social and economic changes took place during 1950s and 1960s which geared up the process of urbanisation. Though the process was slowed down in the 1970s and 1980s the city still holds its position as the third largest urban centre in the country.

Historical perspective

Non-availability of adequate records make it difficult to trace out the actual period when the earliest settlements cropped up in areas under the present Khulna City. It is learnt from some records that Khulna City owes its inception to the Hindu landlords in this region. During British reign they contributed to the inception of early settlements through their activities of revenue collection from their tenants of the vast fertile agricultural lands (Alam 1976). The area where camps were set up for revenue collection gradually turned into a market place and later on an important trading centre based on agricultural products grown in the region. The East India Company established the headquarters of its salt department at Khulna to control salt industry. Slowly the trading centre turned into a small town. Due to its growing importance later on the town was given the status of a sub-division headquarters under the Jessore district. Because of its good waterway communication with the surrounding regions including Calcutta and the rich agricultural resources of its hinterland the town flourished rapidly as a major trading centre of the region. In 1884 Khulna City was linked with Jessore and Calcutta by railway. It was also connected with Calcutta by steamer.

Municipal Committee was formed in Khulna City in 1885 to provide better urban services to its dwellers. Improvement in communication served as an impetus for growth of the Khulna City during the late 19th and early 20th century. With the establishment of Chalna Sea Port (about 40 miles downstream of the river Passur from the city) as the second sea port of the then East Pakistan the industrial and commercial activities recorded sharp increase leading to the growth of population.

Demographic Change

Demographic changes in Khulna City took place simultaneously with the prosperity and decline of its economy. During the decades of 50s and 60s Khulna City showed remarkable rise in population caused, primarily, by influx of refugees from rural to urban areas due to famine, huge migration of Muslim families due to partition of India, and industrial and commercial proliferation.

Table - 1
Population Growth in Khulna City, 1951-1991

Variable	Year				
	1951	1961	1974	1981	1991
Population	41,049	1,27,970	4,37,304	6,81,000	11,27,000
Growth Rate	2.64	7.06	4.62	2.41	4.20
Population Density/Acre	717	717	2092	2196	2954

Source: Population Census, 1974, 1981 and 1991. Bangladesh Bureau of Statistics.

Table 1 shows the demographic trends in Khulna City between 1951 to 1991. It is observed from the demographic data that there was about 3 times increase in the growth rate between 1951 and 1961. During the period 1951-61 Khulna experienced the greatest urban population growth of 211 per cent (compared to previous year) as compared to 65.2 per cent in Dhaka and 25.6 per cent in Chittagong (CUS, 1976). During mid sixties the population started to decline slowly due to decline in the economic activities. Between 1974 and 1981 the growth rate was the lowest ever (2.41). Again between 1981 and 1991 it started to show rise which is an indication of slow economic recovery. In absolute terms, however, there were steady increase in population. The size of population exceeded 1 lakh in 1961. It became more than four fold within next thirteen years. In 1991 population exceeded 1 million. For long Khulna City was the third largest city of the country and it is holding the same position still.

Dynamics of Economic Growth

With its fertile hinterland Khulna City enjoyed a flourishing agricultural based economy during British period. Certain agro-based industries sprung up in the area at that time based on cotton, salt, sugarcane and indigo. But following industrial revolution in the Europe, industrial goods, particularly from England, flooded the local markets which shook up the very industrial base of the region. Textile and sugar industries were severely affected and finally collapsed. The phenomenal growth of Khulna City since 1951 was largely influenced by its industrial and commercial promotion based on its excellent riverine communication and the newly commissioned sea port at Chalna. Khulna played the leading role in jute export at a time when jute was the most important export item of the country. Large number of jute baling presses were set

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up in Daulatpur area to prepare for export through Chalna Port. A number of jute mills were also established followed by News Print Mill, Hard Board Mill, Shipyard and many other small and medium scale industries mostly based on indigenous raw materials.

Soon Khulna consolidated its position as an important trade and industrial centre of the country. All exports and import items of Khulna and Rajshahi region were handled through Chalna Port. As an immediate impact of the economic prosperity population of the city rose by 211% from 1951 to 1961. Trade and industrial development of the Khulna City was mainly contributed by the non-Bengalees mostly coming from Indian region following partition of India in 1947. Local people did not only lack in business background and entrepreneurship but also in capital. Investment by Bengalees began to come forward from 60s and was geared up following liberation in 1971. The city's economy suffered serious set back during the war of liberation. Non-Bengalee business community left the country creating a serious vacuum in the economy. Major industries were nationalised but they failed to produce effective results. Well to do entrepreneurs refrained from investment for fear of nationalisation. Overseas jute market dwindled causing depression in local jute market. Gradually depression spread all over the economy and large number of industries and business concerns were shut down. Rate of unemployment increased and between 1974 and 1981 population growth rate declined to 2.41, the lowest ever in the city's demographic history. But during the period of 80s the conomy started to show the sign of recovery again and which still continues with slow pace.

Current City Boundaries and Fringe Areas

Presently Khulna city has virtually three urban boundaries - Khulna City Corporation (KCC) administers over an area of 45.65 sq. km and has a population of 9,21,365 (BBS, 1991). KCC area is divided into 31 wards. Statistical Metropolitan Area (SMA) is the metropolitan boundary of Khulna City fixed by BBS. This area accommodates 10,01,825 population (BBS, 1991). Khulna Development Authority (KDA), the planning and development agency of Khulna City, exercises control over 181.44 sq. km covering KCC and its adjoining areas.

Khulna is a linear city extending along north-south shaped by the communication route and availability of buildable land. On the east the river Rupsha and the river Bhairab interrupt its contiguous eastward growth. Across the rivers there are vast high buildable land of peri-urban nature. A segment of the north-western part of the city is fringed by Beel

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Dakatia and the rest of the western part by khal, river and vast crop land across these water channels. Beels are permanent water bodies that restrict spontaneous urban expansion. Crop land areas are comparatively easier to penetrate with small filling. On the south the city is fringed by rural landscape of Batiaghata thana. On the north the municipal boundary is joined by the large rural hinter land and transitional high lands along Khulna-Jessore highway. There are differences in characteristics of various fringes of Khulna City. The fringe on the eastern side across the river Bhairab and the Rupsha exhibit more likely extension of the city primarily due to two main reasons,

- ☞ availability of buildable land, and
- ☞ proximity from the main activity areas of the city.

Besides port, the important business and commercial areas of the city, like, Daulatpur, Khalispur, Boro Bazar, Natun Bazar and the main office areas are situated on the city part across the rivers. Large peri-urban settlements have cropped up opposite these areas across the rivers. These peri-urban settlement provide cheap housing facilities mainly to the working class people. Though outside the municipal area these places enjoy power supply and tolerable standard road facilities in addition to water way communication. But its process of growth has not been fast due to absence of a bridge. These areas are devoid also of KDA development programmes and basic municipal services. The west and southern parts of the city primarily accommodate housing areas and the process of transition in the fringe areas on these parts is comparatively faster.

Harintana: Location and Environs

Harintana is a fringe village of Khulna City situated on its southern periphery. It is a village under the Jalma Union of Batiaghata Thana of Khulna District (Fig. 01). Basically Khulna City is surrounded by low lying beels on the south-west and north-west. These places are not easy to convert into buildable land. It is one of the major reasons why the city took a linear shape extending towards north where high lands are available. Harintana enjoys the advantage of being situated on a comparatively higher land. This physical advantage is major reason for the fast growth of the area. The average contour level of the area is around 2 to 4 ft. Above MSL, while that of the main city is 5 to 6 ft. Five canals crisscross Harintana, finally falling into the river Rupsha. These canals give the advantage of natural drainage to the area. Due to its low level minimum 5 ft. filling becomes necessary to keep the homesteads free from flood risk and routine river tide. The place is next to the south of

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Ward No. 31 of Khulna City Corporation. The study area falls within the coverage of 1961 master plan of the city where it is earmarked as an industrial zone.

Beginning of Habitation

Land use conversion in Harintana began about 210 years back when a few outside people bought land and began to erect structures scatteredly on agricultural lands. The area is still in the process of transformation and due to its close proximity to the city built up areas and the process is faster here than any other fringe area of the city. Before residential use all the lands were under agriculture. Most lands produced two crops a year. There has been rapid transformation during last two decades. Yet above 60% of the area still remains under agriculture or non-urban use. Most of the newly settled lands are already sold to 2nd or 3rd party. The built up area is occupied by residential structures, mostly semi-pucca and kutchha. Only a handful of structures are permanent. The nature of construction of structures clearly indicate the dominance of lower-middle and lower income groups in the area.

Land Issues

The urban proliferation is fundamentally based on land. All the processes of development, expansion, invasion and succession takes place centering land.

Land Transfer

Field survey (March 1997) on new settlers indicates that about 25 per cent of the plots were transferred in 1971 that is more than 25 years back. About 27 per cent bought their lands between 8 to 15 years ago while about 18 per cent purchased during last 7 years. Only about 3 per cent plots have been found to have been acquired during last 3 years. Rest of the plots that is 52 per cent belong to the original land owners of the area. One of the important reasons for rising demand for land in the area is due to its location close to the built up municipal area. The land price has further accentuated because of recent improvement in communication between Harintana and the adjacent municipal area through construction of a bridge over a *khal* that separated the two areas for long.

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Land Sub-division

Since the area is dominated by low and lower middle income households the plot sizes of the land owners are as such smaller. About 75 per cent of the plots are found to be 5 katha (about 350 sq. meters) or less. About 15 per cent have plot sizes between 5 to 7 katha. Only 10 per cent have above 7 katha plots. Some of these land owners are the original farm families of the area still holding their land. Obviously the quantum of land occupied by original owners is much greater which include farm land apart from homesteads. The original land holdings of the area have been divided and sub-divided through sale, resale and inheritance processes. The process of sub-division has been further augmented due to constant rise in land value.

Land Value

Land value in main residential areas of the village shows major changes during last 25 years. Land value however, varies from location to location depending on topography, accessibility, access to services etc. Since the north-easter part of the village is most suitable for habitation due to above factors there is higher demand for land in this part. Survey among the residents of the area who purchased land during last 25 years reveals the following picture of land value change.

Table - 2
Residential Land Value Change

Period (Year)	Price of Land (Tk./Katha)	Number of Sample	Percent of change compared to previous period
1970-75	Tk. 400	3	-
1975-80	Tk. 1,000	2	150
1980-85	Tk. 3,000	18	200
1985-90	Tk. 25,000	20	233
1990-95	Tk. 40,000	7	60
Total		50	-

Source: Mahmud 1997.

The land that fetched Tk. 400/- katha in 1970-75 rose to Tk. 40,000 by 1990-95 which is about 4000 per cent increase over a period of 25 years.

The Housing Development

Housing is the most dominant land use development which takes place in the process of transition. In fact it is the prime necessity originating from the urban citizenry which augments urbanisation in rural-urban fringe areas. There are various components of housing development and each is accomplished in a different way by the settlers in the fringe.

Land Development

The first step towards housing is land development. Due to flood risk and drainage congestion there is a common practice among the housing land owners to raise their land beyond the normal flood level. Land in Harintana was originally agricultural land and as such comparatively lower in level than the adjacent municipal areas. Usually adjacent road level is taken as the standard height. The earth for filling and or raising land is usually collected from far off places. Bad communication makes the job more difficult for the Harintana people. There is a major canal flowing north-south. The land owners closed to the canal enjoy the advantage of cheaper transportation. The lands away from the canal have to pay extra charges for carrying earth to their homesteads. The road communication is beyond tolerable level and is not suitable for carrying goods like earth. The average plinth level of houses have been found 5 ft. above the flood level. It is observed that houses with rural characteristics have raised the plinth of the houses only and not the enclosed or internal courtyard, while the pucca houses have their entire plinth level raised above flood level. These contrasts exhibit the differences in affordability of the land owners. Most households carry on land development in phases spanning over several years. This particularly happens for those who intend to build a pucca structure. For such constructions allowance of sufficient time is needed for settling down in the filled earth. Others just can not afford to build a house with entire down payment of the cost of land development and construction.

The cost of land as well as development was low till 1970. The costs started show steady rise following liberation when there was a sudden rise in urban population as well as the general price index.

Structure Type

Most structures in newly settled areas are of temporary type. Fifty five per cent of the structures are kutchra and built of temporary materials, like, tin, bamboo, golpata. Twenty per cent are semi-pucca and

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23 per cent are fully pucca structures. Almost all the pucca structures are single storey and all have at least 2 storey foundation.

Residence Status

Almost 95 per cent of the houses are occupied by owners themselves. Only 5 per cent have been found rented and a large segment of the rented houses are shared jointly by the owners and the rentees. Lack of infrastructure and basic services are found to be the prime reasons for low number of rentees. However, not to mention that most rentees belong to the low income groups.

Housing Finance

In most cases the source of housing finance come from past savings of the households. Borrowings from friends and relations is also an important source. In many cases households are found to sale their village properties to pay for land purchase and house construction. Except bank employees institutional credit for house construction is either not available or not accessible by the new settlers of the fringe. The House Building Finance Corporation (HBFC) which was a major source of housing finance in Khulna City ceased its credit giving activities during early 90s due to high level of backlog in loan repayment. However, as the study area falls outside the municipal boundary it is not covered by HBFC loan. Bank employees, are perhaps, the most fortunate ones. Bangladesh Bank employees get upto Tk. 11,00,000 housing credit at an interest of 8 per cent. These loans are offered in two parts : (i) for land purchase and (ii) for house construction. Lower level staff get 70 per cent of the loan for land purchase and the rest for house construction. The officers are given 50 per cent for land purchase and the rest for house construction. The repayment of loan spans over several years. Similar programmes also exist for other public sector banks.

As most of the houses in the area are kutchha and semi-pucca their costs of construction are also low. About 38 per cent of the houses were built for less than Tk. 50,000 and 20 per cent between Tk. 50,000 to Tk. 1 lac. Obviously the later category houses are mostly semi-pucca. The costs of constructing pucca houses were above Tk. 6 lac and the floor area of such houses varies between 1200 sft to 2000 sft.

Characteristics of Local Residents

Urban fringe is a place subject to transition through a process of invasion and succession. Not only that physical scenerio and land uses are subject to conversion but also a vivid social transformation is also observed to take place with a rapid pace. Agro-based rural social life

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gradually fades out and a new society imbued with urban cultural traits emerge in the scene. The pace of such transition depends on a wide range of factors like prosperity of the town, availability of buildable land, income level of the residents. With respect to population size, density, social stratification and economic pattern the fringe area households exhibit certain characteristics that make them distinct from either rural or urban community. A survey on the land owning households in the study area reveal that the households predominantly belong to the fixed income groups, like, employees of government and non-government agencies, teachers, bank staff and self-employeds and professionals.

Occupation and Income Pattern

The occupational pattern of the residents exhibit a mixed character dominated by middle and lower middle income classes. The new settlers comprise government Class III and Class IV employees, non-government lower class employees, bank staff, self-employeds, school teachers and professionals. The 50 households surveyed in Harintana shows the following picture of occupational pattern. Due to the nature and level of income the affordability of the new settlers is comparatively lower. Because of high land value they can hardly afford to have a piece of land in the core area of the city. The low priced land in the fringe area with minimum basic services and easy accessibility to the city offer them an opportunity to have access to urban land. About one third of the sample households belong to the lower income government employees. Professionals and self-employeds comprise 40 per cent. About 40 per cent are bank employees and 12 per cent are low paid school teachers. The rest are non-government lower class employees.

Table - 3
Occupational Pattern

Occupation Type	Number	Percent
Government Lower Class Employee	18	36
Non-Government Lower Class Employee	4	8
Bank Staff	7	14
Teacher	6	12
Self-employed	4	18
Professional	11	22
Total	50	100.00

Source: Field Survey, 1997

Table - 4
Income Pattern of the Households

Income/Month	Number of Household	Pattern
1. Below Tk. 1500	1	2
2. Tk. 2000 - Tk. 3000	6	12
3. Tk. 3000 - Tk. 4000	20	40
4. Tk. 4000 - Tk. 5000	13	20
5. Tk. 5000 & above	10	20
Total	50	100.00

Source: Field Survey, 1997.

Income stratification of the resident land owning households show concentration of 60 per cent of the households within the monthly income range of Tk. 3000 to Tk. 5000. Only 2 per cent earn Tk. 1500 and below, while 20 per cent earn above Tk. 5000 a month.

Demography

The study area exhibits some distinct demographic characteristics with respect to density.

Density

According to 1991 census the total population of the village stood at 2657 persons which gives an average density of about 9 persons per acre. The density in Khulna City Corporation area stands at 0.86 persons per. Density varies in different housing areas of the village depending on its character and various facilities and advantages of the area. The high density areas are located in north-eastern and western parts of the village high density areas (Mahmud 1997). Close proximity to the built in municipal area, higher topography and access to services and facilities are the factors that cause higher density in these locations of the village.

Basic Services

Though Harintana is situated close to the municipal area it is severely deficient in most of the basic services just because it is not covered by municipal boundary. Field investigations reveal the following conditions of various urban services.

Water Supply

Harintana people are overwhelmingly dependent on khals for their everyday water requirements. There are only a handful of tubewells which meet their drinking water requirements. There are two categories of tubewells found in the study area. These are, tubewells sunk by the households themselves and the community tubewells provided by the Department of Public Health Engineering (DPHE). About 39 per cent of the households have their own tubewells. The rest of the households collect their daily water from 11 community tubewells provided by DPHE. Besides drinking water requirement is also met from 3 ponds in the village.

Road and Transport

Road facility in the study area is a major handicap for having a good living environment. Due to unorganised and uncoordinated development most of the households are deprived of direct access to feeder roads leading to the municipal area. The village has only one major road with a maximum width about 12 feet which is only partly paved. Field investigations indicate only about 1 per cent of the households are directly connected to fairly wide (4 meter or 12 ft.) roads. The rest of the households use narrow, unsurfaced or earthen roads. For these households moving around during the monsoon and on foot across the fields during dry season. Since none of the roads in the area is paved no road transport is found to operate. As a result circulation in Harintana remains to be a critical problem for the residents.

Sanitation

Khulna City as a whole has no sewerage network. Well to do households use sanitary latrines with septic tank. Low income people also use low cost sanitary latrines with covered pits. Field investigations show only about 28 per cent of the households using septic tank, while rest use pit and kutcha latrines.

Power Supply and Fuel

Harintana is covered by the power supply network of the Power Development Board (PDB). About 80 per cent of the households enjoy power supply facilities. The rest (mostly original and the poorest) of the households still use kerosene for lighting purpose. Fire wood is the predominant cooking fuel material which is a clear indication of their low level of affordability. A sizeable number use kerosene cooker and a small segment use electric heater powered by illegal electric connections. As a

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part of current load shedding programme of PDB Harintana remains out of power supply for 3 to 4 hours a day.

Land Use

Harintana has a total area of 335 (BBS, 1991) acres of land. Land use (Mahmud 1997) shows that about 61 per cent of the land still remains under agricultural use. The areas under housing is expanding fast. About 9 per cent of the land is used for *gher* for shrimp culture. The depressed areas of the village are also used for this purpose.

Table - 5
Existing Land Use

Land Use	Total Area (acre)	Percent of Total Area
Residential	98.78	29.18
Agriculture	203.30	60.69
Pisciculture	31.73	9.47
Others	2.19	0.67
Total	336.00	100.00

Source: Mahmud, 1997.

The Critical Issues of Transition

In the process of transition from rural to urban the fringe areas are observed to give rise to a number of critical issues. In most cases such issues come up as problems that demand immediate mitigation. A few of the critical issues are discussed here.

Accessibility

For any residential area accessibility is the first and the most important issue that needs to take care of. Accessibility is one of the prime factors in determining the value of residential land in urban areas. A residential plot with excellent location and best topography will fetch a lower value if it does not have an access of sufficient width. Even in spontaneously developed areas where self-interest rules the development initiatives accessibility is the single most important element on which individual land owners are found to cooperate with each other. But the main problem with the provision of accessibility in spontaneously growing areas is that they hardly follow any norm or standard with respect to

width and network design, compared to organised housing estates. Either in municipal or in non-municipal area roads in neighbourhoods or *mahallas* are developed by public agencies on space offered by the public irrespective of width. This tendency causes a residential area to remain handicapped for ever if the width is not sufficient enough to serve the circulation needs of the maximum size of population of the area. Not only that low standard roads cause inconvenience in movement but also this remains as a permanent bar to appropriate rise in property value. Various degrees of options can be adopted to resolve accessibility problems of fringe areas. The minimum interference approach would be appropriate to standardise road width within municipal and union parishad areas. Particularly municipalities should adopt the policy of minimum road width that is roads below certain width policy, say 16 feet, should not be taken for development. This would compel the land owners to keep provision for sufficient road width. The Rule 18 (1996) of EBBC Act 1952, determines minimum road width as 12 ft. for approval of building plans. But effective execution of the rule is barely visible in urban centres, not to speak of country as a whole. A more vigorous attempt would be needed to go for comprehensive area development plans with new approach, like, guided land development or land readjustment. Such an approach would necessitate legal amendments and institutional changes in relevant acts and development agencies.

Drainage

Drainage is one of the most critical areas which is very often undermined in the process of urban development. A look back in the history of urban development efforts in this country will clearly show that drainage was one of the least priority sectors of development. As a consequence the urban centres, particularly, the large ones had not only lost many of their valuable natural drainage channels to the hungry land grabbers but also that such activities brought tremendous miseries to urban citizenry due to water logging, drainage congestion and pollution. The early urban settlements of Bangladesh enjoyed ample facilities of natural drainage and at that time the problem of drainage was less acute as it is now. But with the gradual disappearance of natural drainage the problem of drainage congestion started to come up as a critical problem. There are two main reasons for disappearance of natural drainage system, first, rampant development and paving of land surface in urban areas through construction of roads, interrupted natural parcolation of storm water, second, the natural drainage system disappeared either

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through filling by waste disposal or motivated encroachment by land hungry citizens.

The situation is found more critical in bigger cities due to severe pressure of growing population and coverage of land surface by massive development. During initial stages of development drainage projects were not given serious attention and were not considered as priority projects until the problem became intolerable. The criticality of the drainage problem is more severe in spontaneous areas than in planned areas. If the area is outside municipal boundary it is sure that the residents would have to face a lot of miseries until the areas is brought under municipal jurisdiction. There are a number of natural drainage channels in the study area serve tripple purpose for the area: (i) first, they serve as water reservoirs during dry season for irrigation and other household purposes; (ii) second, they serve as cheap transport means, particularly, for carrying goods; (iii) third, they are the only outlets for storm water drainage of the area and a vast municipal area. But in spite of all the benefits derived from the water channels it is apprehended from past experience that with the growing rise in land value a time will come when any of the natural drainage would hardly exist unless appropriate measure are taken to preserve, develop and maintain them. However, as past experience shows the tasks are not that simple for public authorities as it would involve, not only, major policy decision but also a sizeable budget. As an interim solution government can proceed to modify and strengthen legal measures and their enforcement to preserve and maintain natural drainage channels.

Impact of Land Use Change

It is evident from the study area that between 1980 and 199 the coverage of settlement increased from 19.00 acres to 94.78 acres out of the total 335 acres of land area of Harintana village. Before succession into residential use of all the land belonged to agricultural. These lands used to produce mostly paddy and at least two crops a year. Now after conversion into non-agricultural use agricultural output of the village has declined. Since 1980 Harintana has lost about 79 acres of agricultural land to residences (Mahmud 1997). If we assume a bigha (0.33 acre) of land producing 500 kilos of paddy/acre, an acre would be producing 1500 kilos and with two crops a year the total output by an acre of land would be 3000 kilos. In this way the total amount of paddy to be produced by 79 acres would have been 237000 kilos. It means that due to conversion of 79 acres of land into non-agricultural the village is constantly losing 237 metric tones of foodgrain annually. This is not only a net loss to food supply in the face of constantly rising population but is also a pressure on

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the government fund increase food import to bridge the gap unless there is a remarkable vertical expansion of food production.

Environment

It is usual that low income areas are comparatively degraded in environmental considerations. Fringe areas are particularly attractive to the low income people for availability of low cost housing. The habit of cleanliness is the worst among the poorer classes. Besides the fringe areas are devoid of municipal services, like, conservancy and sewerage. All these factors contribute to create a degraded living environment in fringe areas. And as population density rises the problem becomes more acute.

As study shows more than 70 per cent of the households use kutcha latrines which are unhygienic. Many households do not at all have any latrines. They use bush, open area or *khal* bank. Density in the area is still low. But when density will gradually rise there will be pressure on existing water sources. If the facilities do not increase people will be forced to use contaminated surface water from *khal*s and ponds which would endanger community health of the area. As a spontaneously growing area there is hardly any chance of having open space which is so necessary for healthy mental and physical growth of children of the locality and well as for breathing of the dwellers. Unless there is timely intervention the situation will continue to deteriorate causing degradation of living environment of the future generations.

Community Facilities

Every residential neighbourhood needs some community facilities for comfortable and easy living. These include retail and daily shopping service shops, like, laundry, haircut, tailoring, tea stall. Since spontaneously grown areas are not developed in an organised or planned way they initially lack in these facilities. Even in designs of so called planned areas there are not too many examples that all these facilities have been adequately taken care of. In spontaneous areas, due to public demand, these facilities crop up as a natural process. The fringe areas, during initial periods of development, pass a transition period when the residents are devoid of many community facilities. Many of the facilities that are feasible commercially come up gradually with the growth of population but many facilities never develop. Facilities, like park and play ground, community centre, schools do not generate any profit, hence they are considered as public authority's tasks. Union Parishad, the rural local government, usually do not provide or in other words do not have the financial strength to provide all these facilities. The fringe areas with

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much of its urban character has to remain under rural local government for a long and as such devoid of all these facilities. But when these localities are brought under municipality it is found that there is hardly any land available to provide these services and facilities.

Public Sector Intervention and the Role of NGOs and CBOs

Provision of basic services through organised development of fringe areas can possibly be a major step forward to free them from their existing ills. Appropriate intervention by the relevant public sector planning and development agencies can help alleviate the problems of fringe areas. But this would require major policy changes, functional and legal modifications. Because under the existing framework of functions of these agencies there is little scope to cause effective intervention. Besides it would also call for institutional restructuring for carrying out planning, development and management activities. Apart from government agencies NGOs and CBOs can play effective roles in areas, like, planning, community organisation and management of development through participatory approach. But so far no response from NGOs and CBOs in the field of spatial development is visible.

Conclusion

Rural-urban fringe is the most suitable place where there is still a chance to create liveable environment. Extremely low level of physical development offers a great opportunity for organised development and promotion of basic services including open space. In most spontaneously developed areas important urban services are severely lacking. Unorganised development is a major reason for this. In fringe areas there is still a chance to prevent further deterioration. However, it requires strong policy intervention by the government. But in a country like Bangladesh where spatial planning as a whole is yet to draw attention of the decision takers, it is unlikely that fringe area development, in particular, would have any significance to them. However, there is need to create awareness among the people in general and the policy makers. In this respect the professional bodies and community based organisations can play significant roles. With its high population growth on a limited land there is no option for Bangladesh but make best use of its land resources. And sooner the society realizes the fact the better it is for creating a sustainable living environment for future generations.

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STRATEGIC MANAGEMENT: SEARCH FOR PREVENTING BUSINESS FAILURE

Md. Sahjahan Ali*

Reza Hasan Mahmud†

Abstract

Strategic management comprising marketing, finance, production, human resources, research and development activities covers four approaches like bottom up approach, top down approach, internal and external factors are crucial in fixing the functional strategies. Eminent scholars have elaborately identified the need for strategic change in management philosophy in the context of threats, opportunities, strength and weakness of any firm. The major causes of business failure/industrial sickness in Bangladesh are in efficient management, marketing problems, faulty planning and appraisal, technical and technological problems and implementation delay etc. To face the wide industrial sickness in Bangladesh, recommendation of slatter and others would be very much relevant. This requires further studies to develop the strategic management atmosphere in the business enterprises of Bangladesh.

Strategic management is the process of determining how to pursue the organisation's long-term goals though the available resources. Strategies cover goal, market share, return on investment, growth etc., general direction and purpose while strategic plans comprise production plans i.e. what will be produced and how, how funds will be acquired and used, what kinds of skills will be needed and how products/services will be distributed, promoted and sold.¹

Griffin² defines strategic management as a comprehensive and on going management process aimed at formulating and implementing effective strategies which promote a superior alignment between the organisation, its environment and the achievement of strategic goals. Functional strategies are in marketing, finance, production, human resources, research and development. Marketing aspect covers product mix, market position, distribution channels, sales promotion, pricing issues, public policy etc. Finance covers capitalisation structure, debt

* Associate Professor & Chairman, Dept. of Accounting, Islamic University, Kushtia.

† Junior Instructor (Management), Kushtia Polytechnic Institute, Kushtia.

policies, asset management, dividend policies etc. Production refers to quality, productivity, planning, government regulation, location of plant, technology etc. Human resources are related to human resource policies, labor relations government rules, executive development. Research and development consists of product development and diversification, forecasting of technology, patents, licenses etc.

Cliff Bowman³ states that strategic decisions are big decisions, decisions which significantly affect the firm's ability to achieve its objectives, decisions about products to sell in particular market, to build new factory, pay systems, production systems, organisation structure, management style and management promotions. Virtually strategic management is the process of strategic change. Strategic changes arise out of the interaction of objective and subjective conditions. The objective conditions are present and future position of the firm's environment and uses of firm's resources. The environment consists of competitive situation, economic and technological environments, political and social situation facing by the firm. These may be external and internal which are virtually adaptable to systematic presentation. Subjective conditions consist of social, psychological and political factors faced by the firm. Past management decisions, the external environment, formal and informal leadership, structure of the organisation etc. are also relevant, strategies may be grouped into three segments. These are corporate strategy business strategy and operational strategy. Portfolio analysis, decisions for diversifications, primary structure are treated in corporate group. Business strategy and divisional plans are in next group while product market plans, functional and departmental plans are in operational group. In formulating strategy Mclellan and Kelly⁴ mentions four approaches. These are bottom up approach, top down approach, interactive or negotiated approach, and autonomous approach, interactive or negotiated approach, and autonomous approach. Strategy formulation is the interaction of a different perspectives like present conditions, projection for future both internal and external. Economies of scale, product differentiation, capital requirements, switching costs etc. are the major threats while opportunities are market segments, vertical integration, market growth, competitor complacency, demographic changes etc. The internal factors like distinctive competence, cost advantage, quality of management, financial resources, product differentiation, reputation etc. are the strength, while the weakness comprises obsolete facilities, lack of management efficiency, weak image in market, lack of financial resources, competitive disadvantage, lack of

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strategic direction etc. Slatter⁵ recommended the analysis of turn around strategies to face any sort of business failure. This is more relevant for the sick projects in Bangladesh. The major causes of business failure are as follows: Poor management, inadequate financial control, unfair competition, high cost structure, changes in market demand lack of marketing efforts, over trading, financial policy etc.

Slatter also prescribes ten strategies for successful turn arounds. These are change of management, strong central financial control, organisation change and decentralisation, new product market forces, improved marketing, asset reduction, cost reduction strategies, investment strategies, debt restructuring growth via acquisition etc. However slatter recommends eight actions for proper implementation of strategies. These are gain management control, establishment and communication of credibility with stakeholders, assessment of existing management and its replacement in need, evaluation of the business action planning, implementation of organisation change, motivating management and employees and installation of budgetary systems.

R.L. Kemp⁶ in a study on "The Need for strategic Planning in the Public and Nonprofit Sector" highlighted the urgency for strategic change in planning practices through predicting the forces of change, political trend, demographic shift, technology changes and economy factors. Proper planning will help public and nonprofit agencies exploit the future -- by limiting external threats, taking advantage of opportunities, and by being able to respond to issues and problems proactively in a positive manner.

Werner Ketelhohn⁷ in his study on "Re-engineering Strategic Management" states that continuous improvement in strategic management is needed to balance companies business system through understanding the details of how there product and services are made. This requires detailed knowledge and understanding of all the activities involved in manufacturing and delivering the product or service; the time it takes to carry out these activities; their costs under existing and new technologies; the quality obtained with different processes; and the order of precedence among the activities.

P.J. Idenburg⁸ while analysing "Four Styles of Strategy Development" asserts that strategic management is an emerging field within the broad area of management studies. The four views of the strategy development process are rational planning, planning as a guided learning process, logical incrementalism, emergent strategy. One sided

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presentation of goal oriented techniques and models is insufficient. Understanding of the aspects of organisational change, inter-personal and organisational skills, are prerequisite for the success of strategy development.

R. I. Tricker⁹ observes that "Strategy tends to be used in contradistinction to tactics implying longer term thinking, broader horizons and at higher levels of abstraction. Strategy, the conventional wisdom suggests, is formulated at the apex of the organisational pyramid. It is the stuff of boardroom activity". The six stages of strategy are the entrepreneur, budgeting process, long-range planning, market-oriented planning, corporate planning and strategy formulation. The major ways to victory through strategic management are to know when to fight and when not to fight, to know how to match a small force against a large one, to seize every possible advantage or opportunity, and to lead and command.

B. Banerjee¹⁰ thinks that the major causes for sickness are inappropriate management practices, lack of managerial effectiveness, market constraints, supply constraints, and sociopolitical constraints. Mismanagement accounted 52 percent of sickness while faulty planning, operational bottlenecks and infrastructural shortages accounted for 14 percent and 9 percent respectively. According to Reserve Bank of India,¹¹ a sick unit is defined as a unit which has incurred cash losses for one year and in the judgement of the bank, it is likely to continue to incur cash losses for the current year as well as the following year and which has imbalance in its financial structure such as current ratio less than 1:1 and worsening debt-equity ratio. At the DFI level, in Bangladesh the problem is recognised when default in payment of loan instalment starts and continues for two or three consecutive instalments.

A.K.M. Mosharraf Hossain¹² found that during the post liberation period in Bangladesh, there is general mismanagement, failure to make optimum use of the capacity, failure to earn desirable level of profits.

In view of all these recommendations, the researcher thinks that in our Bangladesh, we have many sick projects. Out of a total of 1889 industrial units claiming sickness, 1583 units were identified as sick, in which Tk. 1239 crore were involved as total bank loan outstanding. During 1994-95, the recovery rates of BSB and BSRS stood at only 10 and 11 percent respectively. As on 30th June, 1995 BSB and BSRS had 86 and 79 sick projects which accounted for 13.59 and 47.31 percent of the total projects in their loan portfolios with involvement of Tk. 258.37

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crore and Tk. 202.01 crore as overdues respectively. Inefficient management marketing problem, faculty planning and appraisal, technical and technological problem and implementation delays are the major causes of such sickness.¹³ There is scope to develop strategic management in all these projects utilising the recommendation of slatter and others.

Endnotes

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POLITICS AND DEVELOPMENT OF LOCAL SELF-GOVERNMENT IN BENGAL FROM 1870 TO 1947: AN OVERVIEW

Dr. Md. Moksuder Rahman*

Introduction

The importance of Local Self-Government (LSG) is increasing in every democratic state for its multifarious utilities. Now we have a well organised system of LSG. In the rural areas the Union Parishad, the Thana Parishad and the Zila Parishad and in the urban areas the Municipality and the City Corporation are the tiers of LSG in Bangladesh. It has come to the present form through a long historical development, but the purpose of LSG has not yet been achieved. In this paper I want to discuss the development of LSG from 1870 to 1947 and the politics behind it.

On the basis of the Financial Decentralisation Policy of Lord Mayo a Bill was introduced in the Bengal Legislative Council on January 22, 1870, which later on became the Village Chowkidari Act VI of 1870. According to the provision of the Act the Village Panchayat was constituted in every village, which contained more than 60 households. It was the first step taken by the British Government to establish the unit of LSG in the village areas. The village Panchayat consisted of a Chairman and 3 to 7 members. All were nominated by the Government. The Panchayat was invested with a single responsibility of collecting the Chowkidari tax. Its nominative character, nature of performance of function and ultimately the responsibility to the government proved that it was nothing but a swindle with the people in the name of establishing the unit of LSG in the rural areas. They founded the institution as a stick and carrot policy to secure the loyalty of the emerging rural elite. During the discussion on the Bill, Maharaja Jatindra Mohan Tagore and M.A. Bose, the Member of the Bengal Legislative Council seriously objected about its nominative character.¹ But the government did not pay any heed to them and the problems remained unsolved for years to come. On the basis of the

* Professor, Department of Political Science, Rajshahi University.

Financial Decentralisation Policy of Lord Mayo, the Bengal Road Cess Act was passed in 1871.² It was the first attempt of the government to establish the unit of LSG at the district level. Like the Village Panchayat it was not a representative body, because all the members were nominated by the government. The Deputy Magistrate was its Chairman.

On the basis of the Resolution of Lord Ripon on May 18, 1882, the idea of LSG became popularized. The objectives of the Resolution were to develop the local bodies as the instruments of political and popular education.³ The aim of the resolution was to develop these bodies in order to provide opportunities for training the people in the art of self-government.⁴ The Resolution projected LSG in a different light. Though the primary motive behind decentralisation and creation of LSG in the country had been a financial one, but the liberal outlook of Lord Ripon changed the motive into political education and administrative efficiency. In the Resolution he said that his aim was not primarily to improve the administration but to foster the small beginning of independent political life.⁵ On the basis of the Resolution of Lord Ripon, later on the Bengal Local Self-Government Act III of 1885 came into existence. But this development was not ultimately achieved, it was achieved as the sequel of political demands. Before the formation of the Indian National Congress in 1885 the demands of the people were placed before the government by the prominent individuals.

LSG and Politics (1870-1919)

Sir Sayyid Ahmed Khan was a prominent leader at that time and he fought for the interest of the Muslims. He placed the demand to the government for equitable share for the Muslims in jobs, education and other sectors. He complained to Lord Ripon that in 1871, the proportion of the Muslims to the Hindus in the gazetted posts was one to seven, while in 1880 it fell below one to ten.⁶ He, as a Muslim leader, demanded the due share of the Muslims without any prejudice to anybody.⁷ At the same time he argued for the introduction of LSG and the due share of the Muslims in it.⁸ Lord Ripon's government introduced joint electorate for the election to local self governing bodies. The Muslims found it almost impossible to enter into these bodies through joint electorate.⁹ From 1878 to 1883, when Sayyid Ahmed Khan was an honourable member of the Governor General's Legislative Council, he felt that some sort of safeguards were necessary for the promotion of the interest of the Muslim community. When Lord Ripon was adopting the Resolution on LSG, as a Member of the Legislative Council, he successfully insisted on separate electorate for the Muslims to the local councils.¹⁰ In his speech on January 12, 1883, in

the Legislative Council he strongly demanded for equal share of the minority community in the local bodies.¹¹ He explained that he was one of those who believed that the success of local bodies would, in a great measure, depend upon the extent of independence of power to be conferred upon them. He strongly raised his argument in favour of the minority representation, because he feared that the larger community would totally override the interest of the smaller ones if there is no reservation of seats for them. He therefore, advocated that certain seats on local bodies should be filled by nomination to provide for the representation of all communities. During the period Sir Sayyid met Lord Ripon many times to convey his ideas and Ripon, in fact, was very much influenced by him.

To give effect to Ripon's Resolution, a Bill was introduced in Bengal Legislative Council in February 1883, which after usual discussion became the Bengal Local Self-Government Act III of 1885 on April 4, 1885. The Act created a three tier system of LSG for the rural areas i.e., the Union Committee, the Local Board and the District Board at the Village, Sub-division and the District levels respectively. The Act provided for the election of such number of members as was prescribed by the rules, made for the newly constituted Union Committees. Many of the members opposed the elective principles. Paul, the Advocate General, pointed out that the people had not attained the necessary qualifications to elect the representatives. The elective principles, he was convinced, would not work at all. On the other hand, Kumar Barikuntanath De objected to the provision of the nominative system.¹² Two-thirds of the members of the Local Board were to be indirectly elected by the Members and the Chairmen of the Union Committees. The Chairman would be elected by the members from amongst themselves. But it had no authority to act independently because the Sub-divisional Officer (SDO) could control the Board by various means. Again it was placed under the direct supervision of the District Board. During the discussion on the Bill, Maulvi Mohammad Yusuf argued to give Local Board the power to act freely, but in practice it did not happen. The District Board was the third tier. Not less than half of the total number of members of the Board were to be elected by the members of the Local Boards. The Chairman were to be elected by the members from amongst themselves. But if the Board would fail to elect the Chairman the government could appoint him. In practice, upto 1920, the District Magistrate used to act as the ex-officio member and the Chairman, who played a very dominant role. One thing must be remembered that at the initial stage there was no provision for the constitution of the District Board in the Act of 1885 but due to the strong

argument and demand of Messers Harbans Sahai, Bhudev Babu and other it was formed. But the organisation was not democratic and the activities were not satisfactory. The recommendations of Ripon's Resolution could not be transformed into law.

The principles of election was not extended and the step towards the development of LSG was not allowed to be taken. Tinker said, "Lord Ripon was only the liberal minded and the majority of the others were conservative and supporters of paternal administration'. For this reason his policy was not fully implemented.¹³ The resolution was half- heartedly implemented. The election was not encouraged to develop into a national activity. In fact the right to vote was considered as a matter to please a man in position, because respectable persons thought it an honour to be nominated than to be elected.¹⁴ Like Ripon some others also suggested to give the Indians their proper share in the administration but the British policy in India up to the end of 19th century was the maintenance of law and order by strengthening the administrative and military services.¹⁵

Syed Ameer Ali and his National Mohammadan Association worked as the guardian of the minority interest in every field. In 1883, the Association representing its views to the government of Bengal on the pending Municipal Bill, suggested the lowering of property qualification to enfranchise a large number of the people and to introduce the provision for separate representation and separate electorate for the minority communities. The Association also cautioned the government that if the suggestions were not put into effect the Bill would destroy the minority interest in the local bodies. The Deputation of the Association met Lord Dufferin on November 12, 1887 and drew his attention to the backward conditions of the Muslims. The Association again presented a fare well address to Lord Dufferin and at the same time presented welcome address to Marquis of Lansdowne on December 22, 1888. In all cases they demanded the due share of the minority people in local councils. These representations had greatly influenced the British politicians and administration. From the very beginning Syed Ameer Ali pleaded for the minority demands of separate representations in the local councils. In a debate in the Parliament on Indian Council Bill of 1892, Lord Kimberly argued for the Muslims' interest and put forward the suggestions to give representation to different groups.¹⁶

The progress of LSG was slow for the Administrative Centralisation Policy of Lord Curzon's government (1898-1905). To him the administrative efficiency of all branches of public administration was the first and foremost thing to be taken into consideration. When he

arrived in India, a Bill to reconstitute the Calcutta Corporation was under process in the Bengal Legislative Council. It seemed to him most inadequate. So, he drafted a new measure, under which the elected element of the Corporation was reduced and executive functions were entrusted to a committee with a British majority. According to his opinion it was essential for efficient local government.¹⁷ The development of LSG was started during Ripon's period but at the time of Lord Curzon a system of centralised control was introduced over it and the dominant position of the District officers and the departmental heads was reinforced.¹⁸ In protest to this policy, S.N. Banarjee staged his famous walkout from the Calcutta Corporation in 1899.¹⁹ On November 25, 1905 Lord Minto landed in Bombay to succeed Lord Curzon as the Viceroy. Both of them were conservative but Minto was very much liberal and had disagreed with Curzon on many matters. He believed that there was an urgent need to reduce the burden of the administration by decentralising power and open new channels of communication for expression of the opinion of the people. His views were fully supported by John Morley, the Secretary of State for India on the formation of a new British Liberal Government in January, 1906. The work of liberalisation of administration in India, initiated by Ripon, was carried forward by Lord Morley. To him the British Sway in India did not rest on pride of the sword, it rested upon the art of peace, strict rules and principles of justice, equity, good faith and self-government. He stressed on the importance of LSG, in the better organisation of the administration and desired that under each provincial government there should be a special department for dealing exclusively with local bodies. Morley-Minto Reforms were introduced under the Indian Council Act of 1909. The new law enlarged the Legislative Councils. The members of the Legislative Councils were to be elected through an electorate consisting of members of local bodies and other associations. Separate electorate was provided for the Muslims. The reforms were of particular importance as the members of LSG were intended to act as the Electoral College for the Legislative Council. Both Minto and Morley were sympathetic to introduce the representative system in the administration. With this aim in view in 1907, they appointed a Royal Commission which was shortly named as the Hobhouse Commission. The main objective of the Commission was to give emphasis on self-government. The Commission recommended for the development of the self-government as a device of administrative devolution. The main recommendations were: (a) the Chairman of the local bodies should be an

elective non-official; (b) majority of the members should be elected; (c) the power of taxation should be increased etc.

During the period the development and expansion of LSG was possible due to the political pressure of the Indian National Congress and the Muslim League. In 1906 some prominent Muslim leaders placed the demands of the Muslims for equitable share in LSG bodies. Minto received a Muslim Deputation on October 1, 1906. Thirty five prominent Muslim leaders from all over India gathered in the Ball Room of the Viceroy at Simla. The leader of the team was a young man of 29 years, His Highness the Aga Khan.²⁰ They criticised the existing system of representation in the Municipalities, the District Boards and the Legislative Councils. They claimed that as far as possible, election should be given preference over nomination. They pointed out the insufficient Muslim representation on the Municipalities and the District Boards. They placed their demands before the Viceroy for his kind consideration, for the benefit of the minority people. It was demanded that 'the local authority should in every case be required to specify the number of the Muslims and the Hindus in the body. On the Municipalities and the District Boards the proportion should be determined in accordance with the numerical strength, social status, local influence and special requirements of the either community. They stated that important Muslim landowners, lawyers, merchants and representatives of other important interests, Muslim members of the District Boards and the Municipalities should form the Electoral College for election to the provincial councils. Lord Minto gave the assurance to the Deputation that the political rights and interests of the Muslims as a Community would be safeguarded in any administrative re-organisation with which he would be concerned.²¹

On December 30, 1906 the All India Muslim League was formed and it was the inevitable sequel of that Deputation. The Muslim League was formed to protect and advance the political rights and interests of the Muslims of India and to represent their needs and aspirations to the government. In the manifesto of the Muslim League it was declared,

In principle the Muslim League stands for the very widest extension of Local Self-government on the model of the Parishes and the Communes of the United States. It is not logical or possible to have democracy at the apex sustained by bureaucracy at the base; and in fact democracy should be most extensive where it comes closest in touch with the ordinary life of the common man. In practice this implies that we must train our people for local self-government in all directions so that the decisions which are now bureaucratically taken and executed by Deputy Commissioners and Superintendents

of Police, should be arrived at and taken responsibility for by the elected representatives of the people."

As the leader of the Muslims and the Muslim League the role of Syed Ameer Ali on the development of LSG cannot be overlooked. Even after he settled in England in 1904, he fought for the interests of the Muslims. In an article, he strongly argued for the adequate safeguards of the Muslims. In the draft scheme of Reform, Lord Morley agreed to the principle of separate representation for the Muslims but he did not provide for separate Muslim electorate. He fixed the number of seats for each community to be filled by a Mixed Electoral College. The Muslim League opposed it on December 30, 1908. When the Reform Bill was placed before the Parliament in its original shape, Ameer Ali in a letter in *The Times* in January, 1909, argued for a separate Muslim electorate. For his strong arguments he was invited to see Morley. On January 27, 1909, he led a Deputation and submitted a memorial, demanding for separate Muslim electorate. Bilgramini was one of the members. Morley in company of T.R. Buchanon, Sir A. Godley and Sir C. Lyall received them.²³ They cited the reference that under the existing system of election very few Muslims were elected and the Hindus predominated in all councils and local bodies. Morley was impressed by the advocacy of Ameer Ali and he assured that separate electorate would be conceded to the Muslims.²⁴ Lastly the Morley-Minto reform accepted in 1909 of a separate Muslim electorate in which the election to the seats reserved for the Muslim would be elected by Muslims alone.²⁵ In the resolution of February 3, 1909, the London Branch of All India Muslim League expressed their satisfaction at his Lordship's acceptance of the principle of separate electorate for the Muslims in the legislature and the local councils.²⁶

Like Muslim League the Congress also fought for self-government in India. In 1906 the Congress Session was held at Calcutta and Dadabhai Naoroji presided over the meeting. It was important to note that the demand for self-government was made from the platform of a political party. In that meeting along with other important demands, it was also claimed that the powers of Local Boards, District Boards and Municipal bodies should be increased.²⁷ It was claimed that official control over them should not be more than what is exercised by the Local Government Board in England over similar bodies.²⁸ Jinnah was present there as the Private Secretary of Dadabhai.²⁹ For the forceful demands of both the Congress and the Muslim League the government accepted the

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principles of separate election, extended the franchise and increased the powers of the local government bodies.

For the demands of both the Indian National Congress and the Muslim League, the government took probable measures to improve the quality of local councils. To improve the system of local bodies the government appointed the Bengal District Administration Committee in 1913, which submitted the report in 1916. The committee suggested to form Circle Board at the Thana level. According to the opinion of the committee the Local Board was useless and suggested to abolish it. The Committee was also in favour of introducing the representative element in the District Board. It also suggested for the decentralisation of other local bodies, but the government was not willing to delegate more authority to the local self-government units. On April 23, 1915 the Government of India's Resolution on local self-government policy was adopted, but it did little to indicate the effective measures. The effect of the Resolution thus was only to hope that eventually Ripon's proposals might be implemented. The Resolution also proposed that the number of the nominated members should be limited and elected non-official Chairman would be given preference.

In 1918, Edwin Montague, the Secretary of State for India and Lord Chelmsford the Viceroy, advocated the growth of self-governing institutions in India. Montague and his small team spent 8 months touring the different parts of India. He with the help of the Viceroy, prepared a report and it was signed in Simla on April 22, 1918. Montagu took the decision to introduce responsible government in India from 1917. On August 20, 1917, Edwin Montague declared in the House of Commons that,

The policy of His Majesty's government, with which the government of India are in complete accord, is that of the increasing association of Indians in every branch of the administration and the gradual development of self-governing institutions with a view to the progressive realisation of responsible government in India as an integral part of the British Empire.³⁰

The Secretary of State in India and the Viceroy decided that substantial steps in this direction should be taken as soon as possible.³¹ To implement the commitment of the Report it was declared that the local bodies should be as representative as possible. As regards election, it laid down that local bodies should have a majority of elected members. Where the

members of the District Board were elected indirectly through Sub-District Boards, such indirect elections were to continue, but the elective system in case of Sub-District Boards was to be widened. The minorities were to be represented through nomination and not through separate electorate. It was urged that the franchise requirements for election to local bodies should be lowered to obtain constituencies which would be really representative of the rate payers. The chairman of the District Board should be an elected non-official as far as possible. It was suggested that the local bodies should have a free hand in sanctioning their budget. It was emphasised that except in cases of really grave mismanagement, local bodies should be permitted to make mistakes and learn by them rather than be subjected to interference either from within or from outside. The resolution laid great importance on the development of the Panchayat.³² Another significant change for LSG which the report contained, was the establishment of dyarchy under which LSG became a transferred subject to be administered by Indian Minister, that is, the transfer of control over LSG from British bureaucracy to Indian leadership.

Montague-Chelmsford reform's proposals took the shape of the Government of India Act, 1919. In the Act it was specified, it is the declared policy of the Parliament to provide for the increasing association of Indians in every branch of administration and for the gradual development of self-governing institutions.³³

The main provision of the Act of 1919 was the division of powers between the central and the provincial governments. The central and the provincial subjects were different in nature and both were 17 in number. Among the provincial subjects LSG was one of them. The list of provincial subjects was further divided into two i.e. reserved and transferred subjects. The reserved subjects were administered by the Governor, assisted by the Executive Council. The transferred subjects were operated by the elected ministers chosen by the Governor from amongst the elected members of the Provincial Council.³⁴ The basic features were: the complete popular control over local government bodies; greater devolution of authority to provincial government with a measure of autonomy in financial administration and legislative spheres and reduction of control of the Secretary of State over the provincial governments.³⁵ LSG as one of the transferred subjects was entirely looked after by the elected minister responsible to the provincial legislature. Sir Surendra Nath Banarjee, the great Indian politician, became the first Minister for Local Self-

Government. After the acceptance of the portfolio of LSG he contributed much to the development of these institutions. For instance he took the initiative to make the local bodies elective at all tiers, tax imposition capacity was enhanced, more welfare activities were entrusted etc. For the democratisation and popularisation of LSG, the importance of the Indian Act of 1919 is very significant. It may be noted that this Bill was initiated by S. N. Banerjee.

On the basis of the provision of the Government of India Act, 1919 a Bill on LSG was introduced by S. P. Sinha in the Bengal Legislative Council, which in due course became the Bengal Village Self-Government Act V of 1919. The Act created a two-tier system of LSG i.e. the Union Board and the District Board. The Act democratised the Board to some extent and extended the franchise. According to the provision of the Act, of the total number of members, one-third were to be nominated and two-thirds to be elected by the voters of the Union. A certain amount of the rate payers males, who attended the age of 21 years, were given the right to elect the members of the Union Board. The Act also democratised the District Board to some extent. It was provided that the Chairman should be elected by the public representatives. The Local Board before 1936 acted as the electoral college of the District Board. According to the Amendment Act of 1935 two-thirds were to be elected by the qualified voters. The Act of 1935 extended the franchise, because every male person of 21 years, having a place of residence within the area, who paid eight *annas* as cess or six *annas* as Union rate was eligible to vote in the District Board. It must be remembered here that though the Act of 1885 provided for the election of the members of the Union Committee, yet practically before 1920 all the members were nominated.³⁶ Similar was the case with the District Board. Before 1920 its Chairman was the District Magistrate. The the Act of 1919 was a landmark in the development of LSG in Bengal.

LSG and Politics (1920-1947)

This development was the net result of the political consciousness of the people. By observing the trend N.C. Roy said that the interest of the people in the local affairs has turned out to be immense. The *Bangalees* now are impregnated with politics.³⁷

To have the full cooperation of the people, after World War II, the British government formed a committee in 1944 for the reorganisation of the local self-governing bodies. It was officially known as the Administration Enquiry Committee and short title was the Rowlands

Committee, after the name of the Chairman. The Committee proposed to appoint a Circle Officer for each Thana to supervise the activities of the Union Board, abolition of the nomination to the Board, if possible, a secret ballot, a full time official clerk, etc. In case of the District Board it also proposed that the Board should be strengthened, nomination system should be abolished, special minority constituency should be created where necessary, the local officials should attend the meeting but without voting right and the resources should be increased.³⁸ The recommendations of the Committee were a landmark in the development and democratisation of these institutions in Bengal. At the same time it must be remembered that it was not naturally acquired, it was the output of the political demands.

During the period many changes had taken place on the institutions of LSG. The franchise was extended by lowering the educational and property qualifications. The chairman of the Board was made elective and the number of the elective members was increased. The powers of the local councils were also enhanced. By different ways and means these bodies were made democratic and development oriented, though the changes ultimately did not take place. These were achieved by protests and demands of the political parties. The Indian National Congress and the All India Muslim League, from the very inception of the parties forwarded their demands to the government for democratic LSG. Later on the Swaraj (self-rule) Party and the Proja (peasant) Party contributed much to the development of LSG in Bengal.

The Congress during 1915 demanded for the representative government in India, that is Home Rule, or Swaraj. It placed 10 points demand to the government. Among the demands was included that "all local bodies should have elected chairman of their own".³⁹ It also demanded for the extension of the elective elements in the local councils. In the resolution of 1920 Mahatma Gandhi said, "the objective of the Indian National Congress is the attainment of Swaraj by the people of India by all legitimate and peaceful means." He demanded for the extension of franchise at all levels.⁴⁰ It was realised by all the parties that unless the electoral base was broadened and unless there was greater devolution of authority to the sub units of the government, effective demands of the people could not be achieved.

The contribution of the Swaraj Party in this respect was very much effective. The word Swaraj was first used in India in political literature by Dadabhoy Naoroji in his presidential address at the Calcutta Congress session in 1906. In the meeting he claimed for the elective

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system of the local councils.⁴¹ But actually Swaraj Party was formed by C. R. Das with the active help and support of Motilal Nehru in 1922. C. R. Das, J. M. Sengupta, S.C. Bose and others were the leaders of the party. C. R. Das realised that without the cooperation of the minority communities including the Muslims no constitutional changes would be effective. He held discussions with A.K. Fazlul Hoque, H. S. Suhrawardy and other Muslim leaders in order to have their full cooperation. The terms of the agreement, called the Bengal Pact, was formally accepted in 1923. In the Pact it was determined that the representation in the Bengal Legislative Council was to be on the basis of population and through separate electorate. In case of the representation in the local bodies it was agreed that majority community in each District was to have 60 percent seats and the minority community 40 percent. The Swaraj Party won the election of the Calcutta Corporation by capturing about three-quarter of seats. C. R. Das and Suhrawardy were elected the Mayor and the Deputy Mayor of the Calcutta Corporation respectively.⁴² They demanded, on behalf of the party, adult franchise on May 2, 1925 at the Bengal provincial Congress meeting held at Faridpur.⁴³ At that time poorer sections of the people, both the Hindus and the Muslims jointly won the election of the local bodies by defeating the upper class.⁴⁴ This revealed a new dimension in local politics. The poorer sections of the two communities were together resisting the domination of the upper caste people. Due to the demands of all the parties the Simon Commission recommended the abolition of the practice of nominating members to the local bodies.⁴⁵ In the Second Round Table Conference on November 30, 1931 Mahatma Gandhi demanded for the extension of the suffrage to all adult male and female.⁴⁶ During that time it was realised by the Congress leaders that the local self governing bodies should be made strong because 'it could play an important role in development and it was an excellent training ground for the politicians'.⁴⁷

The role of the Proja (peasant) Party in this development cannot be overlooked. Fazlul Hoque differed with the opinion of C. R. Das and for the reason he left the Swaraj Party with his followers in 1924 and founded the Proja Party. A Proja conference was held at Dacca in 1924 and as the President of the conference he demanded the legal rights of the peasants. The Nikhil Bangla Proja Samity (The Whole Bengal Peasant Association) was formed in that conference. Fazlul Hoque was the most popular leader of the party. In 1927 he was elected to the Bengal Legislative Council from Manikganj constituency. For his demand and leadership the government passed the Bengal Tenancy Act in 1928 despite

the protest of the landlords. The Proja Samity became a powerful organisation for its popularity. The popularity of the Proja Samity was proved in the election of the Union and the District Boards in 1935. The candidates of the party were elected in large numbers in all the Districts. Specially in Mymensingh they captured 64 out of the total number of 72 local councils seats. These elected members, according to the provision of the Act of 1919, elected the members of the District Board. So, the District Boards ultimately came under their control.⁴⁸ The next meeting of the Samity was held at Dacca in 1936. Fazlul Hoque was the president of the Samity. On the basis of the decision of the meeting, 14 points were declared. Among the points were; the demands of universal adult franchise and democratisation of the local self-governing institutions. The Congress and the Muslim League also demanded for the same. For the continuous demand of the political parties the government of India, for the purpose of reorganisation of local bodies, constituted a committee in 1944, named as Rowlands Committee. The reports of the Committee were very much favourable towards the development of LSG but the suggestions, given by the committee, were not implemented because of the political tumultuous conditions of the years from 1944-1947. In 1947 Pakistan and India came into being as independent states by dividing United India. At that time the question of national independence, not LSG, was the prime consideration to the Indians.

Conclusion

From the above discussion we can see that LSG institutions, during the British rule, emerged as governmental instruments. In fact the main objectives behind the creation of LSG were to achieve the interest of the regime than to expand political and popular education. The Chowkidari Panchayat Act was a case in point. Lord Ripon and others were eager to introduce LSG in India in the light of the British model, but others wanted to make it the weapon of the administration. After the protests of the Indians and demands of the political parties the institutions gradually developed into democratic and development oriented units.

From the time of passing the Chowkidari Panchayat Act in 1870 down to the last days of the British rule in India, the rules and regulations, which were passed by the government on LSG, were for the purpose of administrative devolution and not for the development of the self-government. The motive behind this policy was to offer some opportunities to the native through LSG, so that the people can take part in the administration and can render full cooperation. Of course, the government was politically compelled to give the people due share in

LSG. The demand for self-determination of the Indians was germinated through LSG, but at last the question of independence reached at the apex and as a sequel of which to independent states, i.e., Pakistan and India, came into being by dividing United India. It should be kept in mind that the right of self-government, self-determination and the independence became pragmatic through the gradual advancement of LSG.

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APPLICABILITY OF COST ACCOUNTING SYSTEM IN BUSINESS & INDUSTRY OF BANGLADESH

S. M. Ebadul Islam*

Introduction

Cost accounting is a branch of accounting and has been developed because of some limitations of financial accounting. Financial accounting is primarily concerned with record keeping directed towards the preparations of Profit and Loss Account and Balance Sheet. It provides information regarding the profit and loss that the business enterprise is making and also its financial position on a particular date. Cost accounting is primarily concerned with cost information for internal use by management. Cost Accounting is concerned mainly with the cost planning and control function and is essential in the decision making process.

Cost accounting concepts and techniques were first applied to manufacturing operations many years ago. Afterwards, its use gained recognition to various non-manufacturing industrial enterprise or non-manufactures sections of manufacturing units such as, the distribution warehousing and office sections. Later on cost accounting started to outside distribution costs, such as sales calls, travelling expenses and other sales cost. In recent years, cost accounting concepts, standards and cost control have been applied in a wide variety of enterprises including financial companies. Insurance companies, banks, airlines, railroads, shipping companies and hospitals etc.

Uses of Cost Accounting & Its with Financial Accounting

As per definition of earlier terminology, Cost Accounting is the application of costing and cost accounting principles, methods, and

* Lecturer, Business Administration Discipline, Khulna University.

techniques to the science, art. It includes the presentation of information derived therefrom for the purpose of managerial decision making.

The National Association of Accountants (NAA) defined cost accounting as a systematic set of procedures for recording and reporting measurements of the cost of manufacture goods and performing services. It includes methods for recognising, classifying, allocating, aggregating costs for reporting, and verifying them with the standard.

Since modern management has become more dependent on accounting information, it has increased the boundary of cost accounting. Cost accounting therefore, furnish management with the necessary accounting tools for planning and controlling activities, improving quality and efficiency and making both routine and strategic decisions. Thus it has opened the scope for evolution of management accounting.

Cost accounting is so closely allied to management that it is difficult to indicate where the work of the cost accountant ends and managerial control begins. In general, it may be said that cost accounting is to serve management in the execution of policies and in the comparison of actual and estimated results. It helps to evaluate policy and appraise these changed conditions.

The Chartered Institute of Management Accounting (CIMA) defines cost accounting as "That part of management accounting which establishes budgets and standard costs and actual cost of operations, process, departments or products and the analysis of variances, profitability or social use of funds".¹ Since all these functions of cost accounting are for management planning and control purposes, the definition of management accounting may, therefore, be termed for the definition of cost accounting.

Purpose of This Study

The general purpose of this paper is to ascertain the use of cost accounting in the business enterprises of Bangladesh.

- ⇒ This general objective leads to the following specific objectives;
- ⇒ To develop of a conceptual framework of cost accounting;
- ⇒ To identify the need of cost accounting by nature of operations: ownership and size;

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⇒ To identify and recommend the areas for further research on cost accounting.

Methodology

For the purpose of the study, 200 organisations were considered as sample. The information have been collected through personal interview of Chief Executives. Head of Finance & Accounting Department of the organisations, through structured questionnaires. Besides, some literary help and relevant data were picked-up from published books and periodicals.

Need for the Study in Bangladesh

Modern cost accounting is often called management accounting. Because cost accountants look at their organisation in the perspective of manager's eyes. Managers want to know how accountants measure performance. Managers often depend upon accounting data for guiding their decisions. Therefore, the cost accounting system is the major quantitative information system in almost every organisation.

Bangladesh, being one of the least developed countries of the world, has one of the lowest per capita GDP. Conversely, she has the highest density of population, most of which is living below the poverty line. Lower growth of GDP and higher growth in population help increases the country's poverty at a multiplier rate. Only possibility to avert poverty is to expand the country's productive base through effective utilisation of scarce resources. The pre-requisite for effective utilisation of resources is to ensure productivity. Productivity, in it's simplest sense, is the ratio of inputs to outputs where-in inputs (in most situations) are the cost or sacrifices made to obtain certain goods or services. Since costs are associated with all types of organisation's business, non-commercial, service, retail and manufacturing cost accounting is applicable to all types of organisation.

Till today a considerable number of organisations both in public and private ownership could be found who, despite their involvement crores of taka in operation, do not have any accounting system at all. Under such circumstances, where financial accounting is in poor state of use, one can imagine well the extent of the use of cost accounting -- the extended branch of accounting. As Mr. D.P. Bhattacharya has rightly

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said, "the Cost Accountants are experts in finding the cause-effect relationship of the policies, plans, standards, actions and other factors on the success or otherwise of an industry. They are capable to transforming accounting information into tools for management decision making process."² Cost accounting can play a vital role in all the areas of organisation, allocation and control of resources. Hence installation of effective cost accounting system can significantly contribute towards increasing productivity at the macro and micro level of economy. To be more specific, 5% increase in industrial productivity through effective utilisation of inputs can alone save about Tk. 584 crore per annum for the country. Even, narrowing it down further to large scale manufacturing sector. It can be said that 5% increase in productivity could provide additional GDP of Tk. 247 crore per annum (GDP of the sector is Tk. 4.935 crore). Hence the role of cost accounting in the economic development can hardly be overemphasised.³

Cost Accounting System in Bangladesh

Among the surveyed organisations, only 30% have separate cost accounting department/section and 70% have no separate cost accounting department/section (Fig. No. a). But among those who do not have separate cost accounting department. Seventy per cent have opined to feel the need for the department

By nature of operation, 35% manufacturing organisations have cost accounting system. Fourteen per cent service and 13% trading organisations have cost accounting system (Fig. No. b).

By industrial classification. Fig. c indicates that 75% of pharmaceuticals and 73% of the chemical companies reported to have separate cost accounting department. Only 47% jute and 23% textile mills have the system. None of the sugar mills, timber and wood products, garments and financial institutions were found to have cost accounting department.

Ownershipwise: Fig. d indicates that 88% of multinational and 75% of joint venture companies have separate cost accounting departments. The existence of the system in public enterprises, public limited companies, Government Departments and private limited companies was found 29%, 33% and 11% of the organisation respectively. The details may be seen from Figure d.

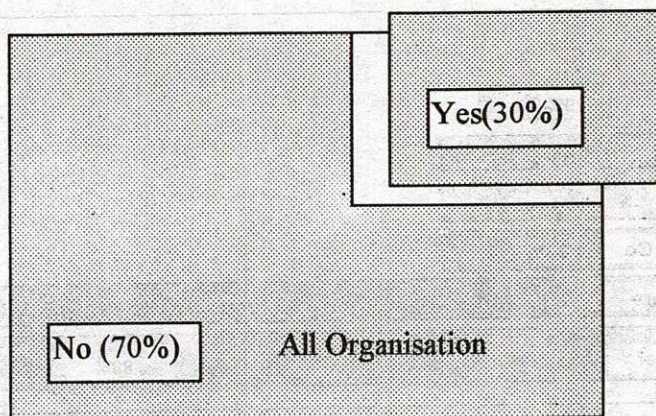


Figure No.a

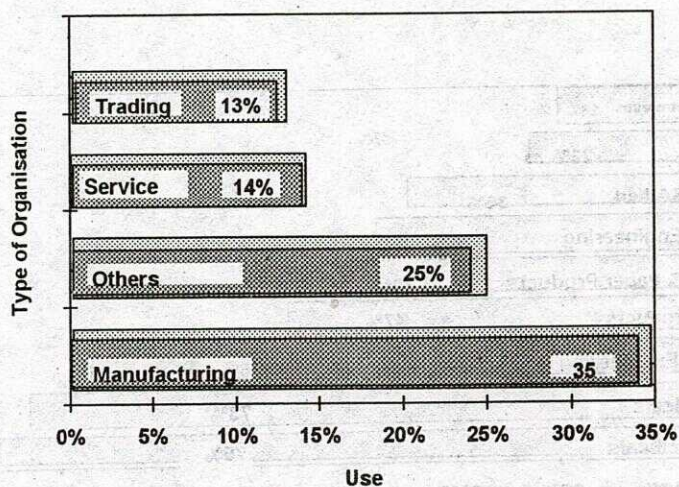


Figure No.b

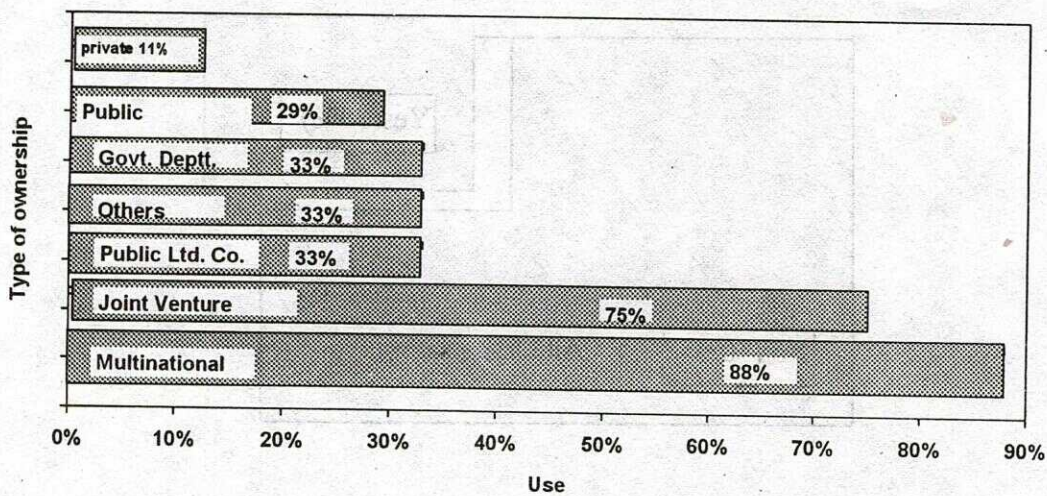


Figure No.d

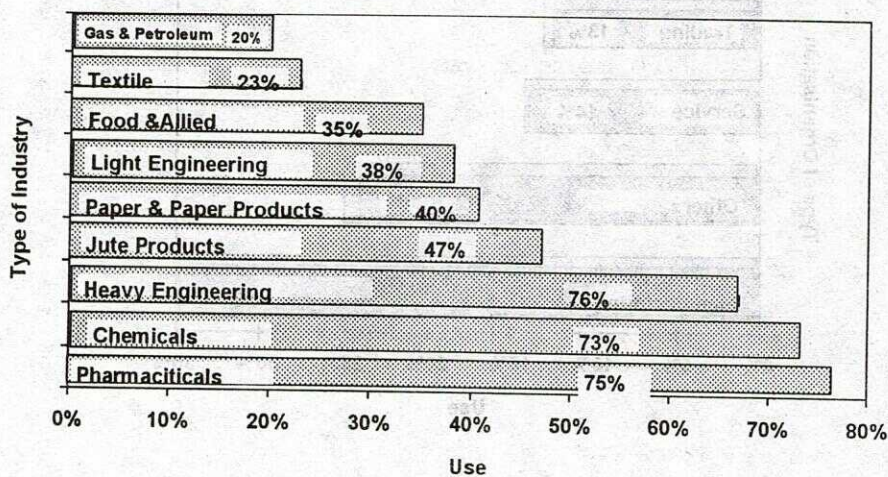


Figure No.c

Applicability of cost Accounting System

From the above figures multinational and joint venture companies have comparatively more cost accounting departments than others have. By nature of operation, pharmaceutical and chemical companies have more of this department than others have. All the sugar, pharmaceuticals, chemicals, heavy engineering, timber and wood industries, who don't have cost accounting departments, express their need for the department. Lack of organisational set-up, resource limitation and reluctance of top management are some of the coming the cost accounting department, desired to have the benefit of costing, pricing, variance analysis and budgeting through cost accounting.

Problems of Applications of Cost Accounting System in Bangladesh

Application of cost accounting system often faces the following problems from various angles:-

- 1) **Non-cooperation from top management:** In Bangladesh cost accounting system is introduced without the support of the top management in most of the cases. For example proprietor, managing director or chairman introduces cost accounting system without consulting the concerned departmental heads. So the concerned heads or managers treat it as an interference in their regular work.
- 2) **Resistance from existing staff:** It is always normal that the existing staff shall always revolt against introduction of any new system. They feel that they will loss their importance because of the introduction of the system. They may feel undergone through a new set of management.
- 3) **Shortage of trained staff:** Every organisation of Bangladesh run short of cost accountants to perform the work of cost analysis, cost control and cost reduction properly. So, the department of Cost Accounting can not be introduced without the sufficient number of trained staff.
- 4) **Non-cooperation at other level of organisation:** The foremen, supervisors and other staff may also resent the additional paper work which may arise because of introduction of costing system. They may not co-operate with other departments in providing the informations which are absolutely necessary for the smooth and efficient working of any accounting system.

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- 5) **Resistance from the point of view of cost:** Actually the cost of operating a system may be heavy unless the costing system is properly designed according to the requirements of each case. The system may be able to provide information which is required by all levels of management. It may also involve additional paper works. Thus, the operation cost of the system may be heavy.

Recommendation

There is lack of appreciation of the benefit and prospect of cost accounting in different types of organisations. In order to increase the use of cost accounting and its long term development, the following actions are recommended:

1. Efforts should be made to increase awareness about the benefits of cost accounting among the executives and top management of different organisations;
2. Assistance should be provided to design, develop and implement cost accounting system in different organisations;
3. The existing accounting staff should be impressed about the need of cost accounting system;
4. Depending on findings of the sectoral study, the individual organisations may be advised to overcome the weaknesses of their cost accounting systems;
5. Assistance should be extended to convert the manual cost accounting system of different organisations to computerised system;
6. Some Cost Accounting standards should be developed and circulated among the users of the system. International standards that may be found relevant should be adopted;
7. The various employees must be properly imparted knowledge regarding the benefits which can be obtained from such a system;
8. The professional Institute should have a placement cell to look after and co-ordinate employment of professional accountants;
9. The existing staff who are working in the accounts department must be properly trained in costing methods and techniques with

Applicability of cost Accounting System

the help of the Institute of Cost and Management Accounts of Bangladesh;

10. There should be proper supervision after introduction of Cost Accounting Department and continuous efforts be made to make the system successful.

We know that everything is changing very fast in this world of change. In order to keep pace with the changing environment, the style of business management is also changing everyday. In view of limited use of cost accounting, as revealed from the research, there is a need for immediate measures to increase the awareness of the benefit of cost accounting develop sectoral cost accounting system guideline, provide assistance to the users, introduce guideline for computerised system and adopt cost accounting standards.

Further, guideline for sectoral Cost Accounting system, computerised system, assistance to the users, image for cost accounting standards etc. should be the need of the time to keep continuity of management efficiency.

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Application of cost Accounting System
 the help of the Institute of Cost and Management Accountants of
 the Institute

There should be proper supervision after introduction of Cost
 Accounting Department and cost saving effort be made to make
 the system successful.

We know that cost accounting is changing very fast in this world of
 science. In order to keep pace with the changing environment the style of
 business management is also changing rapidly. In view of limited use of
 cost accounting as revealed from the research there is a need for
 innovative measures to increase the awareness of the benefit of cost
 accounting. Develop sectoral cost accounting. Sectoral guidelines provide
 assistance to the firms, introduce guidelines for cost management system and
 adopt cost accounting standards.

Further guidelines for sectoral Cost Accounting system
 comprising assistance to the firms, firms for cost accounting
 standards etc. should be the need of the time to keep continuity of
 management efficiency.

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MANAGEMENT OF ACCOUNTS RECEIVABLE OF BANGLADESH POWER DEVELOPMENT BOARD

Md. Salim Uddin*
Mohammed Mohi Uddin[†]

1.1 Introduction

Receivables are current assets arising out of credit sales. That is, receivables are the total of all credits extended by a firm to its customers during a particular period. For many enterprises, receivables are significant item, often representing a major portion of the liquid assets of a company. Therefore, it is important to establish effective receivable management system to ensure timely collection of receivables and to minimize losses from uncollectible accounts. Sound credit and collection policies, internal controls and proper accounting for receivables in fact significantly influence the liquidity and profitability of a company.¹ Further, as receivables constitute a major component of working capital and as such requires the same type of planning and control as cash and inventories.² Receivable in fact is considered an essential marketing tool, acting as a bridge for the movement of goods and services through production and distribution stages to customers finally. Receivables arise due to credit sales which the firm is expected to collect in the near future.³ Due to necessity of credit sale in one hand and the necessity of its collection in due time on the other, a careful analysis and purposeful management of receivables is an important task of finance executives of an enterprise. In this regard, management of receivables means making decisions, control and the like relating to the investment of funds in this asset as a part of the internal short-term operating process.⁴ In such a context, conceivables management refers to planning and control of receivables. The planning of receivables includes mainly the formulation of credit and collection policies; whereas, control of receivables covers mainly the control of the amount of investment in receivables. The general liquidity management goal is to use cash funds as economically as

* Assistant Professor, Dept. of Accounting, University of Chittagong.

[†] Lecturer, Dept. of Finance, University of Chittagong.

possible in expanding receivables, without injuring sales and the chance for increasing short-run profits.⁵ The basic goal of receivable management thus in turn relates to the maximization of the value of the firm by: (i) obtaining optimum (not maximum) volume of sales; (ii) controlling the cost of credit and keeping it at minimum and (iii) maintaining investment in debtors at optimum level.⁶ If the enterprise fails to achieve this goal in the ways mentioned at a desired level, the overall performance of the enterprise will be affected adversely.

1.2 Statement of the Problems

Against this background of the importance of receivable management set above it can be assumed that like manufacturing and trading concern, receivable management in service/utility oriented enterprises is also of utmost importance. As such a study of receivable management of Bangladesh Power Development Board (BPDB) was considered worth undertaking. This is because BPDB's accounts receivable position was found unsatisfactory at the beginning of the Third Five Year Plan (TFYP). The situation further deteriorated by June, 1987. The amounts of accounts receivables were Tk. 171 crores by June, 1985, Tk. 266 crore by June, 1986 and Tk. 376 crores by June, 1987. In such a context, a report on management study on BPDB prepared by Bangladesh Government in Association with British Electricity International Ewbank Preece and A. Qasem & Co. in 1987 pointed out that the level of accounts receivable of BPDB is persistently high and stands at approximately six months of energy sale despite currently taken collection drive. This has resulted in funding problems, inability both to pay suppliers and other creditors; and to channelize funds for growth from internal resources. It was observed by the researchers from review of reports and discussion with BPDB personnel that the reasons for increased receivables were primarily due to absence of regular billing and non-realization of dues from the Government sectors. Subsequently situation gradually improved for some years because of special drive to realize the arrears both from the public sector and private sector. The accounts receivable decreased to 3.44 months of billing in FY 1989.⁷ But again the figure of receivable was found to increase and the situation was found worse in 1994-95. The position of receivables can be seen from the following table for the period 1988-89 to 1994-95. Against this backdrop, it was considered worthwhile to examine different aspects of receivables.

Table - 1

Position of Receivable of BPDB for the year 1988-89 to 1994-95

(Tk. in crore)

Years	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	X
Receivables	497	368	634	587	741	992	1047	659

Source: Annual Reports of BPDB for the respective years.

1.3 Objectives of the Study

The main objective of the study is to critically evaluate some aspects of the receivable management of BPDB. To achieve this main objective, the study covers the following specific areas:

- To study the organization of functions relating to management of receivables of BPDB;
- To find out the position of receivables vis-a-vis output/generation of power, current assets, sales and collection etc.;
- To identify the actions taken by BPDB for the low/unexpected collection of revenue; and
- To evaluate critically the position of receivables of BPDB during the study period and to examine the impact of receivables on profitability.

1.4 Methodology

The study is mainly based on secondary data. These were collected mainly from the Annual Reports of BPDB, records of the Regional accounting Office, Performance Report, Task Force Reports, and various Studies and Reports conducted by BPDB and other agencies. Primary data relating to different aspects of billing systems, problems etc. were also collected through interviewing the accounts head, bill clerks, meter readers etc. The period covered in the study is a seven years ranging from 1988-89 to 1994-95. The collected data and information have been tabulated, processed and analyzed critically in order to make the study more informative, useful and worthwhile for this purpose.

1.5 A Brief Description of the Sample (BPDB)

Bangladesh Power Development Board (BPDB) was established in May 01, 1972 by Presidential Order No. 59 after bifurcation of erstwhile Bangladesh Water and Power Development Authority. Dhaka Electric Supply was separated from the operations of the BPDB w.e.f. October 01, 1991 to act as a separate Authority viz. Dhaka Electric Supply Authority (DESA). The BPDB is responsible for generation, transmission and distribution of electricity throughout the country except in areas under REB and DESA, where these two organizations are responsible for distribution of electricity. The Board is under the Ministry of Energy and Mineral Resources. With the target to provide the public with reliable service of power supply, the basic infrastructure for the country's economic and social development, BPDB power system has been expanded to keep pace with the fast growing demand. The overall policy making in line with Government policy is vested to a six member board headed by one chairman and 5 other members. This board also act as management board and takes decision regarding various aspects of the operation relevant to organization, management, direction, supervision and control.

2. Findings and Analysis

The major findings of the study are now in order

2.1 Organization of Receivables Management Functions

Receivable management functions include mainly the planning and control functions of receivables. Each Commercial Division, Regional accounting Office and corporate head office are involved in the process of receivable management functions in their various capacities. The major functions of receivables management are performed by each commercial division situated at different places of the country. It was gathered that the main functions of receivables management broadly includes meter reading, billing, recording and collection procedure and step which are similar for each Commercial Division. These functions are carried out in the following manner:

(i) Meter Reading

Meter reading is taken by Meter Readers and recorded in Bound Books (210mm x 150mm). After completing meter readings in an area,

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the books are submitted to the supervisor (normally a Sub-Assistant Engineer). The supervisor, after initial checking, hands the books over the billing section.

(ii) Billing

Billing is done in two ways, mainly, manually or with the help of computer. Billing section is managed by an Accountant (Officer's position). In the case of manual billing, the Accountant receives the Meter Reading Books from the supervisor, and prepares the bill by transferring the meter readings from the books to the bill formats. Upon completion of the bill preparation for a particular area, the bills and meter reading books are handed over to the concerned meter readers via the supervisor. The meter readers then deliver the bills of the previous month to the consumers concerned. In the case of computer-aided billing, the Accountant in-charge of the billing section transfers the meter readings from the books to a prescribed format (designed by the Computer Department), places them before the Executive Engineer for his signature and then sends them to the Computer Department. Upon preparation of bills, the Computer Department sends the bills to the Executive Engineer of Commercial Division. The Accountant in charge of the Billing Section sorts out the bills and then hands over the bills to the concerned meter readers via the supervisor for delivery to the consumers. Delivery is performed in the same manner as for manual billing. Generally the bills are delivered by meter readers when they go to take meter reading for the next month.

(iii) Ledger Maintenance

There is an Accountant in-charge of Ledger Maintenance Section. Particulars of individual consumers are recorded in the ledger. The accountant receives one carbon copy of each bill. Thus, he entries the meter readings, bill charges etc. from bill to the ledger. Consumers pay the bill amount to the designated banks. The banks forwarded a consolidated statement (with a copy of the bills paid) on the bills collected to the Executive Engineer of Commercial Division. From these statements, the Accountant in-charge of Ledger Maintenance Section, entries the data on bill collection to the ledger.

(iv) Reconciliation

There is one Accountant in-charge of the Reconciliation Section. He receives the bank statement and on behalf of the Executive Engineer and with the help of the Accountant in-charge of Ledger Maintenance

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Section scrutinizes the defaulting consumers and advises the Executive Engineer about arrears due which led to subsequent actions.

(v) Collections

Collection is made through designated banks/branches. Normally, banks receive cash from ordinary consumers. In case of consumers having social standing and industrial consumers with high consumption and consequent large bill amount, payment through cheque is also permitted.⁸

(vi) Audit of Consumer Ledger

In every financial year, the Board appoints the External Auditor to audit consumer ledger and other information for determining and ensuring the total consumption, billing, collection, system loss etc. of each Commercial Operation Division. Thus the appointed auditors perform their duty as per Terms of reference at the Commercial Operation Division level report to the Chairman of the BPDB.

2.2 Receivables and Related Items

In order to evaluate the position of receivables of BPDB, information regarding share of accounts receivable to energy sales and current assets, and share of gross revenue collection to sales and collection period in days have been examined. The findings in this regard are summarized below:

(i) Accounts receivable to energy sales

In order to examine the size and level of receivables of BPDB, share of accounts receivables to energy sales were calculated. It is seen from the Appendix-1 that receivables account for 56 per cent of energy sales on the average which however varied from 37 per cent to 71 per cent during the study period.

(ii) Accounts receivable to current assets

After analyzing Appendix - 1, it is observed that receivables constituted 59 per cent of current assets on the average and varied from 55 per cent to 64 per cent during the study period. Therefore, it can be said that the major share of Gross current asset has been blocked in receivable during study period resulting in blocking of working capital in receivables. This may have adversely affected use of funds for more production uses.

2.3 Collection from Receivables

Receivables arise from credit sale. As for BPDB the important feature of receivables is that the consumers pay the bill after a month or so. This cannot be avoided. But the crux of the problem is that the collection procedure be appropriate, timely collection be emphasized and default management be severely considered along with storm measure of arrear dues collection. To this end following paras, deal with collection system and its relevant aspects. In this connection, at the first instance collection to sale may be seen.

(i) Gross revenue Collection to Energy Sale

As pointed out earlier, it is well recognized that an important aspects of management of receivable is to establish suitable procedure for collecting accounts receivable, which are past dues. In this regard, an attempt has been made to find out the share of gross revenue collection to energy sales which is indicated in the Appendix - 1. It is shown that gross revenue collection has shown an increasing trend year by year except 1990-91 and 1993-94 during the study period. The average percentage of gross revenue collection to energy sales has recorded at 87 per cent which found to have varied from 79 per cent to 94 per cent. It may be mentioned that during the study period both sales and collection have increased. In this connection what is recognized to be emphasized is that during the period collection included not only current years collection rather collection of current and arrear dues. That is emphasis was placed quite significantly towards collection of arrear dues due to national energy policy and pressure of international donor agencies. As a result collection performance has shown a better picture.

(ii) Accounts Receivable Collection Period

The principal objective of evaluating performance of receivable management is to judge how far credit and collection policies are carried out effectively by the enterprise. For this purpose credit and collection procedures will have to be examined. Usually BPDB makes bill for electricity/energy sold in the following month of consumption. So, the credit period in general is 30 days given by BPDB. The payment date is given in the bill and if payment is not made within the given date a penalty is imposed. The Appendix-1 indicates that the average collection period had been much higher in all the years during the study period than the standard norm of 30 days. It is seen that during 1988-89 to 1994-95, on an average, collection period was 203 days it varied from 132 days to 255

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days. This indicates flaws in collection resulting in higher quantum of default with resultant over-investment in receivables of BPDB.

(iii) Nature of Consumers

It is generally held that for an effective management of receivables, the enterprise should lay down clear cut guidelines and procedures for granting credit to individual consumers and collecting the individual accounts. In this context credit and collection procedure should be differ from consumer to consumer. To this end, an attempt was made to study the nature of consumer of BPDB which is presented in Appendix-3. All consumers BPDB are sub-divided into four categories according to the nature of power uses and which are (i) domestic (ii) H. T. Industrial and Commercial (iii) L. T. Industrial and Commercial (iv) Others commercial, Agriculture and street light. Charges are found also different according to categories. Appendix-3 shows that out of average total consumers of 10,71,947; 7,36,315 (68.69%); 2,060 (19%); 3,01,719 (28.15%) and 31,853 (2.97%) consumers fall in the categories of (i), (ii), (iii) and (iv) types of consumers respectively. This indicates that the greater number of consumers fall in the domestic category.

(iv) Measures Taken for the Collection of revenue

For smooth operation and efficiency of receivable management, it is necessary that collection system be efficient, timely action be taken for collection of dues with necessary provisions for default management. In this regard, BPDB takes various measures for the default management i.e. to collect arrear dues to increase revenue collection. For collecting current and arrear dues, following steps are taken:

- a) Initiating/Introducing scheme of reward/punishment for collecting target dues;
- b) Implementing the "Action plan" for the improvement of revenue collection;
- c) Disconnecting lines in case of default after giving personal/public notice;
- d) Taking legal actions through Magistrate;
- e) Monthly review meeting and participation committee meeting relevant to collection;
- f) Inspecting physically some offices by high officials;
- g) Ensuring proper recording and bill reading and follow up action;

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- h) Conducting training courses and
- i) Transfer of officer/staffs in case of necessity.

In the above context an attempt was made to identify the measures taken from 1991 to 1995 as to reward and punishment. The findings are shown below.

(a) Action taken against the officer/staff of 20 power supply units for poor efficiency:

Actions	No. of Officer	No. of Staff	Total
(i) Dismissed	7	35	42
(ii) Forced retirement	10	29	39
(iii) Postponement of increment	12	182	194
(iv) Censure	2	6	8
(v) Warning	55	--	55

(b) Actions taken against the officer/staff of 151 power supply units for not achieving target efficiency:

Actions	No. of Officer	No. of Staff	Total
(i) Letter issued for further improvement of performance	84	853	973
(ii) Warning letter issued	65	653	718
(iii) Informing about poor performance and asking the concerned persons to be cautious in future			

Source: Unnayan Prabaha, 1991-95, Ministry of Power, Energy and Mineral Resources.

The respondents opined that such actions led to better collection of revenue reduced system loss with resultant better impact on financial performance.

3. Impact of Over-investment in Receivables

From the aforesaid discussion and from the evaluation of position of receivables, it has become clear that on the average there had been over-investment in receivables of BPDB during study period due to flaws in credit and collection policies. Against the background, in this section, impact of over-investment in receivables on profitability will be examined.

It is clearly evident from Appendix-1 that the BPDB is running at loss. Its liquidity position is quite unsatisfactory as the current ratios for the study period was found less than 100 per cent against the standard norm of 200 per cent. It is further evident from the same appendix that average collection period is much more higher than standard norm. As working capital is fixed up with receivables, the concern faces problems of liquidity. Liquidity problem compels the concern to take resort of bank loan bearing interest. This adversely affected profitability. On the other hand if collection would have been regular the concern could earn loan interest on bank deposit. Thus excessive receivables, excessive default adversely affected profitability both in the form of payment of bank interest for loan and loss of bank interest which could have been received.

4. Implications of the Study

The policy variables relevant to receivable management include quality of accounts, length of credit, average collection period, collection programme etc. To this end, it has been observed that receivable management of BPDB is not satisfactory. In such a context following policy implications may be worth consideration:

- i. That one of the reasons for default or excessive receivable is the tendency of some consumers and public sector organization not to pay the bill. They are willful defaulters and government organization through respective ministers be compelled to pay dues in time.
- ii. Another important feature revealed through discussion is that currently 'target collection' for each area has been fixed and the concerned employees need to collect such amount to reduce system loss. But the crux of the problem is that some of the bill readers and consumed persons in collaboration with consumers prepare lower bill for some consumers under "Salami" agreement and this loss is transferred to other consumers. The under transfer of load meets problem and the sufferers have to go the officers time and again to correct the bills. Reported this harassment and time consuming process is one of the reasons for excessive default and higher receivables pending due for long time.
- iii. The guidelines should clearly specify the responsibility of the meter readers so that they can be held accountable for default and any other

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misuse of power. In addition to reading meters, the meter reader should report on the condition of the meters and their seals, existence of any bypass, etc. They should submit written reports daily or weekly on their findings in simplified forms and also record them in the meter reading books.

- iv. Policy for rotation and re-assignment of officers and staff (including meter readers/inspectors, billing clerks, ledger keepers etc.) shall have to be regular and unbiased. Higher authority needs to supervise such action.
- v. The receivables management system needs review. The successful implementation of the commercial operations procedures, collection system etc. also requires close monitoring and supervision by senior management, particularly at the circle level.

6. Conclusion

From the foregoing discussions, it can be said that receivables management was worse in the BPDB during study period and there had been too high average collection period representing over-investment in receivables thereby creating liquidity problem. Consequently, excessive tie-up in outstanding had blocked working capital resulting in the denial of funds for more production uses.⁹ On the other hand, BPDB's inability to achieve satisfactory collection of revenue has led to severe funding problems. The level of accounts receivable has been persistently high and averagely stands at approximately seven months of energy sales, despite recent steps and improvement in collection performance. This has resulted in an inability to pay bills to suppliers, pay off internal and external loans and to undertake development, expansion and modernization scheme from internal resources. Thus BPDB is to depend fully on Government of Bangladesh and external donors for development plans. But the crux of the problem is that external agencies are not willing to support BPDB's programmes due to inefficient collection, excessive system loss and the like. But the poor systems and lack of enforcement of responsibility are making it hard to reduce accounts receivable and will make it difficult to achieve their permanent reduction.¹⁰ It can be concluded that improvement of receivables management through removing/reducing major flaws is warranted. The flaws need to be identified and corrective actions need to be taken for the better performance in terms of reducing average

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receivables collection period as well as investment in receivables of the BPDB.

Appendix - 1

Statement of Ratios

Years	% of Accounts Receivable to Energy Sale	% of Receivable to current asset	% of Revenue Collection to Sale	Collection period in days	% of Receivables to total asset	% of Net profit to capital employed	Current Ratios in percentage
1988-89	61	64	94	220	5.68	(0.52)	44.73
1989-90	37	55	94	132	3.74	(4.25)	35.07
1990-91	56	66	81	202	5.67	(3.22)	38.63
1991-92	49	56	87	175	4.22	(6.53)	42.81
1992-93	56	59	92	203	5.19	(2.98)	51.02
1993-94	71	55	85	255	6.63	(2.33)	60.09
1994-95	64	56	79	232	6.73	(3.44)	50.15
Average	56	59	87	203	5.41	(3.32)	46.07

Source: Annual Reports of BPDB for the respective years, computations have been made by authors.

Appendix - 2

Statement of revenue, Asset and Liabilities (Tk. in crore)

Particulars	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Sales of Energy	813.31	1006.72	1128.00	1207.00	1313.00	1402.00	1627.00
Operating profit/(loss)	92.24	135.93	144.00	(36.00)	39.00	92.00	(27.00)
Net profit/(loss)	(36.29)	(337.51)	(280.00)	(748.00)	(353.00)	(279.00)	408.00
Accounts Receivable	497.00	368.00	634.00	587.00	741.00	992.00	1047.00
Current Assets	776.91	667.56	956.00	1045.00	1255.00	1790.00	1862.00
Current Liability	1737.28	1903.56	2475.00	2441.00	2460.00	2979.00	3713.00
Working capital	(960.37)	(1236.00)	(1519.00)	(1396.00)	(1205.00)	(1189.00)	(1851.00)
Total capital employed	7012.24	7933.49	8702.00	11457.00	11827.00	11989.00	11849.00
Provision for bad debt	73.37	36.79	63.00	25.00	29.00	34.00	--
Gross Revenue collection	764.00	949.00	917.00	1048.00	1208.00	1198.00	1292.00
Total asset	8749.00	9837.00	11177.00	13898.00	14287.00	14968.00	15562.00

Appendix - 3

Statement of Number of Consumer (category-wise)

Years	Domestic	H.T. Industrial & commercial	L. T. Industrial & Commercial 1	Other Commercial	Total
1988-89	784951	2027	334288	30416	1151682
1989-90	815059	2975	329272	27266	1174572
1991-92	606627	1294	267393	27687	903001
1992-93	649173	1375	267065	34996	952609
1993-94	708118	1437	276317	39977	1025849
1994-95	NA	NA	NA	NA	NA
Average	736315	2060	301719	31853	1071947
%	68.69	0.19	28.15	2.97	100

Source: Annual Reports of BPDB for the respective years, computations have been made by authors.

Endnotes

¹ Smith, Jay M. and Skousen, K. Fred, *Intermediate Accounting*, 8th ed. Dallas: South-Western Publishing Co. 1986, p. 203.

² Hoque, Md. Jahirul, "Some Aspects of Management of receivables - A Comparative Study of Four Manufacturing Enterprises Under Public and Private Sectors". *Chittagong University Studies (Commerce)*, Vol. 2, 1986, p. 1.

³ Pandey, I. M., *Financial Management*, Third ed. Delhi, Vikas Publishing House Pvt. Ltd., 1982.

⁴ Hoque, A.K.M. Jahirul, "Monitoring Accounts Receivable: New Perspective. Dhaka, *The Cost and Management*, vol. XV, No. 1, January-February, 1987, p. 18.

⁵ Hoque, Md. Jahirul, *op. cit.*, p. 2.

⁶ Pandey, I. M., *op. cit.*, p. 377.

⁷ Planning Commission, Government of the People's Republic of Bangladesh, *The Fourth Five Year Plan, 1990-95*, p. xll-33.

⁸ Report on BPDB of Consultancy firm and Direct Interview with the Head of Accounts of Commercial Division of BPDB.

⁹ Government of the People's Republic of Bangladesh, Ministry of Power, Energy and Mineral Resources, *Unnayan Prabaha* (Bengali), 1991, p. 20.

¹⁰ Hoque, Md. Jahirul, *op. cit.*, p. 16.

RELATIONSHIP BETWEEN JOB CHARACTERISTICS AND JOB ATTITUDES: A STUDY OF GARMENT WORKERS IN BANGLADESH

Md. Omar Ali*

Abstract

This paper reports the findings from an investigation which was conducted among the garment workers in Bangladesh to ascertain the relationship between job characteristics and job attitudes. The findings show that the perceived job characteristics of garment workers under study are significantly related to their job involvement, intrinsic motivation and satisfaction. Implications of this study for managerial decisions are also discussed.

Introduction

There is no denying the statement that labour can make or break an organization, particularly, if it is labour intensive. The garment industry being labour intensive depends for its success, to a large extent, on labour productivity, which in turn, depends on how workers respond. Bangladesh is a country with cheap and abundant supply of labour. Naturally, this labour intensive RMG (Ready Made Garment) industry has become the most important sector of our economy claiming lion's share of foreign exchange earnings. To maintain the present glory and face the future challenge, the garment factories in Bangladesh must look into different aspects of garment jobs i.e., job characteristics, job satisfaction, job involvement, motivation, etc.

Related Research

Turner and Lawrence of Harvard University published results of the first large-scale job characteristics study in 1965 and from the study they believed that the job characteristics influenced worker attitudes and behaviours.¹ Besides Turner and Lawrence, many other researchers also showed interests in the study of job characteristics and job attitudes in western countries [Griffin, Moorehead, Johnson and Chonko² (1980), Hertog³ (1977), Hackman & Oldham⁴ (1976), Emery⁵ (1975), Davis &

* Professor, Department of Management, Rajshahi University.

Trist⁶ (1974), Susman⁷ (1973), Hackman & Lawler⁸ (1971), and Taylor (1971)].

However, Hackman, Lawler and Oldham did a lot and broke a new ground to understand job characteristics and job attitudes by a series of work examining different jobs and job contexts. Hackman and Oldham (1976) proposed a job design theory linking three sets of variables known as the "Job characteristics", the "Critical psychological states" and the "Outcomes".¹⁰ This theory also shows moderator variables that influence job characteristics and outcome interrelationships. According to the theory, five core job characteristics (e.g., skill variety, task identity, task significance, autonomy and feedback) influence some critical psychological states (i.e., experienced meaningfulness of the work, experienced responsibility for the outcome of the work, and knowledge of the actual results of the work activities) which, in turn, produce certain personal and work outcomes (e.g., high internal work motivation, high quality work performance, high satisfaction with the work and low absenteeism and turnover). But the job design theory devised by Hackman *et al.* (1976) has failed to deal with certain moderator variables such as interpersonal relationship, technology factors, leadership behaviours, managerial practices, and organizational design factors. Nonetheless, the theory is well grounded to deal with the matters relating to the issue of job design and its implications.

Sufficient research information on the employee reaction to their jobs are available in western countries. But very little is known in Bangladesh on this matter. Garment industry is very flourishing industry in Bangladesh. It has become the largest foreign exchange earner of the country. It has also become a great employment generating industry for unskilled and poverty stricken rural people, 90% of whom are women. Naturally, this sector of our economy has drawn the attention of many academics and researchers. A number of research works on garment sector in Bangladesh has so far been done:

Hossain and Rahman (1995) prepared a paper on "Job Satisfaction on Garment Workers: A Case Study on Selected Factories in Narayanganj". The study was designed to measure the overall job satisfaction of the garment workers in Bangladesh and to see correlations between job satisfaction and performance, absenteeism and accident.¹¹ Quddus (1993) in his article, "Entrepreneurship in the Apparel Export Industry of Bangladesh" highlighted the success of readymade garment export industry along with problems and working conditions of the female

workers.¹² Rahman (1990) in the study "The Bangladesh Apparel Industry in Perspective" investigated the origin, growth, development and growth potential of the industry.¹³ Shahid (1980) made a study on "Managing Women in the Garment Workforce in the Garment Industry". This article is related to job satisfaction of garment workers of Chittagong zone only.¹⁴ Hossain and Brar (1988) conducted an investigation on "The Garments workers of Bangladesh: Earnings and Perceptions Towards Unionism".¹⁵ This study deals with workers' perceptions toward unionism as well as determinants of earnings of garments workers. Chowdhury (1987) wrote a research paper entitled "Garment Industry in Bangladesh: Its Problems and Prospects".¹⁶ This paper presents a brief account of the origin and growth of the garment industry in Bangladesh along with its problems and prospects. Alam (1986) in his study "Job Satisfaction: A Case Study of Working Women in Different Garment Factories in Dhaka City"¹⁷ identified the factors contributing to job satisfaction and dissatisfaction of the garment workers of Dhaka city only. Choudhury (1977) conducted a research work on "Married Women in Non-agricultural Occupation in Metropolitan Urban Area of Bangladesh - Some Issues and Problems".¹⁸ In the study, he examined the factors contributing to job satisfaction and dissatisfaction. Islam (1975) in the research investigation on "Women at Work in Bangladesh"¹⁹ examined the job satisfaction among the middle class female workers of Dhaka city only.

Undoubtedly these researchers did a lot in job satisfaction issues, i.e., identifying the factors contributing to job satisfaction and dissatisfaction of garment workers in Bangladesh, highlighting the problems and prospects of the industry etc. But none of these research works are associated with correlational analysis between job characteristics and job attitudes.

Western studies, cited in this paper earlier provide evidence that workers in western societies desire task identity, variety and autonomy from their jobs. Further, it has been suggested that jobs having these attributes are generally found to be motivating and satisfying to the employees doing the jobs. But what about the feelings of workers in Bangladesh? Do they like to get variety, autonomy and task identity in their jobs? To what extent are those perceived job characteristics related

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to motivation, job involvement, and job satisfaction? No indepth study has yet been done to answer these questions. This research gap motivated the author to undertake this study.

Objectives of the Study

The main objective of the study is to focus on different aspects involved in the relationship between job characteristics and the dependent variables - job attitudes and finally to provide suggestions in the light of the research gap. However, the specific objectives of the study are as follows:

- (1) To find out the extent of job characteristics present in the garment jobs under study.
- (2) To examine the extent of relationship between job characteristics and job attitudes, i.e. (motivation, job involvement and job satisfaction) of the present garment jobs.
- (3) To identify the desire of the garment workers under present investigation in respect of getting variety, autonomy and task identity in their jobs.
- (4) To identify the desire of the present garment workers in the matter of their higher order needs to be fulfilled from the jobs.
- (5) To provide suggestions in the above matters in the light of investigations carried on some sample garment industries in Bangladesh.

Method

Subjects of the present study are the employees in thirty garment factories located in Dhaka and Chittagong. The typical jobs held by the subjects are button sewer, packer, pattern maker, cutter, sewing machine operator, general worker and the like. Almost all (about 90%) respondents are female and they have an education level up to class V in general. Their work experience in the present jobs are five years or more on an average. Initially, two hundred questionnaire were distributed among the respondents but through several contacts and interviews data were collected from one hundred and thirty respondents only. In choosing the subjects, a random sampling procedure was followed.

Procedure: Thirty garment factories in total (20 from Dhaka and 10 from Chittagong) were chosen at random basis for the purpose of data collection. The management of each establishment was contacted and permission was received from management to conduct the study. The general nature of the research and mechanics of filling up the questionnaire were explained to the subjects. They were assured of confidentiality of their responses. Participation was voluntary. Collected data were tabulated and analyzed manually.

Instruments and Measures: A number of questions were raised to the subjects for data collection in the present study. These were mainly on the areas of (a) Job Description, (b) Higher Order Need Strength and (c) Employee Reactions to the Jobs. The questions were prepared in Bengali, the language of the subjects. The questionnaire items were pretested and modified before final acceptance.

Hypotheses

The following main hypotheses were made for the present purpose:

- (1) Motivation, job satisfaction and job involvement are related to job characteristics.
- (2) High job characteristics would produce quality work and responsible job performance.
- (3) Garment jobs are not well enriched.

Results

Perceived job characteristics: In the interest of ascertaining whether job characteristics are related to motivation, job involvement and job satisfaction, the subjects under study were requested to rate the characteristics of jobs held by them. In reply, they provided job descriptions based on their perceptions of several job characteristics like variety, autonomy etc. as shown in Table 1. Five point scales which ranged from 1 (minimum amount of job characteristics existing in the job) to 5 (maximum amount of job characteristics existing in the job) were used for rating of jobs held by the respondents. Means and standard

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deviations (SD) of the scores received from the respondents were computed. The results, thus, derived are shown in the following table.

Table - 1

Means and Standard Deviations of Job Characteristics Scores

Job Characteristics	N = 130	
	Mean Score	SD
Variety	2.79	0.95
Task Significance	2.63	0.92
Task Identity	2.64	0.92
Autonomy	2.68	0.90
Feedback	2.97	0.80
Dealing with Others	2.71	0.95

N = Sample Number

Source: Empirical Survey.

Results reported in Table 1 indicate that the respondents perceived their job characteristics to be from low to moderate in view of the scale of measurement (1-5) applied. This is in conformity with the hypothesis that garment jobs are not well enriched.

Desire for Higher Order Needs Workers' desire for higher order needs is an important issue to be considered in the job enrichment studies. It has been suggested by the scholars that the relationship between job characteristics and dependent variables such as motivation, job satisfaction and job involvement are moderated by the desire for higher order needs. Naturally, it was felt desirable to investigate the desire for higher order needs of the respondents under study. With this end in view, eight questionnaire items as shown in Table 2 were used to measure the degree to which the subjects under study wish to fulfill their higher order needs from the jobs. A five point scale ranging from 1 (would like to have none or minimum) to 5 (would like to have maximum) was used to measure each of the higher order needs. Means and standard deviations computed from ratings done by the workers of their desire for higher order needs are provided in Table 2. Results incorporated in Table 2 show that mean scores of all the higher order needs are little above the median score of 3. These findings indicate that the workers desire to have their higher order needs (such as personal growth, challenging job etc.) fulfilled from their jobs. But these expectations are not very high, it is just above the moderate expectation.

Relationship Between Job Characteristics

Table - 2
Means and Standard Deviations of Higher Order Needs

Higher Order Needs	N = 130	
	Mean Ratings	SD
Personal Growth and Development	3.23	0.76
Independent Thought and Action	3.45	0.80
Doing a Challenging Work	3.46	0.80
Worthwhile Accomplishment	3.38	0.79
Opportunity for Learning New Things from the Job	3.35	0.77
Friendly Colleagues	3.36	0.77
Respect and Fair Treatment from Supervisor	3.12	0.95
Opportunity for Creativity and Thinking	3.02	0.88

N = Sample Number.

Source: Empirical Survey.

Job Characteristics and Job Involvement: To find out the relationship between job characteristics and job involvement, the subjects under study were asked to rate the following questionnaire items on a five point scale: (i) I am very personally involved in my work, (ii) the most important thing happening to me involve my work and (iii) I live, eat and breathe in my job. The scores received on these items were averaged to yield a result that indicates the degree to which an worker is personally involved in his work. Correlational analysis was done to determine the nature of relationships between job characteristics and job involvement. The findings, thus, derived are provided in Table 3. Results presented in Table 3 indicate that job characteristics (in both core and interpersonal dimensions) and job involvement are positively correlated. These findings support our hypothesis that the high job characteristics prevailing in the job encourage job involvement of the workers.

Table - 3
Relationship between Job Characteristics and Job Involvement

Job Characteristics	N = 130
	Job Involvement
<u>Core Dimensions</u>	
Variety	0.31
Task Significance	0.15
Task Identity	0.14
Autonomy	0.24
Feedback	0.22
<u>Interpersonal Dimension</u>	
Dealing with Others	0.13

The above figures are coefficient of correlation.

Source: Empirical survey

Job Characteristics and Intrinsic Motivation: With a view to determining the intrinsic motivation, the following three questionnaire items were raised to the present subjects: (a) I feel badly when I do my job poorly, (b) doing my job well increases my self-esteem and (c) I feel a great sense of personal satisfaction when I do my job well. The replies provided by the subjects on a five point scale were averaged to yield a result that indicates the degree of intrinsic motivation. Correlational analysis was done and the coefficient of correlations, thus, determined is shown in Table 4.

Table - 4
Relationship between Job Characteristics and Intrinsic Motivation

Job Characteristics	N = 130
<u>Core Dimensions</u>	<u>Job Involvement</u>
Variety	0.34
Task Significance	0.15
Task Identity	0.17
Autonomy	0.28
Feedback	0.29
<u>Interpersonal Dimension</u>	
Dealing with Others	0.15

The above figures are coefficient of correlation.

Source: Empirical Survey.

The data provided in this table show that there is a positive relationship between perceived job characteristics and intrinsic motivation. Thus, the findings support the hypothesis that perceived job characteristics are related to intrinsic motivation.

Job Characteristics and Direction of Motivation: Three questionnaire items (as shown in Table 5) were used for measuring the direction of motivation. The subjects under the investigation were requested to rate each item on a five point scale. The average scores on each item were put to a correlational analysis and the findings are produced in Table 5.

Table - 5
Relationship Between Job Characteristics and Direction of Motivation

Dependent Variables (Direction of Motivation)	Job Characteristics					
	Variety	Task Significance	Task Identity	Autonomy	Feedback	Dealing with others
Being Personally Responsible For What I Do	0.28	0.24	0.31	0.17	0.30	0.23
Producing A Large Quantity Of Work	0.14	0.13	0.10	0.15	0.10	0.14
Doing High Quality Work	0.36	0.30	0.44	0.40	0.21	0.32

N = 130. The above figures are coefficient of correlation.

Relationship Between Job Characteristics

Source: Empirical Survey.

From the data shown in Table 5, it is found that in comparison with quantity of production, high quality production and taking responsibility are more positively related to the job characteristics. This feature indicates that jobs perceived to be high in all the dimensions would lead to quality work and responsible job performance.

Job Characteristics and Job Satisfaction: Both the general and the specific satisfaction were measured for the present purpose. The general satisfaction was measured by asking the respondents to rate the following questionnaire items: (i) generally speaking, I am very satisfied with my job, (ii) I frequently think of quitting my job and (iii) generally speaking, I am very satisfied with the kind of work I have to do on my job. Scores on the items were averaged and the result, thus, found out is called "general satisfaction". Other than the general satisfaction, the specific satisfaction was also measured. The specific satisfaction deals with the specific aspect of job. Nine questionnaire items (as shown in table (6)) were used to measure the specific satisfaction. Five point scale ranging from 1 (extremely dissatisfied) to 5 (extremely satisfied) was used to measure both general and specific satisfaction. Specific questionnaire items were not averaged but were retained as separate indicators of specific satisfaction. The nature of relationship between the five job dimensions and the items measuring satisfaction (both the general and the specific) was found out through correlational analysis. The findings of the analysis are reported in the Table 6.

Table - 6

Relationship Between Job Characteristics and Job Satisfaction

Job Satisfaction measures	Job Characteristics					
	Variety	Task Significance	Task Identity	Auto-nomy	Feedback	Dealing with others
General satisfaction	0.20	0.13	0.27	0.23	0.10ns	0.10ns
Specific Satisfaction:						
Pay	0.13	0.09ns	0.15	0.10ns	0.17	0.15
Security	0.34	0.08ns	0.30	0.10ns	0.15	0.18
Promotion	0.13	0.20	0.30	0.28	0.16	0.10ns
Growth & Development	0.30	0.14	0.18	0.25	0.17	0.12
Respect & Fair Treatment	0.10	0.20	0.16	0.15	0.18	0.20
Accomplishment	0.42	0.23	0.28	0.36	0.12	0.20
Independent thought & action	0.38	0.12	0.34	0.10ns	0.22	0.10ns
Supervision	0.27	0.20	0.16	0.22	0.08ns	0.17
Friendship	0.32	0.25	0.27	0.20	0.15	0.40

N = 130; The above figures are coefficient of correlation; n. s. = Not Significant

Source: Empirical Survey.

Findings shown in Table 6 indicate that the core job dimensions are generally related to the various measures of job satisfaction. However,

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the magnitude of relationship is not always consistent. A great deal of variations are noticeable.

Discussion on Findings

The main purpose of the present study is to find out whether there is any relationship between job characteristics and job attitudes i.e., job involvement, motivation and job satisfaction. Results reported here show that most of the job dimensions are positively and significantly associated with job involvement, motivation and job satisfaction.

The magnitude and direction of relationship between the independent and dependent variables, however, are not consistent in all the cases. In some cases, this relationship is found to be even very weak. Particularly this feature is noticeable in the relationship between interpersonal dimension and the dependent variables (such as intrinsic motivation, promotion, growth and development). Although, some positive relationships are found between the two variables, in many cases they are not statistically significant while in many other cases they are weak also. Therefore, interpersonal dimension does not seem to be so important for its inclusion in the definition of an enriched job. However, this conclusion has to be verified with larger samples from other industries.

In the core dimensions of job characteristics, autonomy and task significance also are found not to be significantly related to pay and security satisfactions. So, it is questionable whether any improvements in job design should take precedence over job context factors such as pay and job security. Prevailing opinions among the job design experts (Hackman & Oldham, 1980) are that the causes of poor job context satisfaction should be unearthed first before any serious attention is paid to the question of job redesign.²⁰ The present author also holds the same view and believes that benefits of further improvements in job design for the jobs held by the present subjects may not be achieved unless pay and security problems have been properly dealt with first.

Another thing to be noticed here is that the garment workers in the present study expressed desire for a meaningful job (as reported in Table 1). This is quite logical because the garment subjects have less of most of the job characteristics present in their jobs. In this connection, it would not be out of line to refer earlier study in the US conducted by Hackman & Oldham.²¹ The study revealed that different job dimensions of the U.S sample were well above the median score implying that their jobs were well enriched. But the job characteristics scores of the present samples under study are found below the median score which indicates that these

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jobs are not well enriched and as such there is enough scope for improvements in the job make up of Bangladesh garment industry. Once the job characteristics are improved, there will be more job involvement, more motivation and more job satisfaction as indicated in Tables 3-6 with few exceptions discussed just above.

The present samples also expressed desire for satisfaction of higher order needs from their jobs. But as per data provided in Table 2, the desires do not seem to be too strong. However, due to the sampling limitations, it has not been possible to study whether the relationship between job characteristics and dependent variables is moderated by the desire for higher order needs. For the purpose, large enough samples having variations in the degree of desire for higher order needs are needed.

There is however, some limitations of the study as to the sample being small. There may also be some errors in the data collection process because of the nature and educational qualification of the respondents. Efforts were, however, made to check face validity of the information provided by the respondents. In any case, caution is necessary for interpreting these results while embarking on a job enrichment initiative.

Policy Implications and Suggestions

The present research has the following implications for management practices:

Prevailing job characteristics are perceived by the present respondents to be low. These poor ratings of existing job characteristics imply that there is ample scope for improvements in the job make up in the garment jobs under study. The findings also indicate that higher job characteristics would produce higher and responsible job satisfaction, job involvement and job performance. Results of the present study further show that desire for higher order needs also influences job attitudes. Another implication noticed in the present study is that the garment workers desire meaningful job. Thus, the findings point to the need that management should take all these factors (i.e., management should improve garment job characteristics, provide facilities for higher order need fulfillment of the workers and make job meaningful to the workers) into account while making management strategy and policy.

Concluding Remarks

From the findings of the present study it may be concluded that job content factors have positive influence on job satisfaction, job involvement and intrinsic motivation. Therefore, these job content factors should be given due consideration. But due to the poor state of pay and

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security satisfaction prevailing in the garment factories under study, any job enrichment and higher order need fulfilment programme should be suspended until some progress has been made to resolve pay and security problems.

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DISSOLUTION OF MUSLIM MARRIAGE: BANGLADESH PERSPECTIVE

Khabir Uddin Ahmed*

ABSTRACT

Dissolution of Muslim Marriage is regulated by divine injunctions, and statutory provisions. Although there are traditional and statutory provisions as regards dissolution of marriage but their practice, in essence, is not unquestioned. The termination of marriage cannot finally be treated in the case other than by death of either spouse. The purpose of the paper is to investigate traditional and statutory provisions regarding dissolution, and analyse them critically. Finally, the study will draw some speculations as to what extent and under what circumstances the provisions can be applicable.

Introduction:

Marriage is a social institution. It creates relationship between man and woman. Muslim law considers it as a civil contract and not a sacrament. It creates various rights, liabilities and obligations between the contracting parties. Marriage registration is compulsory in Bangladesh, though non-registration does not make a marriage invalid. Marriage contract is dissoluble and through some ways it is being dissolved by the death of either party. It is natural one. But it may also be dissolved during the life time of the parties, either by the act of the husband or wife, or by mutual agreement, or by operation of law, or by a judicial order of separation, or it may be annulled.¹

The husband is empowered to dissolve marriage, but wife is not so empowered. Although, this being the position, a desirable dissolution having been taken place since its inception. The husband is given the right to divorce his wife, though, of course, arbitrary divorces are discountenanced. There is a saying of the Prophet (SM) to the effect that "the most detestable of lawful things in Allah's view is divorce." Similarly, the wife is given the right to ask for Chula in cases of extreme

*Assistant Professor & Chairman, Department of Law, University of Chittagong

incompatibility though the warning is conveyed by hadith against too free exercise of this privilege, one of which says that women asking for khula will be deprived of the fragrance of paradise. The warning both to man and woman in this regard, is obviously placed on the moral rather than legal plane and is not destructive of their legal rights.² necessity of dissolution of marriage may be found from the following passage

Divorce, according to Islam, being a preventive measure against breach of peace, a device for securing an amicable settlement, and after all a salutary safeguard to protect the weaker sex from continuous ill-treatment, due to disagreement or any other reason, has justly been provided as a dissolution of an unhappy marriage which may turn out to be a burden rather than an asset and, contrary to all expectation of happiness and help, may happen to be a horror and hindrance

So the person in authority, including the Qazi, can order separation by khula even if the husband is not agreeable to that course. Of course the Qur'anic conditions must be satisfied that it is no longer possible for the husband and wife to live together in harmony and in conformity with their obligations.⁴ Now the Court is empowered to dissolve marriage through khula under section 2(ix) of the Dissolution of Muslim Marriages Act of 1939.⁵ The following three legislations have been playing a significant role to dissolve marriage:

- i. The Muslim Family Laws Ordinance, 1961⁷
- ii. The Muslim Marriages and Divorces (Registration) Act, 1974⁸
- iii. The Family Courts Ordinance, 1985⁹

2. Forms of Dissolution of Marriage:

2.1. Preliminary:

Before going to discuss the forms of dissolution of marriage, relevant portions of the three legislations dealing with the subject matter need to be cited, hence

Ordinance VIII of 1961 (the Muslim Family Laws Ordinance, 1961) not affected: Where a family Court passes a decree for the dissolution of a marriage solemnized under the Muslim Law, the Court shall, within seven days of passing of the decree, send by registered post a certified copy of the same to the appropriate Chairman referred to in section 7 of the Muslim Family laws ordinance, 1961 (VIII of 1961), and upon receipt of such copy, the Chairman shall proceed as if he had received an intimation of talaq required to be given under the said Ordinance.

A decree passed by a Family Court for the dissolution of a marriage solemnized under the Muslim law shall ---

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- a) not be effective until the expiration of ninety days from the day on which a copy thereof has been received under sub-section (2) by the Chairman; and
 - b) be of no effect if within the period specified in clause (a) a reconciliation has been effected between the parties in accordance with the provisions of the Muslim Family Laws Ordinance, 1961(VIII of 1961)."
- ii.A. Talaq.-(1) Any man who wishes to divorce his wife shall, as soon as may be after the pronouncement of talaq in any form whatsoever, give the Chairman notice in writing of his having done so, and shall supply a copy thereof to the wife.
- (3) Save as provided in sub-section (5),a talaq, unless revoked earlier, expressly or otherwise, shall not be effective until the expiration of ninety days from the day on which notice under sub-section (1).
 - (4) Within thirty days of the receipt of notice under sub-section(1), the Chairman shall constitute an Arbitration Council for the purpose of bringing about a reconciliation between the parties, and the Arbitration shall take all steps necessary to bring about a reconciliation between the parties, and the Arbitration shall take all steps necessary to bring about such reconciliation.
 - (5) If the wife be pregnant at the time of talaq is pronounced talaq shall not be effective until the period mentioned in sub-section (3) or the pregnancy, whichever be later, ends.¹⁰
- B. Dissolution of Marriage otherwise than by Talaq: --- Where the right to divorce has been duly delegated to the wife and she wishes to exercise that right, or where any of the parties to a marriage wishes to dissolve the marriage otherwise than by talaq, the provisions of section 7 shall, mutatis mutandis, and so far as applicable, apply.¹¹
- iii Registration of Divorce--- (1) A Nikah Registrar may register divorce effected under Muslim law within his jurisdiction or application being made to him for such registration

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- (2) An application for registration of a divorce shall be made orally by the persons who has or have effective the divorce; provided that if the woman be pardanashin, such application made be by her duly authorised Vakil.
- (3) The Nikah Registrar shall not register a divorce or the kind known as talaq-i-tafweez except on the production of a document registered under the Registration Act, 1908 (XVI of 1908), by which the husband delegated the power of divorce to the wife or of an attested copy of an entry in the register of marriages showing that such delegation has been made.
- (4) Where the Nikah Registrar refuses to register a divorce, the person or persons who apply it for such registration may, within thirty days such refusal, prefer an appeal to the Registrar and the order passed by the Registrar on such appeal shall be final.¹²

The above provisions have given a new shape to the laws relating to the dissolution of marriage. The death of the husband or the wife dissolves the marriage. The husband has got the right to dissolve it unilaterally. But the wife does not have the right to dissolve the same by herself. Yet she has got only the right to dissolve it by khula and also by exercising the power of talaq delegated to her by khula and also by exercising the power of talaq delegated to her by the husband. The wife has also the right to file a suit in court for dissolution of marriage on various grounds under the Dissolution of the Muslim Marriages Act, 1939. And a suit to dissolve a marriage shall have to be filed in the Family Court which exercises the power to dissolve a marriage. Finally the Chairman as head of the Arbitration Council, is the last. Thus ends the tussle. Of course, the Nikah Registrar may play such role.

To make a better understanding the following provisions of different forms of dissolution of marriage including the executors under specific heads are discussed below:

The Husband
The Wife
The Spouses
The Court

Dissolution of Muslim Marriage
The Arbitration Council and
The Nikah Registrar.

2.2.A. The Husband:

The husband has an absolute power to dissolve the marriage tie at his will without assigning any reason. The forms of dissolution of marriage by the husband are, 1) Talaq, 2) Ila and 3) Zihar.

2.2.A.1. Talaq:

Preliminary:

The term talaq signifies the absolute power which the husband possesses of divorcing his wife at all times.¹³ It is the taking off of the marriage tie by appropriate words.¹⁴ Any Muslim of sound mind, who has attained puberty, may divorce his wife whenever he desires without assigning any cause.¹⁵ It may be oral or written. It may be classified as:

1. Talaq al-Sunna---

- i. Ahsan (the most approved)
- ii. Hasan (approved)

2. Talaq al-Bida---

- i. Three declarations, triple talaq
- ii. One irrevocable declaration.¹⁶

Talaq al-Sunna:

This form of talaq is approved form, recognised by the Sunni and the Shia schools.

Ahsan (the most approved from):

This consists of a single pronouncement of divorce made during tuhr, period between menstruations followed by abstinence from sexual intercourse for the period of iddat. In a non-consummated marriage it may be made even if the wife is in her menstruations. This talaq may be revoked at any time during iddat. It dissolves marriage or becomes complete and irrevocable on the expiration of the iddat period.

Hasan (approved form):

It is consisted of three successive pronouncement during three consecutive periods of tuhr, purity during which there has been no sexual intercourse. It may be revoked at any time until third pronouncement is made. It dissolves the marriage tie when the third is pronounced.

Talaq al-Bida:

Talaq al-Bida or al talaq al-bain or irrevocable talaq is of disapproved form, recognised only by the Sunni and not by the Shia.

Three declarations or triple talaq:

Three pronouncements are made by the husband in a single tuhr of the wife saying, "I divorce thee triply or thrice" or "I divorce thee, I divorce thee, I divorce thee". This is irrevocable divorce. It takes effect as soon as it is pronounced.

One irrevocable declaration:

A single and irrevocable pronouncement is made by the husband either during the period of tuhr or even otherwise¹⁷ to the wife saying, "I divorce thee irrevocably".

2.2.A.2. Ila:

In Ila the husband swears not to have intercourse with wife for not less than four months and in pursuance of that oath he refrains from intercourse for that period; on expiry of four months ...

in Hanafi law ... marriage terminates

in Shia and Shafei ... the matter is to be referred to court for termination of marriage.

2.2.A.3. Zihar:

If a husband compares his wife to his mother saying, you are to me like the back of my mother, or you are to me like the belly, or thigh or pudendum of my mother or your head or your waist is like the back of mother,¹⁸ zihar is established. Zihar does not operate termination of marriage, it only prohibits or forbids the matrimonial intercourse and also conjugal familiarity, such as, kissing or touching with desire etc. It is one of the grounds of dissolution of marriage, and to dissolve a marriage a suit is required. Of course, after husband's expiation they can lead the life of a husband and wife. There are various forms of expiation of zihar. Emancipation of a slave is one of the forms of it. Fasting for two months; or feeding sixty poor persons (when the husband is unable to undertake fast) are considered valid forms of expiation of zihar.¹⁹

Iddat Period:

Iddat is observed to testify legitimacy of the child in womb of the mother. The wife has to observe iddat if the marriage has been consummated. The duration of it is as follows:

when the wife is (i) subject to menstruation – three courses

(ii) not so subject – three lunar months

(iii) pregnant – until delivery.

In the case of pregnancy of the wife the duration of iddat will be until delivery or four months and ten days whichever is longer if the dissolution is on death of the husband.²⁰

2.2.B. The Wife:

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The wife enjoys the right to dissolve marriage by paying compensation to the husband by khula. She can also sever a marriage tie exercising the power of talaq delegated to her, delegated divorce, i.e., talaq-i- tafweez by her husband. She has also the right to obtain a decree for the dissolution of marriage under the Dissolution of Muslim Marriages Act, 1939.

2.2.B.1. Khula:

Islam, recognising the weakness of human nature, has permitted the dissolution of marriage, and does not make it un- severable, condemning the spouses to a life of helpless despair. The Qur'anic legislation makes it clear that it has raised the status of women. Verse 2:229 of the Holy Qur'an confers a right and privilege on the wife to seek dissolution of marriage. Khula is thus a right conferred on the wife. The Holy Qur'an declared in Verse 2:228 that women have rights against men similar to those that men have against them according to the well-known rules of equity. In such a way it conferred the right of Khula on women as against the right of talaq in men.²¹ Verse 2:229 of the Holy Qur'an runs thus:

Divorce must be pronounced twice; then either retain them in honour or release them with kindness. And it is not lawful for you that you take back from women anything out of what you have given them unless they both fear that they cannot observe the limits imposed by Allah.

The word "khula" literally means to put off, as a man is said to khula his garment, when he puts it off. Verse 187, Chapter II of the Holy Qur'an recites "you are garment or apparel for them and they are garment for you", meaning that the husband is a garment for the wife and vice versa. "Khula", therefore, should mean the putting off or doffing of the clock of marriage.²²

Khula takes place (i) on the mutual agreement or common consent of the parties or (ii) by the order of the Kazi or court. Where the husband disputes the right of the wife to obtain separation by khula, it can be ordered or by the Kazi against the will and consent of the husband. When a wife seeks khula from the Kazi, he is named as a judge and he is empowered to decide the matter, independent of and even without the consent of the husband. His authority to dissolve a marriage by khula, where the wife seeks khula, and where he is satisfied that the continuance of marriage tie is improper, harmful or likely to condemn the spouses to a life of adultery, sin and misery, and that the parties cannot keep within the limits of Allah, has no limitation of consent of the husband of his pronouncing a talaq.²³ It has been highlighted in an earlier case ²⁴ that the wife is entitled to khula as of right, if she satisfies the conscience of the court that it will otherwise mean forcing her into a

hateful union. In another case²⁵ the High Court Division of the Supreme Court of Bangladesh has held that if it so appears that the husband and wife can not live together in peace and amity and the wife offers consideration for the dissolution of the marriage she is entitled to get it dissolved by way of "khula".

Consideration:

The Holy Qur'an²⁶ implies that the wife has to pay compensation to the husband in order to obtain dissolution of marriage by khula. According to Hedaya, it is abominable on the part of the husband to take from his wife more than what he had given or settled upon her, namely, her dower. If the husband takes more than the dower it is strictly legal, because the wife agrees to give more than what she received in lieu of the marriage. Of course, this is a check on the wife's exercise of the right of khula that, as a general rule, she cannot retain the benefits, i.e., the benefits which have been conferred on her, by the husband as a consideration of marriage.²⁷

2.2.B.2. Talaq-i-tafweez or Delegated Divorce:

The husband's power to dissolve marriage may be delegated to some third person or even to the wife herself. In such a case under certain specific stipulated conditions or grounds the third person or the wife may dissolve the marriage. This is called Talaq-i-tafweez or delegated divorce. When such an agreement is made the wife after happening of any of the contingencies, repudiated herself to the same extent as if a talaq had been pronounced by the husband.²⁸ Actually this is not the wife's power to dissolve marriage by the wife herself, but so long the delegated power of the husband remains to her, she has every right to exclude it by herself.

2.2.B.3. The Dissolution of Muslim Marriages Act, 1939:

The Dissolution of Muslim Marriages Act, 1939 provides the rights to the Muslim married women to have her marriage dissolved on the certain and specific grounds. Prior to the Act the right of the wife to terminate a marriage was very much restricted and was confined to certain specified conditions and contingencies.²⁹ The grounds³⁰ only they enjoyed were: i. talaq-i-tafweez or khula or mubaraat, without intervention of the court; ii. a) option of puberty b) impotency c) li'an d) cruelty or habitual ill-treatment, although this was somewhat uncertain, with the intervention of the court. To consolidate and clarify the provisions of Muslim law relating to suits for dissolution of marriage by women married under Muslim law this Act³¹ was passed. It provides that a woman married under Muslim law shall be entitled to obtain a decree for

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the dissolution of her marriage on one or more of the certain grounds those are:

1. *Missing husband*: If the husband's whereabouts have not been known for a period of four years;
2. *Failure to maintain*: If the husband has neglected or has failed to provide for her maintenance for a period of two years;
3. *Imprisonment*: If the husband sentenced to imprisonment for a period of seven years or upwards;
4. *Failure to perform marital obligations*: If the husband has failed to perform, without reasonable cause, his obligations for a period of three years;
5. *Impotency*: If the husband was impotent at the time of marriage and continued to be so;
6. *Insanity, leprosy, venereal disease*: If the husband has been insane for a period of two years or is suffering from leprosy or a virulent disease;
7. *Option of puberty*: If the marriage has been given by the father or other guardian before her attaining the age of fifteen years and she repudiated it before attaining the age of the eighteen years provided that the marriage has not been consummated;
8. *Cruelty*: If the husband treats her with cruelty, that is to say --
 - i. habitually assaults her or makes her life miserable by cruelty of conduct even if such conduct does not amount to physical ill-treatment, or
 - ii. associates with women of evil repute or leads an infamous life, or
 - iii. attempts to force her to lead an immoral life, or
 - iv. disposes of her property or prevents her from exercising her legal rights over it, or
 - v. obstructs her in the observance of her religious profession or practice or
 - vi. if he has more wives than one, does not treat her equitably in accordance with the injunctions of the Qur'an.
9. Any valid grounds under Muslim law: Any other ground which is recognised as valid for the dissolution of marriages under Muslim law.

2.2.C. The Spouses:

Mutual agreement or common consent of both the parties to the contract of marriage that is the husband and wife may dissolve the marriage tie without intervention of a court in the following forms: (1) Khula and (2) Mubaraat.

2.2.C.1 Khula: Khula takes place on the mutual agreement or common consent of both the husband and the wife. As a matter of fact Khula is applicable by wife on fulfillment of conditions imposed by the husband. In the sense it is observable that Khula cannot be effective unless the husband consents to that. From this practicable on the basis of mutual consent of the spouse. Finally, whatever it is, Khula takes place without intervention of the court.³²

2.2.C.2. Mubaraat:

Mubaraat denotes the act of freeing one another mutually. When the divorce is effected by mutual consent and with the desire of both parties, it is called Mubaraat. The husband or the wife may make an offer for Mubaraat and thus dissolves marriage. Under Sunni law Mubaraat is one kind of Khula. Where Khula takes place as a result of mutual consent of the spouses, then it is technically called Mubaraat. In this case no reference to Kazi is necessary.³³ Under Shia law it is distinct proceeding.³⁴

2.2.D. The Court

The Court may pass a decree dissolving marriage and also declare a marriage to have been annulled or abrogated or rescinded. There are so many grounds on which the decree of a court is available. As per provisions of the Dissolution of Muslim Marriages Act, 1939 a Muslim wife is entitled to obtain a decree for the dissolution of her marriage. This Act contains some very specific grounds including other valid grounds for dissolution of marriage under Muslim law on which the court can pass a decree for dissolution of marriage.

The Family is established under the Family Courts Ordinance, 1985 which is empowered to entertain, try and dispose of suits relating to dissolution of marriage (also restitution of conjugal rights, dower, maintenance, guardianship and custody of children). In disposing of a suit for dissolution of marriage the Court will have to follow the provisions of the Family Courts Ordinance, 1985. The Family Court may pass a decree for dissolution of marriage on ground of lian or on any one or more grounds contained in the Dissolution of Muslim Marriages Act, 1939 which covers so many grounds containing "any other ground which is

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recognised as valid for the dissolution of marriages under Muslim law" along with some specific grounds in it.³⁵

2.2.E. The Arbitration Council and the Nikah Registrar

The dissolution of marriage by the husband or exercising delegated power by the wife or by the spouses or by a decree of a Family Court is no effective unless the compliance of the mandatory provisions of section 7(1) of the Muslim Family Laws Ordinance, 1961 regarding the delivery of notice or copy of decree of such divorce to the Chairman,³⁶ and expiration of 90 days from such delivery under section 7(3) of the Muslim Family Laws Ordinance, 1961 or from the day on which a copy of decree of divorce has been received under section 23(2) of the Family Courts Ordinance, 1985. Within thirty days of the receipt of written notice or copy of decree of divorce the Chairman has to constitute an Arbitration Council³⁷ to bring about a reconciliation between the parties and also he has to take all other necessary steps for bringing about a reconciliation of the matter.

Although the non-compliance with the provisions of section 7(1) of the Ordinance regarding delivery of notice of copy of divorce to the Chairman makes talaq legally ineffective but the failure of the Chairman to constitute an Arbitration Council does not make the divorce ineffective.³⁸ Failure of the Chairman to constitute an Arbitration Council or that of a duly constituted Arbitration Council to take necessary steps to bring about reconciliation is thus inconsequential.³⁹

Validity of divorce without notice to the Chairman has recently been decided by a Division Bench of the High Court of the Supreme Court of Bangladesh. The Court has decided that the registration of divorce under section 6 of the Act finally dissolves the matrimonial tie; and non-service of notice under section 7 of the Muslim Family Laws Ordinance, 1961 upon the Chairman cannot render the divorce ineffective if the conduct of the husband appears to be so, that is the husband with an intention not to revoke it again purposely avoided to give notice to the Chairman of the Union Council under section 7 of the Ordinance.⁴⁰

In *Gauhar v. Mst. Ghulam Fatima*⁴¹ the Court held that the main object of section 7 of the Ordinance to prevent hasty dissolution of marriage by talaq pronounced by the husband unilaterally, has not been defeated by non-giving of the notice. Section 7 of the Ordinance is obviously for the benefit of the female.

In the context of the Muslim Family Laws Ordinance, 1961 if the husband does not serve notice, the Chairman, Arbitration Council has no

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authority to take action in connection of the divorce. As regards the Muslim Marriages and Divorces (Registration) Act, 1974 registration of divorce depends entirely on the attitude of the husband or the wife as the case may be, that is the husband or the wife does not register the divorce with Registrar there is nothing to take action by the concerned authority like the Registrar in connection with the divorce.

Practically speaking the dominance of husband prevails in respect of divorce by giving no notice of divorce to the Chairman, Arbitrary Council or Nikah Registrar. As a result wife becomes helpless by such unscrupulous attempts of the husband who can keep her in hanging. Section 23(2) of the Family Courts Ordinance, 1985 appears to be applicable towards a decree for the dissolution of marriage solemnized under the Muslim law. In essence the copy of decree of divorce served to him. It is under law and practice by the party obtained. The party needs to file a fresh suit for its execution and has to observe several formalities therefore. But in the case of decree for dissolution of marriage the party does not require to file and observe likely. The court seems to take liability of executing that decree by serving it to the Chairman, Arbitration Council within 7 days. It is an effective development for the party obtained the decree.

Conclusion:

Dissolution of Muslim marriage is frequent in Bangladesh. Traditional and statutory provisions are seen to be applicable to this end. If the provisions are properly followed, neither the wife nor the husband may suffer. But it depends entirely on the role of the machinery concerned and the attitudes of the spouse as well. In the society like ours, there is a problem to execute law even in the form of court's decree which is made ineffective by unscrupulous activities of the parties. Finally, the decree of dissolution of marriage passed by the Family Court seems to be infractious by influence, pressure, inducement, threats, and interferences of the persons convicted, the decision of the Family Court will be effective theoretically other than practically. Unless and until the statutory provisions are properly enforced, neither of the couple, the wife particularly in the case of Bangladesh, can get remedy against woes and sufferings inflicted by the husband.

Endnotes

¹ Faiz Badruddin Tyabji, *A Hand Book on Muhammadan Law*, 3rd ed. (Lahore: All Pakistan Legal Decisions, 1966), p. 62.

² Mst. Khurshid Bibi V. Baboo Muhammad Amin (1967) PLD SC 97 at 114.

³ Muhammad Iqbal Siddiqi, *The Family Laws of Islam* (New Delhi: International Islamic Publishers, 1986), p. 212.

⁴ Mst. Khurshid Bibi V. Baboo Muhammad Amin (1967) PLD SC 97 at 121.

⁵ Sheerin Alam Chowdhury V. Captain Shamsul Alam Chowdhury (1996) 48 DLR 79:16 BID.

⁶ Ordinance No. VIII of 1961.

⁷ Act No. LII of 1974.

⁸ Ordinance No. XVIII of 1985.

⁹ *The Family Courts Ordinance, 1985*, Sections 23(2), (3).

¹⁰ *The Muslim Family Laws Ordinance, 1961*, Section 7.

¹¹ *Ibid.*, Section 8.

¹² *The Muslim Marriages and Divorces (Registration) Act, 1974*, Section 6.

¹³ Asaf A. A. Fyzee, *Outlines of Muhammadan Law*, 4th ed. (Delhi: Oxford University Press, 1974), p. 150.

¹⁴ Neil B. E. Baillie, *A Digest of Moohumadan Law* (Lahore: Premier Book House, n.d.), p. 204.

¹⁵ Dinsha Fardunju Mulla, *Principles of Mahomedan Law*, 15th ed., ed. Sir Syed Sultan Ahmad (Calcutta: Eastern Law House, 1961), p. 258; Ahmad Kasim V. Khatun Bibi (1932) 59 Cal. 833.

¹⁶ Fyzee, 151.

¹⁷ Sheikh Fazlur Rahman V. Mst. Aisha (1929) 8 Pat. 690.

¹⁸ Baillie, 323, 325; Charls Hamilton (Tr.), *The Hedaya Or Guide: A Commentary on the Mussulman Laws* (Delhi: Islamic Book Trust, 1982), p. 117; B.R. Verma, *Muslim Marriage Dissolution and Maintenance*, 2nd ed. (Allahabad: Law Book Company (P) Ltd., 1988).

¹⁹ B. R. Verma, 238.

²⁰ Hedaya, 128-132.

²¹ Mst. Khurshid Bibi V. Babo Muhammad Amin (1967) PLD SC 97 at 136.

²² *Ibid.*

²³ *Ibid.*, p. 146.

²⁴ Mst. Balqis Fatima V. Nazmul Ikram Qureshi 1959 PLD lah. 566.

²⁵ Sheerin Alam Chowdhury V. Captain Shamsul Alam Chowdhury (1996) 48 DLR 79: 16 BLD(HCD) 24.

²⁶ *The Holy Qur'an*, 2:229.

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²⁷ Mst. Khurshid Bibi V. Baboo Muhammad Amin (1967) PLD SC 97 at 148f.

²⁸ Sh. Shaukat Mahmood, *Principles and Digest of Muslim Law*, 3rd ed. (Lahore: Legal Research Centre, 1976), p. 68.

²⁹ Mohd. Ibrahim V. Mt. Altafan AIR 1925 All 24: 47 All 243:83 IC 27 cited in B.R. Verma, 282.

³⁰ B. R. Verma, 282.

³¹ *The Dissolution of Muslim Marriages Act, 1939*; the other object of this Act is to remove doubts as to the effect of the renunciation of Islam by a married woman on her marriage tie.

³² See section 2.2.B.1. *supra*.

³³ Mst. Khurshid Bibi V. Baboo Muhammad Amin (1967) PLD SC 97 at 117.

³⁴ Syed Amir Ali, 507.

³⁵ For details see section 2.2.B.3. *The Dissolution of Muslim Marriages Act, 1939, supra*.

³⁶ Chairman means the chairman of the Union Parishad or Paurashava, or the Mayor or Administrator of the Municipal Corporation, or the person appointed by the Government in Cantonment areas to discharge the functions of chairman or where the Union Parishad, Paurashava or Municipal Corporation is superseded, the person discharging the functions of Chairman of the Union Council of the Union or Town in which the wife in relation to whom talaq was pronounced was residing at the time of pronouncement of talaq. Vide *The Muslim Family Laws Ordinance, 1961*, Section 2(b) and *the Muslim Family Laws Rules, 1961*, rule 3(b).

³⁷ The Arbitration Council for the purpose of reconciliation matter consists of three members, one Chairman being the head and the other two nominated by each of the parties.

³⁸ Abdul Azia v. Rezia Khatun (1969) 21 DLR 733.

³⁹ Abdus Sobhan Sarkar V. Md. Abdul Ghani (1973) 25 DLR 227.

⁴⁰ Md. Sirajul Islam v. Mosammat Helena Begum (1996) 16 BLD (IHCD) 477 at 481: 48 DLR 48 at 51.

⁴¹ 1984 PLD Lahore 234.

INDUSTRIAL FINANCING BY THE DFIs: A STUDY OF BSB AND BSRS

Md. Nazrul Islam*
Dr. Md. Akhtaruddin†

ABSTRACT

Growth of industries in Bangladesh can be attributed largely to the availability of finance. In order to meet the increasing need of industrial finance, Government of Bangladesh has created a number of DFIs among which BSB and BSRS are prominent. This paper presents an analysis of financing operations of the two prime DFIs for the period of 22 years (1973-95). Findings of the study reveal that private sector has received the greater attention from the financing institutions. Mostly manufacturing industries are considered for investment. Both the institutions provided loans mainly to new projects. In case of sick industries, more attention are from BSRS than BSB. Major portion of the total assistance has gone to developed regions ignoring the priorities for backward regions as given in different plan periods. An effective and useful drive of the financing institutions can help in the pace of balanced growth of industries in Bangladesh.

Introduction

Bangladesh, as a developing country, faces much difficulty in the matter of industrial finance. The needs of financial and promotional assistance are indispensable for the growth of industries, which in turn would help in eliminating regional imbalances, reducing inequality of incomes and solving the problem of unemployment. With this in view, the Government of Bangladesh has established a number of development finance institutions (DFIs). In the present paper, an attempt has been

* Associate Professor, Dept. of Accounting, Rajshahi University.

† Associate Professor, Dept. of Accounting, Rajshahi University.

- made to analyse the functioning of two prime DFIs, namely BSB and BSRS.

October 31, 1972 is a landmark day in the history of industrial finance in Bangladesh. On that day, two leading industrial finance institutions were set up by Government statute. The first was Bangladesh Shilpa Bank (BSB), established under the statute called Bangladesh Shilpa Bank Order 1972. Fully owned by the Government of Bangladesh, the bank was formed with the merger of former Industrial Development Bank of Pakistan and Equity Participation Fund. The BSB Order of 1972 was amended in December 1986 by Parliament to provide greater operational autonomy to the bank. The bank started functioning with an authorised capital of Tk. 2000 million and paid-up capital of Tk. 1020 million in which the Government holds 51 per cent shares; the remaining 49 per cent is owned by Bangladeshi national and financial institutions, local or foreign.¹

The other bank established on October 31, 1972 was the Bangladesh Shilpa Rin Sangstha (BSRS), under the Bangladesh Shilpa Rin Sangstha Order 1972. This was formed by the merger of former Pakistan Industrial Credit and Investment Corporation Ltd., Investment Corporation of Pakistan and the National Investment Trust Limited located in Bangladesh. Later on, on March 16, 1987 the Investment Advisory Centre of Bangladesh (IACB) was abolished and merged with BSRS. The authorised capital of the Sangstha is Tk. 2000 million of which 700 million is paid-up capital fully subscribed by the Government of Bangladesh.²

Both BSB and BSRS since their inception are engaged to provide term loan to new entrepreneurs for setting up new units, existing entrepreneurs for improving and to sick entrepreneurs for rehabilitation of their industrial projects in order to create an industrial base of the country.

Objectives

The main objective of the study is to examine financing functions of BSB and BSRS in Bangladesh. The specific objectives are:

- i) to analyse the flow of financial assistance of BSB and BSRS in terms of plans, sectors, industry and region;
- ii) to evaluate their role in financing new as well as sick industries; and
- iii) to examine the problems of financing and suggest measures to improve the situation.

Scope and Methodology

The financing functions of BSB and BSRS for the period from 1973-74 to 1994-95 have been considered within the scope of the study. To achieve the objective of the study, secondary data were used. The data and information had been collected from the published documents of the Ministry of Finance, Government of Bangladesh, Annual Reports of BSB and BSRS over the years, published and unpublished documents. Necessary tables have been constructed on the basis of the collected data and information.

Analysis of Financing Functions

The financing functions of BSB and BSRS have been analysed in terms of plans, sectors, industry, purpose and region. The entire period of the study has been divided into four periods, 1973-80, 1980-85, 1985-90 and 1990-95.

Plan-wise Assistance

Financial assistance over the plan periods totalled Tk. 21375 million in case of BSB. During the First plan loans sanctioned amounted to Tk. 1011 million. In the two-year plan this increased to Tk. 1594 million, showing an increase of 57 per cent. The sanctions rose to Tk. 3657 million in the Second Plan and to Tk. 7501 million during the Third Plan, registering increases of 129 per cent and 105 per cent over preceding figures. During the Fourth Plan, the increase in sanction was a marginal 1.5 per cent at Tk. 7612 million.

The total assistance sanctioned by BSRS was Tk. 8095 million. Of the aggregate assistance, the highest amount of assistance was extended during the Second Plan (43 per cent), followed by the Two-Year Plan (22 per cent) and the Third Plan (18 per cent). The share of assistance during the Fourth Plan is a mere 3 per cent, possibly on account of the restriction imposed on BSRS from providing loans to new entrepreneurs.

The yearly average was Tk. 226 million during the First Plan, which shot up to Tk. 877 million during the Two-year plan. Thereafter, it started declining. The plan-wise sanction of finance is shown in Table-1.

Table - 1
Plan-wise Assistance Sanctioned by BSB and BSRS

Plan Period	Assistance sanctioned (Tk. in million)	Assistance sanctioned (Tk. in million)
First Plan:		
1973-74	75.70	23.73
1974-75	267.92	137.05
1975-76	64.97	196.30
1976-77	204.21	306.08
1977-78	398.33	469.22
Total	1011.13	1132.38
Annual Average	202.23	226.48
Two-Year Plan:		
1978-79	501.92	474.77
1979-80	202.23	226.48
Total	1593.96	1754.80
Annual Average	796.98	877.40
Second Plan:		
1980-81	1589.35	1647.40
1981-82	1090.94	27.41
1982-83	89.74	311.11
1983-84	224.56	1288.30
1984-85	662.67	169.00
Total	3657.26	3513.22
Annual Average	731.47	702.64
Third Plan:		
1985-86	991.07	103.05
1986-87	753.78	7.12
1987-88	520.23	2.18
1988-89	1202.00	183.96
1989-90	4034.00	1155.04
Total	7501.08	1451.35
Annual Average	1500.22	290.27
Fourth Plan:		
1990-91	1133.00	33.08
1991-92	123.61	30.56
1992-93	413.00	21.36
1993-94	1287.74	61.04
1994-95	4654.44	94.30
Total	7611.79	243.31
Annual Average	1522.36	28.67
Grand Total	21375.22	
Overall Average	971.60	367.95

Source: *Annual Report*, BSB, Various Issues.

Sector-wise Assistance

The private sector received the lion's share from BSB - as much as 98 per cent of the total assistance indicating fulfilment of the Government's commitment towards privatisation. The public sector received a meagre 2 per cent of the finance during the period 1973-80, after which financing of the public sector stopped entirely (Table-2).

Table - 2
Sector-wise Assistance Sanctioned by BSB

(Tk. in million)

Year	Public Sector			Private Sector			Total	
	L.C.	F.C.	Total	L.C.	F.C.	Total	L.C.	F.C.
1973-80	65.12	384.06	449.18	870.07	1285.84	2155.91	935.19	1669.90
1980-85	-	-	-	1045.27	2611.99	3657.26	1045.27	2611.99
1985-90	-	-	-	2080.40	5420.68	7501.08	2080.40	5420.68
1990-95	-	-	-	6507.78	1104.01	7611.79	6507.78	1103.01
Total	65.12	384.06	449.18	10503.52	10422.52	20926.04	10568.64	10806.58

Source: BSB, Annual Reports.

In terms of currency, foreign currency constituted the major share of financial assistance. But during 1990-95, the dominance of local currency is observed.

The private sector accounted for 94 per cent of the total assistance approved by BSRS (Table-3). The share of public sector was modest during the first period, and thereafter lost its importance to BSRS as Government began to lay emphasis on private industrialisation.

Table - 3
Sector-wise Assistance Sanctioned by BSRS

(Tk. in million)

Year	Public Sector			Private Sector			Total	
	L.C.	F.C.	Total	L.C.	F.C.	Total	L.C.	F.C.
1973-80	9.45	288.79	298.24	831.92	1757.02	2588.94	841.37	2045.81
1980-85	75.50	20.12	95.62	1012.53	2405.07	3417.60	1088.03	2425.19
1985-90	115.74	-	115.74	112.75	1222.86	1335.61	228.49	1222.86
1990-95	-	-	-	96.04	147.30	243.34	96.04	147.30
Total	200.69	308.91	509.60	2053.24	5532.25	7585.49	2253.93	5841.16

Source: BSRS, Annual Reports.

Note: L. C. stands for Local Currency
 F. C. stands for Foreign Currency.

The emphasis on foreign technology is reflected in BSRS's financial assistance where foreign currency loans accounted for about 72 per cent.

Industry-wise Assistance

BSB provided financial assistance to a wide variety of industries, but the textile industry accounted for the highest share (57.3 per cent). Food and allied industry came a distant second (7.5 per cent), followed by

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tannery (5.5 per cent), paper (5.4 per cent), chemicals (5.0 per cent) and engineering industry (4.7 per cent).

The nature of industries receiving assistance has fluctuated over the years, with the share of the textile industry constantly increasing. The share of food industry increased to 19.6 per cent in 1980-85 and dropped to almost 3 per cent thereafter. Some industries, which accounted for a significant share in the earlier years dropped out during 1990-95. The jute industry was one such, which had 14.3 per cent share in 1973-80 but failed to get any share during 1990-95.

That of BSRS, preference was given to agro-based industries, predominantly food and textile industries, which together accounted for almost 50 per cent of the total approvals. Jute, the other major traditional industry, received only 9.5 per cent share. About 27 per cent of the total approvals went to modern industries like chemicals and pharmaceuticals, engineering and non-metal industries.

The share of the textile industry increased from 13.2 per cent during 1973-80 to 20.1 per cent during 1980-85, to 48.5 per cent during 1985-90 and to 70.2 per cent during 1990-95. On the other hand, the share of food industry has been gradually declining. There was a consistent increase in the share of chemicals during 1973-90. There was a sudden jump in the share of non-metal from 1.3 per cent during 1973-80 to 14.8 per cent during 1985-90. Engineering industry, which secured 5.9 per cent during 1973-80 and 12.9 per cent during 1980-85 received a meagre share of 0.08 per cent during 1985-90. In 1990-95, it failed to get any share of assistance.

Purpose-wise Assistance

Purpose-wise financial assistance is depicted in Table-4. It would be seen from the table that of the total finance extended during 1973-95, 81.4 per cent went to new projects, 10.5 per cent for BMRE (Balancing, Modernisation, Replacement and Expansion), 7.2 per cent for additional loan and 0.9 per cent for rehabilitation.

A period-wise analysis shows that the share of new projects reached 90.6 per cent during 1980-85 and thereafter gradually declined. The share of additional loan increased to 11.5 per cent during 1990-95 as against 8.7 per cent during 1985-90. Additional loans are granted to meet cost overruns in new projects.

Table - 4
Purpose-wise Assistance Sanctioned by BSB

(Tk. in million)

Purpose	1973-80	1980-85	1985-90	1990-95	Total
New	2171.14 (83.3)	3312.81 (90.6)	6008.54 (80.1)	5916.23 (77.7)	17408.72 (81.4)
BMRE	433.95 (16.7)	344.45 (9.4)	708.31 (9.5)	753.95 (9.9)	2240.66 (10.5)
Add. Loan	-	-	656.23 (8.7)	875.61 (11.5)	1531.84 (7.2)
Rehabilitation	-	-	128.00 (1.7)	66.00 (0.9)	194.00 (0.9)
Total	2605.09 (100.0)	3657.26 (100.0)	7501.08 (100.0)	7611.79 (100.0)	21375.22 (100.0)

Source: BSB, Annual Reports.

Note: Figures in the brackets denote percentage of the total.

Although BSRS stopped financing new entrepreneurs from 1985, assistance to new entrepreneurs occupied the highest share of 71 per cent of the total assistance provided by the sangstha during 1973-95 (Table-5). The relative share of BMRE additional loan and rehabilitation were 20 per cent, 4 per cent and 5 per cent respectively.

Assistance to new projects was almost constant during the periods of 1973-80 and 1980-85 and it was frozen thereafter. The share of BMRE rose from 10 per cent during the first two periods to 63 per cent in 1985-90 but declined steeply to 32 per cent in 1990-95. In contrast, additional loan to projects continued to increase, from 1 per cent in 1973-80 to 16 per cent in 1985-90, and further to 29 per cent in 1990-95. The share of rehabilitation loan in total assistance during 1985-90 was 21 per cent which rose to 39 per cent during 1990-95.

Table - 5
Purpose-wise Assistance Sanctioned by BSRS

(Tk. in million)

Purpose	1973-80	1980-85	1985-90	1990-95	Total
New	2573.32 (89.1)	3170.21 (90.2)	-	-	5743.53 (71.0)
BMRE	295.70 (10.2)	343.01 (9.8)	912.39 (62.9)	77.46 (31.8)	1628.56 (20.1)
Add. Loan	18.16 (0.7)	-	233.96 (16.1)	71.58 (29.4)	323.70 (4.0)
Rehabilitation	-	-	305.00 (21.0)	94.30 (38.8)	399.30 (4.9)
Total					

Source: BSRS, Annual Reports.

Note: Figures in the brackets denote percentage of the total.

Table - 6
Region-wise Assistance Sanctioned by BSB

Region	1973-80	1980-85	1985-90	1990-95	(Tk. in million) Total
Dhaka	1430.69 (54.9)	1412.37 (38.6)	4325.55 (57.7)	5357.63 (70.4)	12526.24 (58.6)
Chittagong	638.04 (24.5)	781.21 (21.4)	1734.90 (23.1)	802.79 (10.5)	3956.94 (18.5)
Khulna	332.36 (12.8)	858.56 (23.5)	867.16 (11.6)	790.23 (10.4)	2848.31 (13.3)
Rajshahi	204.00 (7.8)	605.12 (16.5)	573.47 (7.6)	661.14 (8.7)	2043.73 (9.6)
Total	2605.09 (100.0)	3857.26 (100.0)	7501.08 (100.0)	7611.79 (100.0)	21375.22 (100.0)

Source: BSB, Annual Reports.

Note: Figures in the brackets denote percentage of the total.

Region-wise Assistance

Five Year Plans and Industrial policy statements have regularly stressed the need to bring about a balanced industrial growth of different regions of the country. The DFIs have a major role in this regard. They can contribute to backward area development by attracting more new entrepreneurs from these areas with incentives and concessional financing. Table-6 shows the region-wise analysis of assistance sanctioned by BSB, that Dhaka division topped the list in getting assistance (58.6 per cent), followed by Chittagong (18.5 per cent) and Khulna (13.3 per cent), with Rajshahi coming last (9.6 per cent). Fluctuations in the regional share may also be observed over the periods.

It may be seen from Table-7 that 82.4 per cent of the total assistance approved by BSRS during 1973-95 went to developed regions (56 per cent to Dhaka and 26.4 per cent to Chittagong Division) while the remaining 17.6 per cent was shared by the backward regions (Khulna 4.3 per cent and Rajshahi 13.3 per cent).

Table - 7
Region-wise Assistance Sanctioned by BSRS

Region	1973-80	1980-85	1985-90	1990-95	(Tk. in million) Total
Dhaka	750.15 (38.7)	628.52 (54.0)	1045.69 (75.7)	222.07 (90.2)	2646.43 (56.0)
Chittagong	731.18 (37.8)	224.57 (19.3)	267.97 (19.4)	22.95 (9.3)	1246.67 (26.4)
Khulna	116.61 (6.0)	82.05 (7.1)	4.39 (0.3)	1.30 (0.5)	204.35 (4.3)
Rajshahi	339.01 (17.5)	228.16 (19.6)	63.70 (4.6)	-	630.87 (13.3)
Total	1936.95 (100.0)	1163.30 (100.0)	1381.75 (100.0)	246.32 (100.0)	4728.32 (100.0)

Source: BSRS, Annual Reports.

Note: Figures in the brackets denote percentage of the total.

Industrial Financing by the DFIs

The share of Dhaka division rose consistently from 38.7 per cent in 1973-80 to 54.0 per cent in 1980-85, to 75.7 per cent in 1985-90 and to as much as 90.2 per cent in 1990-95. On the other hand, the share of Chittagong division which reached to 37.8 per cent in 1973-80, declined thereafter and reached 9.3 per cent in 1990-95. Similarly, the share of Khulna division which constituted almost 7 per cent during 1973-85 declined precipitately to 0.5 per cent during 1990-95. The share of Rajshahi division increased from 17.5 per cent in 1973-80 to 19.6 per cent in 1980-85, but suddenly fell to 4.6 per cent in 1985-90 and was nil in 1990-95.

Overall Assistance

The two DFIs approved a total loan of Tk. 29,471 million during the period 1973-95, of which two-thirds was extended by BSB and one-third by BSRS. The annual averages of assistance provided by BSRS for the First Plan and the Two-Year Plan were higher than that of BSB. In the second, third and fourth Plans BSB was leading.

The private sector received 97 per cent of the finance (Tk. 28,512 million) while the public sector received a meagre 3 per cent (Tk. 959 million).

Foreign currency loans predominated, accounting for about 57 per cent of the total sanctions (Tk. 16,648 million). There was a consistent rise in the foreign currency loans except in 1990-95. The increasing importance of foreign currency loans in the overall assistance indicates dependency on foreign technology to set up industries.

Manufacturing industries received 93 per cent of the financial assistance (Tk. 24,364 million) while 7 per cent (Tk. 1,739 million) was allocated to the service industries. Among the industrial sub-sectors, textile industries received the highest allocation, claiming 52 per cent of the total assistance, followed by food industries (10 per cent). In the loan sanction of both BSB and BSRS the textile industry was the main recipient followed by food industry. The next largest recipient was the chemicals and pharmaceuticals industry. There is some differentiation between the two institutions in selecting industries for financing. For instance, BSRS did not finance forest and wood products and gave little attention to paper, tannery and rubber. On the other hand, jute, transport and non-metals were not paid due attention by BSB.

Both institutions provided loans mainly to new projects, with about 81 per cent of the BSB's assistance going to new projects and 71 per cent of BSRS assistance. BMRE accounted for around 11 per cent of

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BSB assistance and almost double that in the case of BSRS. This is mainly because BSRS is now involved only in the improvement of existing projects. Sick industries also received greater attention from BSRS than BSB. BSRS gave 4 per cent of its assistance to sick industries compared to only about 1 per cent in the case of BSB.

Industries financed by the DFIs are heavily concentrated in the developed regions of the country. Almost 80 per cent of their assistance moved to developed regions like Dhaka and Chittagong. These two divisions together accounted for 82 per cent and 77 per cent of the assistance provided by BSRS and BSB respectively. Khulna division was given the least attention by BSRS while Rajshahi was given poor attention by BSB.

Conclusion

DFIs have to work under the policy framework approved by the Government. As the Government has given much emphasis to private sector development, the lending operations of DFIs have been concentrated on fostering the growth of industries in the private sector. However, the pattern of financing by the DFIs has not been in line with the socio-economic objectives embodied in the Five-Year Plans. They have shown a keen interest in the developed regions of the country ignoring the cause of the backward regions.

Endnotes

¹Bangladesh Shilpa Bank, *Annual Report*, 1987-88, p. 1.

²Bangladesh Shilpa Rin Sangstha, *Annual Report*, 1990-91, p. 27.

³Abedin, M. Z., "Industrial Development in Bangladesh: Role of Public and Private Sectors," *Bank Parikrama*, Vol. XIII, Nos. 3&4, 1988.

⁴Habibullah, M., "Industrial Financing and Institutional Arrangement for Setting up Industries in the Private Sector", *The Dhaka University Studies*, Part-C, Vol. 1, No. 2, 1980, pp. 73-80.

⁵Rahman, A.H.M. Habibur, "Industrial Development in Bangladesh - Need for a Dynamic Approach", *The Dhaka University Studies*, Part-C, Vol. 12, No. 1, June 1991, pp. 1-16.

⁶Bhowmik, B., "A Comparative Study of BSB and BSRS Performance, 1972-1985", *The Dhaka University Studies*, Part-C, Vol. 7, No. 2, 1987, pp. 101-120.

TASK ENVIRONMENT OF RAJSHAHI SUGAR MILLS LIMITED (RSML) - AN ANALYSIS

Sanjib Kumar Saha*

Abstract

Analysis of Task Environment indicates that a huge quantity of sugar remains unsold every year (2114 metric tons in the years 1993-94 and 1994-95) in spite of deficit of one lakh tons of sugar in the country. The major problem is the increased price of sugar caused by increased cost of production. Thus sugar produced in RSML faces competition with the imported and smuggled sugar. In this article some recommendations have been made on management system, procurement policy of sugarcane, cost reduction and distribution system of the mill which may increase its operational efficiency.

Introduction

The position of sugar industry in our national economy is very significant. It provides great employment opportunities directly or indirectly in the one hand, saves the drainage of valuable foreign exchange as import substitution on the other. It is an agro-based industry which ranks third in the manufacturing sector in Bangladesh. In view of climatic and environmental condition, availability of sufficient raw materials (sugarcane) and a large home market for sugar, the industry has a great opportunity for its growth. But its development is seriously deterred by lack of procurement of sufficient quantity of quality sugarcane, low recovery rate, increased price caused by increase in cost of production, unfair competition with the imported and smuggled sugar and stockpiling of sugar etc. There are 15 mills in the country under the management and control of Bangladesh Sugar and Food Industries Corporation with annual production of 2.00 lakh tons of sugar.¹ In the context of market economy and specially for SAPTA (South Asian Preferential Trade Agreement) possible measures should be taken to improve the operational efficiency of the sugar mills in terms of adopting effective tools and techniques in the field of management and marketing. This is a vital issue for the existence and survival of sugar industry in Bangladesh.

* Professor, Department of Marketing, Rajshahi University

Rationale of the Study

The researcher has gone through the important research works done by the different researchers in the sugar sector. All the studies are related to the performance evaluation, cost volume-profit relationships, growth and development of sugar sector, financial problems and production of the sector etc. So far my knowledge goes, I found not a single one on the task environment aspect of the sugar mills. So the present study will attempt to analyse the marketing effectiveness of the Rajshahi Sugar Mills Ltd. (RSML) which will contribute greatly to the growth and development of sugar industry in Bangladesh. With this study the Rajshahi Sugar Mills Ltd. will be benefitted for the following issues categorically:-

- i) The RSML will be able to chalk out effective programme and system of procuring its raw materials, specially the sugarcane.
- ii) In the context of market economy this study will help the RSML to develop appropriate organization structure, management system, organizational culture and decision-making system
- iii) The RSML will be able to evaluate the performance of existing distribution channel and make possible changes, if necessary.
- iv) This study will help the RSML to analyse the growth and development of sugar market in Bangladesh, nature and types of customers, the value the consumers give on making purchase decision and the nature of competition in sugar market.

Review of Related Studies

Sugar Commission, Government of Bangladesh identified that major problems of the sugar mills are the problems of sugarcane marketing and diversion of cane for the production of molasses etc.² Bangladesh Sugar and Food Industries Corporation (BSFIC) holds the idea that sale of sugar is made through specialised dealers, District, Thana, Municipal Corporation dealers, established permit holders, cane suppliers, employees of the mills and army etc. at different rates. Dealers and agents are reluctant to take the delivery of the allotted sugar due to low demand in the market. This has an unfavourable effect of the sales and earnings of the sugar mills.³ Karim narrated the difficulties of the sugar mills in the procurement of required quantity of sugarcane which created troubles in the production and marketing of sugar.⁴ Haque's research paper on the 'Development of Sugar Mills' gives the idea that regular supply of cane creates troubles in capacity utilization, cost of production, pricing and competition with the smuggled sugar.⁵ Hossain suggested that

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the cane growers should be motivated by offering higher prices for better quality of cane.⁶

Theoretical Frameworks

An organizational marketing system is the set of significant institutions, forces and flows that influence the ability of the organization to serve its markets. The task environment is one of the five components of an organizational marketing system. The organization operates in a task environment which consists of those basic institutions that cooperate to create marketing value for a market place. The task environment consists of the company and the three major institutions, namely, suppliers, marketing intermediaries and the market. The four constitute a total marketing channel for meeting a particular set of customer needs. The channel begins with heterogeneous raw materials, which are converted by successive processes into final meaningful product assortments that bring form, place, time and possession utility to final buyers.⁷ A brief description of the components of the task environment is given below:-

(a) Suppliers

The organization, in order to produce value for the market place, must acquire a number of inputs needed in the production process from outside suppliers. The company's task is to determine the optimal input mix for the given output mix that it wants to produce. The optimal input mix is influenced by the prices and availabilities of the various input goods. The company may decide to produce some of its own needed inputs and buy the rest from the outside suppliers. The company's purchasing executive is responsible for buying the needed inputs at the best possible prices.

(b) Company

The company may be viewed as a resource conversion machine that takes inputs from the outside world, converts them into useful products and services, and makes them available to others as outputs. To accomplish this, the company must carry on a number of functions, such as, management, production, marketing and financing. In addition to these, the company as, an organization, has a culture, that is, the major participants share a set of attitudes toward what they want to accomplish and what they think is important. The culture may be favourable or inimical to the company.

(c) Marketing Intermediaries

Marketing intermediaries are institutions that facilitate the distribution of the company's outputs to the final markets. Generally, there

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are three main types of marketing intermediaries and many variants of each. *Merchants* are business units - such as wholesalers and retailers - that buy, take title to, and resell merchandise. *Agents* are business units - such as brokers and sales representatives - which negotiate purchases or sales but do not take title to merchandise. *Facilitators* are business units - such as transportation companies, warehouses and banks - which assist in the performance of distribution but neither take title to goods nor negotiate purchases or sales.

(d) Markets

A market may be defined as people with needs to satisfy, the money to spend, and the willingness to spend it. The term "market" is often used in conjunction with some qualifying term that describes a human need or product type or demographic group or geographical location. The company may sell its outputs to several markets. Such as, industrial market and consumer market. Industrial markets buy for the sake of manufacture or resale whereas consumer markets buy for the sake of consumption. The market component includes also market segmentation, target market, market growth, purchase decision, buying determinants and competition.

Purpose and Objectives

The purpose of the present study is to investigate the nature of task environment of the RSML. Considering the purpose, the study sets the following specific objectives:-

- i) To assess the nature of supply of raw materials (sugarcane) to the mill and to find out any problem thereof.
- ii) To analyse the system of management, production, and marketing of the mill and to assess its role on the accomplishment of the mill's goal.
- iii) To evaluate the performance of marketing intermediaries.
- iv) To analyse the growth of Bangladeshi sugar market, market segmentation, target market, purchase decision, buying determinants of sugar and the nature of competition.
- v) To recommend some policy matters in respect of management, procurement of sugarcane, cost control and distribution of sugar in the light of present problems and future environmental issues.

Research Methodology and Techniques

The study is limited to the RSML due to convenience in data collection. The study is based on the primary data i.e., the official records and information of the mill which are collected through personal visit. For

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collection of the primary data, there was open discussion with the mill executives. Emphasis has been given on the secondary data i.e., publications of BSFIC, articles published in the daily newspapers and various journals.

Techniques of Analysis

The following analysis have been done:

- (a) Production and supply of sugarcane, procurement analysis and operation information of the RSML from the period 1990-91 to 1994-95.
- (b) Comparative cost of production of sugarcane, Aman paddy and wheat in the year 1994-95.
- (c) Number of crashing machines used for the production of molasses, analysis of sugar from the period 1990-91 to 1994-95.
- (d) Sales of sugar, sector-wise sales analysis, inventory, selling price, cost of production and profit and loss from the period 1990-91 to 1994-95.
- (e) Transportation of sugarcane and cost analysis in the years 1993-94 and 1994-95.

Major Findings

A. Suppliers

The raw materials of the RSML are of two types - (a) the prime raw material and (b) auxiliary raw materials. The sugarcane is used as prime raw material in the production of sugar. The auxiliary raw materials include certain chemicals which are procured either locally or imported from abroad. The sources of supply of the sugarcane are the farmers who cultivate sugarcane and commercial firms of the mills. The farmers are the main sources of supply of sugarcane. More than 99 percent of sugarcane procured by the mill is supplied by the farmers (Table - 1). The RSML has a specific zone which constitutes 20,000 to 31,000 acres of land suitable for the production of sugarcane annually. The number of farmers varies from 25000 to 36000. The production of sugarcane depends largely on the socio-economic condition, weather and climate, comparative cost of production and market price of sugarcane to other crops and debt facilities provided by the mill to the growers of sugarcane. The RSML has its experimental farms that constitutes 40 acres of land suitable for the production of sugarcane. The mill is able to procure sugarcane from this source which constitute only 1 percent of total supplies. The supply of sugarcane to the mill is largely dependent on its production. Table - 1 shows the fluctuations in production of

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sugarcane and the average quantity of production was 463525 metric tons during the years 1990-91 to 1994-95. Table - 4 shows that per acre cost of production of sugarcane is 2.5 times more than that of Aman paddy and about 5 times more than that of wheat. Under this condition, if the market price of sugarcane is not attractive, the farmers are, obviously, not interested in the production of sugarcane. Most of the farmers engaged in the production of sugarcane are landless and marginal. The poor farmers are not able to keep the sugarcane in the land for a longer period of time and as such all of them want to sell their entire crop at the beginning of the crashing season. So they are not relieved from the clutch of the local farias and beparies in the sale of sugarcane, specially when the mill procures sugarcane in keeping consistency with the crashing season and limited crashing capacity. Therefore, the small, marginal and landless farmers are not able to play any dominant role in the supply of sugarcane. Practically they have no bargaining power in this regard.

Procurement System

As practised by the other sugar mills, the procurement system of the RSML is also complex. The procurement system of sugarcane includes survey of sugarcane production, purjee programming, supply of purjee to the individual farmer, measurement of sugarcane and payment of the prices of sugarcane purchased etc. From the 1979-80 under the supervision of the mill purjee committee is formed in each Cane Development Unit to provide purjee to the individual farmer. "Purjee" is a French term which is used in the procurement system of sugarcane as the document provided by the sugar mill to the farmers to supply sugarcane to the mill. The RSML provides three purjees for every one hundred maunds of sugarcane to be supplied to the purchasing centre. During the season daily procurement of sugarcane is made through 1300 purjees.

The RSML fixes up the target of supply of sugarcane to the mill on the basis of survey regarding production of sugarcane, past experience and probable quantity of sugarcane to be consumed for the production of molasses each year. Table - 1 shows that the target of supply of sugarcane to the mill varied from 200,000 metric tons to 240,000 metric tons and the average supply target was 220067 metric tons which indicated from 51.34 percent to 60.34 percent and 48.23 percent respectively of the total production of sugarcane during the last five years. Table - 1 also shows that the average percentage of the target of supply of sugarcane to the production in the mill area was 47.52 during the study period. It is interesting to note that the percentage of actual supply to the target ranged

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from 75.71 to 123.44 during the last five years. In the years 1991-92 and 1992-93 the percentages of actual supply of sugarcane to the target were 78.75 and 75.71 respectively, whereas, the average percentage of supply to the target was 102.28 (Table - 1). The above information on the supply of sugarcane to the mill reveals that there is lack of stability of supply of sugarcane to the mill. The main causes behind the wide fluctuation in the supply are the decrease in production of sugarcane due to natural calamity, increased price, more price for sugarcane paid by the private molasses producers than that of the mill authority etc. Table - 5 shows that there are various crashing machines for the production of molasses in the private sector under RSML area. The highest number of machines (3134) were in operation in the year 1991-92 and the RSML was able to achieve only 78.75 percent of sugarcane to its target of supply (Table - 1). The surprising fact is that although the lowest number of crashing machines (161) were in operations for the production of molasses in the year 1992-93, the RSML was able to achieve only 75.71 percent of target of supply in that year. In the remaining three years (1990-91, 1993-94, 1994-95) of the study period increased number of crashing machines were in operations for the production of molasses in the private sector, but the achievement of target was very satisfactory (ranging from 111% to 123.44%). Therefore, it would be logical to comment that increase in supply of sugarcane to the mill depends not only on the decrease in number of crashing machines for molasses production but also on the increase in number of crashing period of the machines. Statistical evidence was not possible to present here due to lack of information in this regard.

B. The Company

Rajshahi Sugar Mills Ltd. (RSML) was established in the year 1963 under the supervision of the then Pakistan Industrial Development Corporation. The mill was under private ownership till 1971 and after liberation of Bangladesh it was nationalised and under the management and control of Bangladesh Sugar and Food Industries Corporation. The Mill started its production in the year 1965-66. At the time of erection it had the production capacity of 10160 metric tons. After modernizing and extension its production capacity increased to 15240 metric tons. The RSML has the following features:-

i) Nature of management

The RSML is under the direct management and controlled by the Bangladesh Sugar and Food Industries Corporation (BSFIC). Therefore, its nature of management is that the Mill enjoys limited decentralization

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wherein, all the plans, policies, programmes and major procedures regarding procurement of raw materials, production, sales and price fixation etc. are formulated and decided by the top executives of the BSFIC. These plans, policies and programmes are implemented by the Mill authority. This indicates that the mill authority is responsible for the execution and implementation of the plans, policies and programmes to the BSFIC authority, but they have no independence on the formulation and decision on any plan, policy or programme which is not consistent with the concept of Free Economy and principle of management.

ii) Organization structure

The organization structure of the mill is production-oriented. Prime importance has been given on the production. This is also not consistent with the concept of free economy. In any manufacturing concern all activities should be directed towards the consumers and as such prime importance should be given on marketing. This should be reflected on the organogram of the enterprise. The organization structure of RSML lacks it and as such proper planning and interdepartmental coordination are hard to achieve, especially coordination of procurement, production and distribution is affected.

iii) Production

The RSML produces mainly sugar. It produces 6.98 percent to 9.816 percent of total quantity of sugar produced in Bangladesh.⁸ Table - 3 shows that during the periods of last five years, the RSML had over-achievement of its production target in the years 1990-91, 1993-94 and 1994-95 being 115.43 percent, 102.81 percent and 114.13 percent respectively. In these three years the mill had also over-capacity utilization being 132.55 percent, 121.43 percent and 115.05 percent respectively. In the years 1991-92 and 1992-93 the actual achievement was far below the production target, being 68.26 percent and 71.34 percent respectively and the capacity utilization of these two years was also 89.58 percent and 88.94 percent respectively - caused by lack of required quantity of sugarcane (Table - 1), minimum crashing days (Table - 3). The volume of production of sugar depends on the supply of improved quality of sugarcane to the mill. Table - 3 shows the mill was able to procure improved quality of sugarcane in the years 1990-91, 1991-92 and 1992-93 which were supported by the information on actual recovery rate and quantity of sugarcane required in metric ton to produce one ton of sugar. The surprising fact is that although the actual recovery rate in the years 1991-92 and 1992-93 was far better than that of 1993-94 and 1994-95.

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but the RSML was not able to achieve the production target due to minimum number of crashing days caused by lack of supply of required quantity of quality sugarcane (Table - 1). In the other years of the study period, the RSML had satisfactory production volume due to increased number of crashing days caused by the supply of adequate quantity of improved quality sugarcane to the mill.

iv) Cost and profitability

Table - 8 shows that there was increasing trend in the cost of production of sugar in RSML. In 1990-91 total cost of production of sugar per metric ton was Tk. 22742.30. In the years 1991-92 and 1992-93 it rose to Tk. 27844.80 and Tk. 28438.15 respectively. Since then the cost of production began to decline. The main causes of increase in cost of production were under utilisation of production capacity and lower recovery rate due to low quality of sugarcane. As such it is noticed in Table - 3 that there was increasing trend of quantity of sugarcane required in metric ton to produce one ton of sugar during the last five years. It is a matter of great regret that in spite of increase in price of sugarcane, the RSML failed to procure quality sugarcane from the farmers.

Table - 10 shows that fixed costs have been decreased by 2.45 percent in the year 1994-95 due to 29.55 percent more utilization of the capacity, but variable costs have been increased by 2.45 percent in 1994-95 due to increased requirement for sugarcane caused by lower recovery rate (inferior quality). So the RSML incurred losses during the years 1991-94 (Table - 8). The mill was able to make profits in the years 1990-91 and 1994-95. The above analysis indicates that the mill would not be able to make profit if it did not maintain increased selling price of sugar fixed up in the previous year (Table - 8).

C. Marketing Intermediaries

The nature, type and behaviour of marketing intermediaries depend on the system and level of marketing channel. Figure - 1 shows that the RSML uses multi-channel marketing system where in both zero level and two level channel system are used in the distribution of sugar. Under zero level channel, every farmer and employee of the mill are provided with the allotment of 12 kgs sugar against the supply of 30 maunds of sugarcane to the mill and 4 kgs sugar per month respectively. Under two-level channel, sugar is distributed by the wholesalers and local dealers with the monthly allotment of 15 metric tons and 5 metric tons of sugar respectively at the wholesale level and by various retailers and ration shops at the retail level through the Ministry of Food. Table - 9

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shows that the two-level channel (open market and Ministry of Food) was more effective in the distribution of sugar than the zero-level channel (farmers and employees). During the study period open market system alone claimed to achieve more than 97 percent of total sales of sugar. Of course, there was declining trend in the achievement of percentage of total sales during the last two years (1993-94 and 1994-95), although total sales under this system increased during the years. The main causes behind this may be that the behaviour and performance of the channel intermediaries are not consistent with the goals of the mill. The channel members give less importance on the growth and development of the mill than their own profits. They are less interested to sell the sugar produced in RSML due to lower profits and lower turnover caused by increased per unit price of sugar. Thus it is observed from Table - 8 that in the year 1994-95 quantity of sugar ready for sale and total sales increased by 24.64 percent and 27.54 percent respectively from the year 1993-94, but the quantity of inventory remained unchanged. In spite of increase in sales as a whole, it could not make any contribution to reduce the quantity of inventory.

Transportation and Warehousing Facilities

The RSML used mainly railway for the transportation of sugarcane to the mill up to the year 1990-91. Since the year 1991-92 the mill gave up railway and started using tractor trolley, truck and its own transport vehicles to carry the sugarcane from the purchasing centres to the mill. Table - 7 shows that most of the sugarcane are transported by Mill's own transport (50.38% in 1993-94 and 50% in 1994-95) and tractor trolley (48.18% in 1993-94 and 48.91% in 1994-95).

Warehousing facility of the RSML is not adequate and scientific. It has only two warehouses with the capacity of 15000 metric ton each. Sometimes motor garage is used as warehouse in the case of excess inventory and production of sugar.

D. Market Analysis

(a) Total market

There is growing trend of the market for sugar in Bangladesh. The demand for sugar depends mainly on the growth of urban population, rate of literacy, increase in per capita income, food habits etc. There is a increasing trend in the growth of urban population. The distribution of urban/rural population of Bangladesh is 15.2 percent and 84.8 percent respectively.⁹ The growth of urban population was 5.19 percent in 1961, 8.78 percent in 1974 and 15.18 percent in 1981.¹⁰ The rate of literacy is

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also increasing. It was 20.2 percent in 1974, 24.3 percent in 1981 and 32.4 percent in 1991.¹¹ The per capita income increased in 1991-92 and 1992-93 by 2 percent and 3 percent respectively.¹² The food habit of Bangladeshi people, specially in urban areas has changed significantly. Most of the people in urban areas take bread in the breakfast where other food items necessary for taking bread are, generally, made of sugar. In addition to this, sweatmeats are the tradition of Bangladesh which are used in any religious festival, entertaining the friends, relatives and guests. Of course, introduction of soft drinks (Coca-Cola, Pepsi-Cola, Sprite etc.) have reduced the use of sherbet in urban areas. However, the Bangladeshi market for sugar has a growing trend. According to the standard of Food and Agricultural Organization (FAO) of the United Nations a person requires 13 kgs of sugar. Accordingly 13 lakh tons of sugar or 17 lakh tons of molasses is required in Bangladesh annually. The rates of per capita use of sugar-molasses in Sri Lanka, Pakistan and India are 12.50 kgs, 19.30 kgs and 20.50 kgs respectively. At present consumption level of sugar in Bangladesh is the lowest in SAARC countries which indicates that the rate of per capita use of sugar molasses is only 5.80 kgs. The minimum requirements of sugar and molasses for a person are 3 kgs. The minimum requirements of sugar and molasses for a person are 3 kgs and 6 kgs respectively. Thus the annual demands of sugar and molasses in Bangladesh are three lakh tons and six lakh tons respectively as against the annual production of about two lakh tons of sugar and three lakh tons of molasses in Bangladesh.¹³ Thus it is noticed that there is deficit in the supply of sugar in proportion to demand which is met either by import or smuggled sugar. Total import of sugar was 18 metric tons in 1990-91 and 27 metric tons in 1991-92.¹⁴

(b) Types of market

Total market of sugar in Bangladesh may be divided into two: Consumer Market and Industrial Market.

i) **Consumer market**

The consumer market is composed of house-hold consumers. The household consumers may be, broadly, divided into two groups: urban consumers and rural consumers. Actually there is the difference in the consumption of sugar and molasses between the urban and rural consumers. The urban consumers consume sugar more and molasses less than the rural consumers due to the impact of many environmental issues like rate of literacy, per capita income, standard of living which bring about changes in consumers taste and food habits. The household consumers may also be divided into three groups according to the social

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stratification: upper class, middle class and lower class. Naturally, the consumption of sugar among the consumers of upper and middle class is higher than that of lower class due to the influence of above mentioned environmental factors.

ii) Industrial market

Industrial market includes hotels, restaurants, bakeries, confectionaries, and producers of various sweetmeats who use sugar as a raw material in the production of tea, biscuits, cakes and sweetmeats and the pharmaceutical companies using sugar as a raw material in the preparation of medicines.

(c) Buying characteristics

The buying characteristics of consumers of sugar include very little time and effort to shopping, and frequency of purchase. In purchasing sugar the buyers do not give importance to any single retail store and they do not compare price and quality, even they do not have the expertise required to evaluate the quality of sugar. Thus in purchasing sugar average consumers do not give value on quality, rather price is an important factor to take decision on purchase of sugar. Of course, consumers of the upper class are an exception to this.

The buying characteristics of industrial users for sugar include purchase of larger quantity at a time coupled with infrequency of purchase. In making purchase decision the industrial buyers are influenced by rational motives which include such economic factors as price, quality and service. Since the industrial users of sugar are motivated primarily by a desire to maximize their firms' profits, they will, naturally prefer that quality of sugar which may contribute to decrease cost of production of finished goods significantly. In this context the sucrose content of sugar is an important factor in making purchase decision that may decrease the buyer's cost in terms of using less quantity of sugar to produce the finished goods. Thus the sucrose content of sugar is more important than the price in making purchase decision by the industrial users.

(d) Competition

In spite of shortage of supply of sugar over demand in Bangladesh, a huge quantity of Bangladeshi sugar remains unsold. At present total quantity of unsold sugar is about 1.5 lakh tons which is equal to half of total production of sugar in the country. In RSML there is also increasing trend of inventory of sugar (Table - 8). The main cause behind it is that Bangladeshi sugar can not meet the price competition with the imported and smuggled sugar. The nature of competition is price. The price of imported and smuggled sugar is lesser than that of Bangladeshi

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sugar. In the consumer market, since the average consumers of sugar are more price sensitive than the quality and lower price is an important factor to buy sugar. Middle and lower class of consumers generally prefer imported and smuggled sugar more than Bangladeshi sugar. Since the consumers do not have any expertise to evaluate the quality of sugar, the upper class consumers often become confused to distinguish the Bangladeshi sugar and imported or smuggled sugar. Its another cause is that there is no branding of sugar produced in the Bangladeshi mills that might help the consumers to differentiate Bangladeshi sugar and imported or smuggled sugar. Thus smuggled or imported sugar is sold in the name of Bangladeshi sugar in the market.

In the industrial market, the nature of competition is also price. The industrial buyers, being influenced by the economic factors, prefer lower priced sugar i.e., imported or smuggled sugar. Since they have no expertise to evaluate the quality, lower price is the key factor to influence their purchase decision of sugar. A laboratory test is urgent to compute the sucrose content of imported or smuggled sugar. Analysis of sugar produced in RSML (Table - 6) shows that the pole (sucrose content) is more than 99.75 percent that indicates its higher intensity of sweetness. As a result lesser quantity of this type of sugar will be needed to produce a certain quantity of finished goods. In this way buyer's cost may be reduced in spite of its higher price in the market.

Conclusion and Recommendation

The economy of Bangladesh is changing to the direction of market economy from mixed economy. This change will bring about the changes in the environmental issues which will throw some challenges in our economy. The possible changes in the environmental issues include free entrance of foreign goods in to Bangladeshi market with lower tax or tax free, more foreign direct investments in the industrial sector, development of private sector, introduction of new technology, development of standard of living and increase in per capita income etc. These possible changes in the environmental issues may also happen in the sector of sugar industry. Thus the present structure of the sugar industry may change by 2000 A.D. and beyond which would take the shape of new entrants with new and improved technology, change in bargaining power the consumers of sugar, gradual decrease in the production of molasses (substitute to sugar) and intensive competition in the form of price and quality. Under these conditions, like other sugar mills in the country, the existence and survival of RSML will depend on, to what extent, it will meet these challenges

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successfully. For this purpose it is recommended to take the following measures to enhance its operational efficiency:

1. Decentralization of management system. In conformity with the concept of free economy the local management of the mill should be delegated the authority to take decisions on all plans, policies, programmes and procedures, regarding procurement and fixation of price of sugarcane, production, distribution and fixation of price of sugar. This will meet the principle of delegation that authority and responsibility should always be equal. It will ensure the successful implementation of principles of management process, planning and control, organization, coordination and motivation.
2. Creation of separate marketing department in the mill with the responsibility of procurement and price fixation of sugarcane, price fixation and distribution of sugar.
3. Formulation of market based procurement policy of the sugarcane. The price of sugarcane should be fixed on the basis of such factors as geographical location of the mill, availability of sugarcane, cost of production of sugar, market price and cost of production of other possible crops. The procurement policy should also include proper grading of sugarcane on the basis of sucrose content and fixation of price on the basis of grades. This will motivate the growers to supply quality sugarcane to the mill. Other issues associated with the procurement policy are introduction of production or group basis purjee management, accurate survey of grower-wise yield, use of computer in programming and issuing purjee to save time, money and avoidance of irregularities, prompt payment of the price of sugarcane to the growers and abolition of the embargo on crashing of sugarcane to produce molasses in mill area. This will create an open environment of free competition which may motivate growers to produce quality sugarcane and the mill authority will procure sugarcane more efficiently.
4. Lowering price of sugar in terms of control of costs. This will necessitate full utilization of the capacity, optimum utilization of crashing period, improvement in rate of recovery of sugar, lower inventory cost in terms of keeping optimum inventory of sugar, avoidance of any kind of wastage in respect of raw materials and sugar.

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5. Motivation of dealers, wholesalers and retailers of sugar. This may be done by allowing increased profit margin, regular and timely delivery of sugar, free delivery service and more credit facilities.
6. Use of registered trade mark for sugar produced in the RSML. This will help the buyers to distinguish sugar produced in RSML, sugar produced in other mills and imported or smuggled sugar. This should be disseminated through some paid media.
7. Advertisement in trade journals, news papers and television stating higher sucrose content of sugar that may lower the raw material costs of the industrial users.

Endnotes

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⁶ Hossain, M., "Problems of Sugarcane Supply in the North Bengal Sugar Mills Ltd. and the Joypurhat Sugar Mills Ltd.", unpublished Research Report, BMET Project, UGC, Dhaka, 1988.

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⁹ Bureau of Statistics, Government of Bangladesh, *Statistical Year Book of Bangladesh*, 1993, p.4.

¹⁰ *Ibid.*, p. 65.

¹¹ *Ibid.*, p. 594.

¹² Government of Bangladesh, *Bangladesh Economic Survey. 1992-93*, p. 2.

¹³ *The Dainik Janakantha*, dated December 11, 1995.

¹⁴ Bureau of Statistics, Government of Bangladesh. *Statistical Year Book of Bangladesh*, 1993, pp. 646-647.

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Appendices

Table - 1
Production and Supply of Sugarcane

Year	Total Production in M. Tons	Target of supply in M. Tons	Supply to the Mill in M. Tons	% of supply to production	% of target to production	% of actual supply to target
1990-91	480848	200000	246884.000	51.343	41.59	123.44
1991-92	464000	228570	180000.250	38.793	49.26	78.75
1992-93	441485	220000	166568.250	37.729	49.83	75.71
1993-94	445880	211765	235977.730	52.92	47.49	111.43
1994-95	485412	240000	292924.684	60.34	49.44	122.06
Average	463525	220067	224470.98	48.23	47.52	102.28

Table - 2
Procurement Analysis

Sl. No.	Sources	1990-91	1991-92	1992-93	1993-94	1994-95
1.	Farmers (in M.T.)	246506.86	170567.57	167668.92	235348.94	295146.65
2.	Mill's own farm (in M.T.)	377.680	437.285	358.445	648.790	533.320
3.	Total (in M. T.)	246884.540	171004.875	168027.360	233997.730	295650.00
4.	Farmers (%)	99.84	99.74	99.78	99.72	99.82
5.	Mill's own farm (%)	0.16	0.26	0.22	0.28	0.18

Source: Annual Performance Report of RSML, 1994-95, p. 21.

Table - 3
Operational Information of RSM

Sl. No.	Particulars	1990-91	1991-92	1992-93	1993-94	1994-95
1.	Cashing days	170	141	122	162	187
2.	Sugar production target in M.T.	175500	20000	19000	18000	20100
3.	Actual production in M.T.	20200.60	13652.60	13554.40	18505.50	23009.0
4.	Actual production to target (%)	115.43	68.26	71.34	102.81	114.13
5.	Capacity utilization (%)	132.55	89.58	88.94	121.43	150.98
6.	Recovery target	8.75	8.75	8.64	8.70	8.40
7.	Actual recovery rate	8.262	8.067	8.136	7.91	7.855
8.	Quantity of sugarcane requires in M.T. to produce one ton of sugar	12.10	12.39	12.29	12.64	12.73

Source: Annual Performance Report of RSML, 1994-95.

Table -4
**Comparative Cost of Production of Sugarcane,
Aman Paddy and Wheat, 1994-95**

Crops	Average	Total production	Production per acre	Total cost of production (in Tk.)	Per acre cost of production (in Tk.)
Sugarcane	45.50	911494 M.T.	20033 M.T.	705753.87	15511.07
Aman Paddy	3.00	2793 Kg.	931 Kg.	18017.32	6005.77
Wheat	4.50	3009 Kg.	668.66 Kg.	16818.00	3737.33

Source: Annual Performance Report of RSML, 1994-95, p. 27.

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Table - 5
Number of Crashing Machines in Operation

Type of Machine	1990-91	1991-92	1992-93	1993-94	1994-95
Local crashing machines	2542	2923	1611	2507	2360
Mechanical crashing machines	-	211	-	44	65
Total	2542	3134	1611	2551	2425

Source: Annual Performance Report of RSML, 1994-95, p. 23.

Table - 6
Analysis of Sugar

Components	1990-91	1991-92	1992-93	1993-94	1994-95
Pole (%)	99.78	99.79	99.78	99.75	99.78
Humidity (%)	0.034	0.031	0.032	0.029	0.028
Ash (%)	0.035	0.035	0.034	0.032	0.031
Reducing Sugar	0.0331	0.0328	0.0329	0.038	0.036
Miscellaneous impurities	0.096	0.144	0.12	0.151	0.125

Source: Annual Performance Report of RSML, 1994-95, p. 13.

Table - 7
Transportation of Sugarcane

Sl. No.	Mode of transportation	1993-94		1994-95	
		Quantity in M. T.	%	Quantity in M.T.	%
1.	By Tractor trolley	190896	48.18	246382.255	48.91
2.	By Truck	5702	1.44	5478	1.09
3.	Mill's own transport	199598	50.38	251860.390	50.00

Source: Annual Performance Report of RSML 1994-95, p. 15.

Table - 8

Information on Sales of Sugar, Inventory, Selling Price, Cost of Production and Profit/Loss of RSML

Sl. No.	Particulars	1990-91	1991-92	1992-93	1993-94	1994-95
1.	Quantity of sugar ready for sale in M.T.	24197.60	16180.20	15501.30	20155.00	25123.00
2.	Total sales in M.T.	21670.00	14233.30	13851.80	18041.00	23009.00
3.	Total inventory in M.T.	2527.60	1946.90	1649.50	2114.00	2114.00
4.	Selling price per M. T. in Tk.	26110	25000	25000	28000	28000
5.	Total cost of production in Tk. per M. T.	22742.30	27844.80	28438.15	26327.31	24614.58
6.	Profit/Loss in lakh Tk.	222.38	(709)	(956.25)	(204.80)	23.03

*Quantity of sugar ready for sale includes opening stock + quantity of sugar produced in the concerned year.

Source: Annual Performance Report of RSML, 1994-95, p. 4 and p. 31.

Table - 9

Sector-wise Analyses of Sales (in M.T.)

Sl. No.	Types	1990-91	1991-92	1992-93	1993-94	1994-95
1.	Ministry of Food (% of Total)	50 (0.23)	42 (0.30)	77 (0.30)	104 (0.58)	150 (0.65)
2.	Farmers (% of Total)	20 (0.09)	12 (0.09)	9 (0.07)	238 (1.32)	300 (1.30)
3.	Employees (% of Total)	11.50 (0.06)	15.80 (0.11)	16.50 (0.11)	29 (0.16)	30 (0.13)
4.	Open Market (% of Total)	21588.50 (99.62)	14163.50 (99.50)	13749.30 (99.26)	17669.95 (97.94)	2529 (97.92)
	Total sales	21670.00	14233.30	13851.80	18040.95	23009

Source: Commercial Section of RSML.

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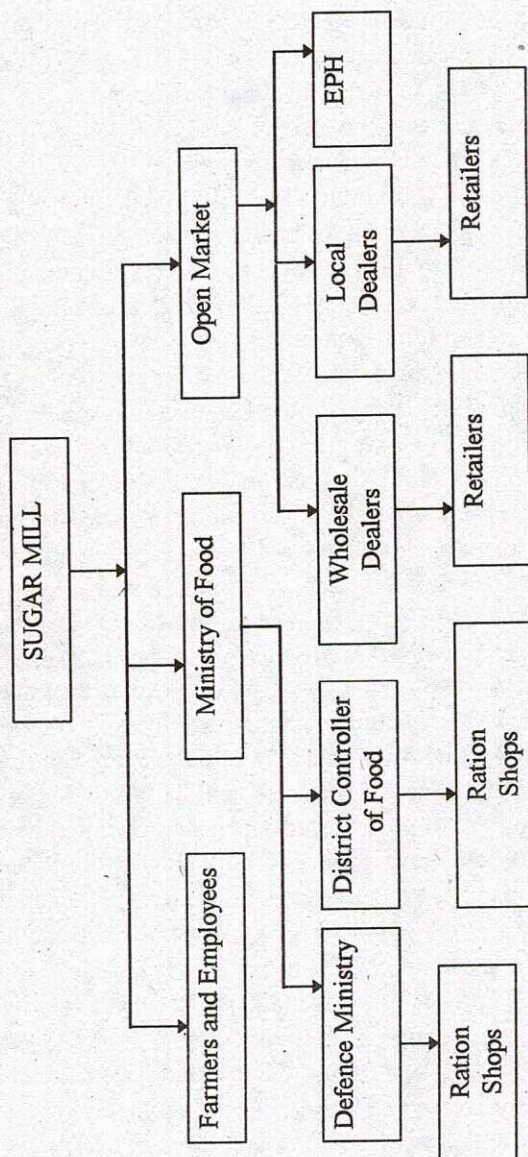
Table - 10
Cost Analysis of RSML

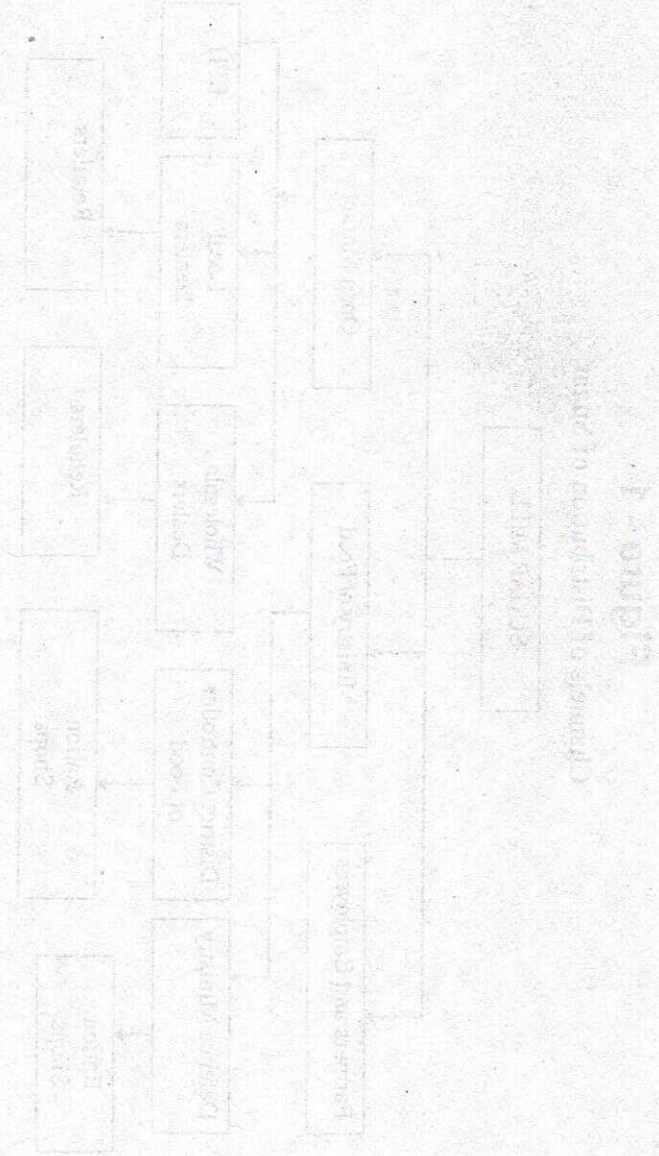
Cost Elements	1993-94 in lakh Tk.	1994-95 in lakh Tk.
A. Variable Costs		
1. Raw materials	2369.79	2987.78
2. Transportation	103.48	106.88
3. Miscellaneous	127.80	141.50
4. Salary of employees/seasonal workers	430.14	467.03
5. Electricity and fuel	149.42	131.50
6. Repairing (transport)	66.38	78.50
TOTAL	3247.01	3913.19
B. Fixed Costs		
1. Salary and wages (permanent)	945.28	986.23
2. Repairing (factory)	132.75	124.00
3. Insurance	10.53	16.00
4. Interest on debt	344.14	325.00
5. Administrative overhead	127.83	130.00
6. Depreciation	55.31	160.00
7. Selling and distribution costs	3.48	3.00
8. Sugarcane development costs	6.04	5.00
9. Research and Development	-	-
10. Dividends to the workers	-	1.15
TOTAL	1625.36	1750.38
Total (A+B)	4872.37	5663.57
Fixed costs	33.36%	30.91%
Variable costs	66.64%	67.09%

Note: Detailed information on costs from the years 1990-1993 was not available.

Source: Annual Performance Report of RSM, 1994-95, p. 35.

Figure - 1
Channels of Distribution of Sugar





Review Article

***JOURNAL OF THE VARENDRA RESEARCH
MUSEUM, Vol. 8 (1994)***

Editor: Saifuddin Chowdhury

After a gap of ten years the Varendra Research Museum has at long last published the eighth volume (1994) of its celebrated journal. It carried twelve articles on topics of archaeology, art history, and some other aspects of history. The first six articles deal with themes of Pre-Muslim Bengal. Four of these pieces belong to art history, one to archaeology, and one, exceptionally, to social and intellectual history. The next five articles address some interesting problems of Muslim history in Bengal, Gujrat, and the Deccan. Three of these deal with mosque architecture, one deals with art history, while the remaining one is an epigraphic study. The last article is somewhat out of the track as it has nothing to do with archaeology, art history, or epigraphy. It deals with socio-economic facts of local history in a Bengal region in the late nineteenth and early twentieth centuries. On the whole, the present issue of the VRM journal has presented a very good collection of well-researched papers.

Shahanara Husain, author of "Poet Yogesvara and ...", has mentioned the problem of identity of the Jagaddala Mahavihara that has been puzzling scholars since long (pp. 26-27, fn. 3). An attempt to solve this problem has been made in the next article, "Jagaddala Mahavihara", by AKM Zakariah. Knocking out the claim of four places in North Bengal bearing the name Jagdal or Jagdala, he has endeavoured with strong arguments to fix the identity with the fifth Jagaddala in Dhamoirhat thana of Naogaon district. The discussion is detailed and meticulous, evidences and arguments presented are quite plausible. But the identity itself is left tentative pending "confirmation by archaeological excavation".

The two scholars have, between themselves, left a small puzzle however. Zakariah talks about five Jagdals situated in Panchagar,

Thakurgaon, Dinajpur, Malda and Naogaon districts of North Bengal. But Mrs. Husain refers to a certain village called Jagaddala in the Bogra district where stands an unexcavated mound. One would only expect a discussion of this place also in Zakariah's article. Zakariah's scholarly piece is also stained with a few irregularities. The content of note 8 on page 41 has been fully reproduced in the main text at bottom of page 37 for no apparent reason. Mention of "some scholars" on page 40 requires proper references. The use of both A.C. and A.D. in the "Notes and References" (p. 41) seems inadvertent.

Editor Saifuddin Chowdhury has contributed a very important article on the technique of ancient Indian terracotta art. This is a pioneer article which should be helpful to new researchers in the field. The author informs that his conclusions are mostly based on "direct examinations and analysis of available samples" (p. 55). Such empirical study is always far more valuable than studies based on theoretical texts and superficial visual experience. Chowdhury's conclusions are however not very clear to this reader. The article has also suffered seriously from lack of illustrations. Coloured illustrations are an indispensable need for such study of art history. The illustrations provided for some other articles in the volume should also have been good quality coloured pictures to highlight the hues and nuances discussed in the text.

It would have been more appropriate, in view of this reader, if Saifuddin Chowdhury's article was put before Lala Rukh Selim's study of Paharpur terracotta plaques. After Chowdhury's general discussion on the technique of terracotta art, Selim's reflections on the Paharpur variety of the art would be a lot easier to comprehend. Selim has nicely shown the historical links of Paharpur to earlier North Indian background and to later culmination in Java and Indonesia. Despite Gupta and Indo-Buddhist connections, Selim has successfully shown, the Paharpur terracotta art is rich in the indigenous elements of secularity, humanity, and sensuousness. But the cultural blend of Brahmanism and Buddhism in Paharpur and other Mahayana monuments has not been clearly accounted for. Some references such as "some scholars" (p. 6) and "many scholars" (p. 17) are lacking in the notes. The clue of note 7 is not traceable in the text. The illustrations are marked as Gig. 1, Fig. 2 etc., but in the text these are mostly referred to as Plate 1, Plate 2, etc.

The short pieces on the "claya carts from Chandraketugarh" by Gourisankar De is an interesting reading and contains both good description and ingenious interpretation. An introductory sentence about Chandraketugarh was however expected. All the four specimens of clay

carts, the writer reports he discovered, should have been illustrated. None of the two illustrations supplied is referred to in the text. It is clear that the second figure illustrates the first specimen discussed on page 3 (top). But the first figure does not seem to be discussed at all in the text. The illustrations are also marked as belonging to the Sunga period. There should have been some discussion regarding this periodization. Moreover, was the Chandraketugarh region ever included in the Sunga empire?

Mihir M. Mukhopadhyaya's brief writing on "An Image of Mahalaksmi ..." is a notice sort of thing and is almost fully descriptive. The only important observations made are those about the divinity of the black-basalt image from Belasthali (p. 42), and the close resemblance of the image with descriptions of the eighteen-handed goddess Mahalaksmi in early medieval Puranic texts (p. 43). An illustration of the Simla image to which a comparison has been made (p. 44) of the Belasthali figure would have been very helpful. It seems somewhat strange that such an important archaeological object is left with a private collector in a remote village (p. 44, note 1).

Shahanara Husain's article on Poet Yogesvara and his verses is a unique piece as it is an exception among articles on art, architecture and archaeology. It belongs to the category of intellectual history, a rarely cultivated field in this country. The author has beautifully shown how the life and environment of rural North Bengal in the ninth century AD are vividly reflected in the 'rustic' verses of Yogesvara, the contemporary Bengali Poet who wrote in Sanskrit. However, it is not made clear whose translation of Yogesvara's verses is quoted in the article -- the author's own or Danial H.H. Ingalls'? The printer's devil has played havoc with this fine article so much so that two references (35 and 40) are totally missing. Reference to such a long range as pp. 137-327 in reference 11 seems to be a misprint. *Ibid.* in reference 4 is confusing as there are several titles in reference 3. Another discrepancy is noticed on page 20 where 1205-06 AD is equated with 1127 VS. It has to be either 1127 Shaka or 1263-64 V.S.

Three mosque studies by Sultan Ahmad, M. Hafizullah Khan and M. Abdul Bari enrich this issue of the journal. The Jami mosque of Cambay has been described in detail by Ahmad whose comparative approach has made the study interesting and revealing. The closing part of the article that deals with a twin grave situated near the mosque seems a bit redundant as none of the seven "conclusions" drawn by the author is related to it. The last para of the "conclusions" is specially interesting as it

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draws our attention to the synthetic nature of the mosque's architecture. This point, i.e. the blend of classical Indian and Perso-Islamic traditions of architectural art, deserves fuller treatment.

Comparisons with other structures are revealing but absence of dates of the respective buildings prevent us from forming a clear idea of the actual flow of influence. References in the text to the illustrations are confusing Fig. 3, fig. 4 (p. 63) and fig. 5 (p. 65) should actually be figs. 2, 3 and 4 respectively. Fig. 5 (which is wrongly marked as fig. 2), viz. 'ground floor plan ...', is apparently redundant as it is never referred to in the text. The name "Dr. Husain" in note 2 is vague. In note 5 the date of the submission of thesis was necessary. The name "Sultan" with *op. cit.*, reference in several notes from 10 onward is not traceable in any of the preceding notes, though 'S. Ahmad' in note 5 is the legitimate guess.

A second Jami mosque to the other end of the subcontinent, namely the *Hajiganj Jami Masjid* at Narayanganj, has been brought to our notice by M. Hafizullah Khan in a well organized article (pp. 82-91). It is strange that this important monument previously escaped notice of all concerned archaeologists and scholars, although the mosque is still in use and has been haphazardly repaired by local people. After a fine description of the building and its ornamentation, the author puts the structure in a comparative light along with a number of mosques and other buildings belonging to the Ilyas Shahi and Husain Shahi periods (1433-1538) of the history of Bengal. A detailed and insightful discussion of typology and key features leads Khan to conclude that the Hajiganj Jami mosque belongs to the Husain Shahi period (1493-1538) and originally it had six corner towers.

The most interesting part of Khan's discussion occurs on page 88 where he spells out the phenomenon of assimilation in elite Muslim monuments of the forms and eloquence of the traditional art of Bengal. Is it not wonderful to know that the "indigenous mainspring" of Bengal art that had once overcome classical North Indian influence in Paharpur (as pointed out by Lala Rukh Selim in her article on page 14) not only survive great sociopolitical and culture upheavals, but triumphed over even more alien elements?

This point, in view of this reviewer, deserved fuller treatment and the content of notes 17 and 20 (pp. 90-91) could be incorporated in the text. But Khan's use of such terms as "local" and "locals" vis a vis the specific ones "Muslim" and "Muslims" tends to keep the analysis partially vague. Printing errors on pages 87 and 88 have created a number of

anomalies in some dates which are repeated rather too many times. Another joke is the placement of Khan's illustrations inside the article by M.A. Bari.

Bari has written on the Azimpura mosque at Dhaka, a mid-eighteenth century structure of late Mughal style. The author has given a very good description of the monument in detail on pages 92-94. But an overview picture of the building was necessary for a better comprehension. Then he has attempted an evaluation of three basic elements of the mosque, viz. the vaulted platform, the *hujrah*, and the plan and roofing system. But actually there is no discussion of the *hujrah* which is physically non-existent at present. The other two elements have received scholarly treatment with good comparisons as well as clarifying interpretations. However, the final observations regarding Ottoman influence and its import by Armenian Christians are highly conjectural, although quite interesting and apparently supported by two secondary sources referred to in note 23.

In Bari's view the Azimpura mosque served as a *madrasah* also. And a great *madrasah* in the Deccan is the subject-matter of Mokhlesur Rahman's study. This author's description of the surviving portion of the tilework of Mahmud Gawan's *madrasah* at Bidar in south-central India offers a lucid and ratifying reading. The combined effect of tilework, painting, and calligraphy has been successfully spelled out in the description. Specially insightful observations are found on page 79.

Rahman's description gives the impression that the late fifteenth century Bahamani monument is unique in the sense that it is almost entirely a foreign import -- piece of contemporary Iranian architecture implanted in India. Unlike other specimens of Indo-Muslim architecture discussed by other scholars in this volume, no trace of indigenous element in Mahmud Gawan's *madrasah* is noted by the author. One discrepancy may be noticed in note 12 and its corresponding statement in the text (p. 79 top). How can G. Yazdani's book published in 1947 contain results of a survey he made in 1948? Note 6 needs author Briggs' first name also. Such statements as "the encroaching Shiite manace ... was then dangerously threatening the Deccan" do pose a threat to the objectivity of the study itself. In the context of the *madrasah*'s strict *sunni* character, Aurangzeb's treatment of it after he captured Bidar (note 7, pp. 80-81) is puzzling. The illustrations are marked as Fig. but referred to as PL. in the text. The illustrations are rather hazy and, as mentioned before, should have been coloured. On page 78 the author draws our attention to a

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pattern in different colours, but the illustration referred to (PL. III) is a black-and-white one.

The only article on epigraphy is contributed by Sohrabuddin Ahmed. He has offered a revised reading of the Jahanabad inscription - in fact two different inscriptions in Arabic and Persian and belonging respectively to the reigns of Jalaluddin Muhammad Shah (1415-32) and Alauddin Husain Shah (1493-1519), two renowned Sultans of Bengal. Reproducing the original text Ahmed has shown a number of errors and, after necessary corrections, has given a new translation which seems sound and reasonable. However, his supposition that "in Persian 'sutih' *probably* stands for water supplier (sharabdar)" (p. 73 top) is a rather weak point in his frame of argument which is otherwise formidable (underlining is present reader's). Crudity of the Persian calligraphy has been rather hastily ascribed to "the local artist" (p. 72). Both good and bad scribes and calligraphists could have come from outside the country. Note 2 refers to Plate No. 1a, b, c; but the picture placed at the end of the article does not carry these identifying marks.

The last article takes the readers to a totally different world, viz. that of village life in the Rangpur district in late British period. Author M. Mahbubur ahman gives a detailed report on the condition of land management in rural Rangpur in the last century of British rule. It is not however clear whether the existence of money-lenders and middlemen is organically related to British colonialism. Section 6 seems to be the weakest part of the article. Facts mentioned in notes 54 and 57 should have been brought in the text and discussed fully. Beginning from "But careful investigation" on page 105 to the end of the section a number of sweeping observations and common cliches regarding colonial rule have been pronounced without any supporting reference. Rahman's concluding observations re however finely balanced and deserve appreciation.

As already indicated, the volume is infested with innumerable printing mistakes some of which have created confusions. The system of documentation should have been uniform. Paper, printing, and general get-up is good. One can only expect a better production in future.

Priti Kumar Mitra

[Professor of History

Institute of Bangladesh Studies

Rajshahi University]

IBS PUBLICATIONS

The IBS has a number of publications: Two annual journals, seminar volumes, books and monographs to its credit.

1. *The Journal of the Institute of Bangladesh Studies* edited by S.A. Akanda, Vols. I-VI (1976-82); M.S. Qureshi, Vols. VII-XII (1983-89); S.A. Akanda, Vols. XIII-XV (1990-92); M.S. Qureshi, Vols. XVI-XX (1993-97); A. H. Shibly, Vol. XXI (1998).
2. *Reflections on Bengal Renaissance* (seminar volume 1) edited by David Kopf and S. Joarder (1977).
3. *ঐতিহ্য-সংস্কৃতি-সাহিত্য* (সেমিনার ভল্যুম-৩) সম্পাদনা এম.এস. কোরেশী (১৯৭৯)।
4. *Studies in Modern Bengal* (seminar volume 2) edited by S.A. Akanda (1984).
5. *The New Province of Eastern Bengal and Assam (1905-1911)* by M.K.U. Mollah (1981).
6. *Provincial Autonomy in Bengal (1937-1943)* by Enayetur Rahim (1981).
7. *The District of Rajshahi: Its Past and Present* (seminar volume 4) edited by S.A. Akanda (1983).
8. *Tribal Cultures in Bangladesh* (seminar volume 5) edited by M.S. Qureshi (1984).
9. *বঙ্কিম চন্দ্র ও আমরা* (সেমিনার ভল্যুম-৬) আমানুল্লাহ আহমদ (১৯৮৫)
10. *বাজালীর আত্মপরিচয়* (সেমিনার ভল্যুম-৭) সম্পাদনা এস.এ. আকন্দ (১৯৯১)।
11. *Rural Poverty and Development Strategies in Bangladesh* (seminar volume 8) edited by Safar A. Akanda & Aminul Islam (1991).
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13. *The Institute of Bangladesh Studies, an introduction* (1994).
14. *The Journal of the Institute of Bangladesh Studies: An up-to-date index* by Md. Shahjahan Rarhi (1993).
15. *আই.বি.এস. জার্নাল* (বাংলা), সম্পাদনা এম.এস. কোরেশী, ১৪০০ঃ১, ১৪০১ঃ২, ১৪০২ঃ৩, ১৪০৩ঃ৪; আতফুল হাই শিবলী সম্পাদিত ১৪০৪ঃ৫।
16. *বাংলা সাহিত্যের ইতিহাস রচনার সমস্যা* (সেমিনার ভল্যুম-৯) সম্পাদনা এম.এস. কোরেশী (১৯৯৭)।
17. *Socio-economic Development of a Bengal District: A Study of Jessore 1883-1925* by Muhammad Muhibullah Siddiquee (1997).

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