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SALIENT FEATURES OF SOCIAL STRATIFICATION IN ASIAN COUNTRIES: AN HISTORICAL OUTLINE

Rangalal Sen*

Abstract: The continent of Asia is extremely plural in terms of geography, ethnicity, culture and historical development. Similarly, its regions are uneven in population, mode of production, and political system. These factors as well as the continent's long and chequered colonial experience have caused inexorable varieties in social stratification in Asian countries. An attempt has been made in the article to explain this complex phenomenon through a composite theoretical framework developed out of Marxian and Weberian sociologies. All the major regions of populated Asia comprising some twenty plus countries have been duly covered in the discussion with special emphasis on South Asia and the SAARC region.

Introduction

The continent of Asia occupies a very prestigious position in the map of the world in many respects. In terms of the development of human society and civilisation, Asia can very much acclaim itself for having the world's three great ancient river-valley civilisations, such as the Indus, the Chinese, the Mesopotamian with the Nile-valley ancient civilisation of Egypt on the western side of the geographical boundaries of Asia. The Sociological word 'stratification' has been borrowed from geology, which refers to the different layers of the population in a given society. The division of society into classes or strata, which form a hierarchy of prestige and power, is fairly an universal feature of social structure. There are some important dimensions of social stratification. These are: power, occupational prestige, income or wealth, education and knowledge, religious and ritual purity, family and ethnic-group position, and local-community status. Sociologists have broadly identified four main types of social stratification, viz. slavery, estates, caste, and social class and status.¹ Here we shall briefly present an historical outline concerning the salient features of social stratification of Asia with special emphasis on some of its major countries or regions.

Indian Sub-continent

Let us now begin with providing an historical outline on the patterns of social stratification that developed in the sub-continent, which is a veritable place for the overall understanding of its varied characteristics as observed in Asian countries. The major religious faith of the people of the Indian sub-continent is Hinduism whose distinctive feature is varnasrama-dharma, which is based upon the twin principles of varnas (castes)

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and Asramas (stages of life). The four-fold division of Hindu society into Brahman, Kshatriya, Vaishya and Sudra, subdivided into several sub-castes, has been a salient feature of its social stratification. Before the development of caste system in India her people were no more than hunters and food gatherers during the Palaeolithic era. The Dravidian and the Aryan civilisations intermingle with each other at a certain point of Indian history. The Dravidian society was matriarchal, while the Aryan society was wholly patriarchal. These differences disappeared after the expansion of the Aryan into the Deccan. The Dravidian society was divided into kings, noblemen, merchants and the working class. In 1925 archaeologists announced an astonishing discovery of immense urban ruins of two ancient cities of the sub-continent- Mohenjo-darao and Harappa (2400 BC-1800 BC), which now geographically belong to the territory of Pakistan after the partition of India in 1947. Mortimer Wheeler who was responsible for their excavation maintains that in both these cities of ancient India there were specialised groups of potters, copper and bronze-workers, stone-workers, builders, brick-makers, seal-cutters, bead-makers, faience-workers and so on. The merchants of the Indus valley civilisations carried out their trade far beyond the frontiers of the empire and established contacts with other peoples of the world. The existence of the above- mentioned groups of artisans and tradesmen in the ancient cities of Mohenjo-daro and the Harappa suggests the fact that some sort of social stratification might have developed in these ancient urban centres.²

The Aryan invasions occurred in the centuries following 2000 B.C. which forms the Rig Vedic age of ancient Indian history. Historians maintain that in the Rig Vedic age monarchy was the prevailing system of government under which the king occupied the position of pre-eminence. Kingship was normally hereditary, but the election of a worthy monarch from among the members of the royal family or of the nobility was not rare. Among the important officials of the king was purohita who acted as preceptor, guide, philosopher and friend. Next in importance in socio-political hierarchy were the senani, the leader of the army and gramani, headman of the village. There were also dutas or messengers acting as linkmen between different states. It should be noted here that the caste system with its strictly hereditary and rigid exclusiveness did not exist in Vedic society; it was a later development when the Aryans settled in the middle of the country. The caste system with four-fold divisions of the society which began in a nebulous form in the early Vedic age, crystallised in the period of the later Vedic civilisation(c.800 B.C. to c. 400 B.C.). But despite the invidious caste divisions, the most-glaring evil of the system untouchability had not yet raised its ugly head at that time. The expansion of the Aryans coupled with the increase in the material prosperity gave rise to numerous occupation to meet the growing needs of the people. Thus there were fisherman, fire-rangers, ploughers, weavers, dyers, washer men, barbers, butchers, footmen, messengers, jewellers, makers of baskets, ropes, chariots and bows, smiths, potters, acrobats and musicians. The development of industries brought in its train numerous new professions like boatmen, helmsmen, oarsmen, money-lenders (kusidi), merchants or sreshthis who organised themselves into guilds.³

The establishment of Buddhism and Jainism in the 6th century B.C. as new religious movements influenced the fabric of Indian society and culture. Buddhism offered to the masses a welcome relief from the priest-ridden and caste-ridden Brahmanism. By abolishing caste distinctions the Buddha raised the status of the lower orders of society, especially the artisans and peasants who almost invariably belong to the Sudra caste.⁴ In

the Rig Vedic society, slavery seems to be found in the form in which it developed in the post-Vedic period. In the Buddhist era, the economic revolution added to the demand and necessity of slaves and ultimately resulted in the establishment of slavery as the vital basis of economic and social life. But some scholars suggest that the Indian slave system could not become production-oriented because of the earlier emergence of the Sudra caste which performs the duties similar to that of the ancient Greek slave. However, in India, during the period from 800 to 1300 A.D. there were six categories of slaves, such as 'captive slave', 'indebted slaves', 'bet slaves', 'refugee-slaves', 'gift slaves', and 'converted slavery'. The establishment of Indian feudalism probably converted slavery into serfdom.⁵ The feudal guilds were stratified into sub-castes. Decline of guilds was actually attributed to their division into numerous sub-castes and their common association with low caste people. The constant stratification of guilds into various sub-castes must have affected their social mobility as an institution and this eventually led to their disintegration.

R.S. Sharma has traced the origin of Indian feudalism in the period from A.D. 300 to 1200 where he first identified two important classes in its social stratification, such as, 'the class of landlords' and 'the class of subject peasantry' and then made them related to the existing caste system, especially with the Sudra caste. The origin and development of Indian feudalism is to be sought in the land grants made to the Brahmanas from the first century A.D. onwards. Their number becomes considerable in northern India in the Gupta period and goes on increasing afterwards. The process of creating a class of landlords spread unevenly throughout the country. The practice first appeared in Maharastra around the beginning of the Christian era. It seems that in the fourth-fifth centuries land grants covered a good part of Madhya pradesh. In the fifth-sixth centuries they became prominent in West Bengal and Bangladesh, in the sixth-seventh centuries in Orissa, in the seventh century in Assam, in the eight century in Tamil Nadu and in the ninth-tenth centuries in Kerala. In reality, the socio-political aspects of Indian feudalism was closely connected with the transformation of the Sudra, who were treated as the common helots of the three higher varnas(castes), into peasants from the Gupta period onwards.⁶ The Buddhistic communities on the north Indian border had acquired a peculiar caste-stratification after monasteries had become secularised into prebends.

Islam too succumbed in India to the engulfing tendency towards caste formation. In this case caste formation could be linked to the typical status stratification of classical Islam. The actual or alleged descended of the prophet and certain families religiously ranking close to his sib (the sayyid or sharif) had privileged status. Finally, appropriate to feudal character of ancient Islamic society, the sibs of the landlords stood opposed to the sibless peasants and craftsmen. These differences with their respective variations determined the form of Islamic castes developed in India. Max Weber has maintained that the Marhdattas used the Brahman caste for all administrative purposes, including the military, but in other regions, in general, the lower castes of scribes competed with the Brahmins. The Muslim rulers of Bengal especially utilised the castes of scribes for civil services in opposition to the Brahmins. In this connection, the Kayasthas of Bengal as a class of scribes and the Pradhu of Bombay as a military class deserve special mention. Max Weber provided us with some statistics regarding the employment of the Brahmins and Kayasthas in the city of Calcutta on the one hand, and the Brahmins and Prabhus in the city of Bombay on the other. According to the census report of India for 1911, in

Calcutta 30 percent of the Kayasthas were clerks. The Brahmins and Kayasthas vie for first place among the clerks, lawyers, doctors, journalists and engineers. In Bombay, seven percent of Brahmins and 27 percent of the Prabhus are engaged in administration and 22 and 18 percent respectively in the learned professions. The caste rank of the Kayastha is consistently and passionately contested, particularly by the old Bengal doctor's caste, the Vaidya, which claims higher rank because it practices the full unpanayan ceremony (wearing of the holy belt). Especially in Bengal, there is a typical social stratum called Nabasakh or nine-part-group within the whole series of peasant castes, which vary in rank in the different regions.⁷ In the Sultanate period (13th to 16th centuries A.D.) which followed the Hindu rule in Bengal, we find a considerable number of Hindus holding highly responsible posts under Muslim rulers and forming the landed aristocracy of the country. These Hindu officers constituted an intellectual stratum which contributed to the development of language and literature. There was an elaborate order of nobility which was mainly composed of military generals and governors forming, in fact, a military aristocracy. The local converts most of whom originally belonged to the lower strata of Hindu society could not develop into a stable social group of intellectuals. Yet it seems reasonable to believe that pre-Mughal Muslim Bengal (13th to 16th centuries A.D.) witnessed the first phase of the evolution of a Bengali-speaking Muslim middle class primarily from the indigenous population. There were different socio-economic groups which constituted the bulk of the Bengali people. Cultivators were categorised into various classes. Big farmers and landless labourers were altogether absent. Weavers formed a major section of Muslim population in rural Bengal. The local merchants could not raised their position in the social ladder, and as such remained in the lower class of the existing social stratification.⁸

Irfan Habib identifies three major social classes in the rural population of Mughal India (16th to 18th centuries). Class I included small group of zamindars, money-lenders, and grain merchants; class II probably covered the rich peasants, while class III was made up of the large majority of the peasants. The small peasants, who were engaged in cultivation but depended wholly upon credit, were to be classed among the 'indigent'. In all likelihood, this last class included peasants of a still lower status. In Bengal, in the mid-18th century there existed a category of cultivators called *kaljana*, who tilled land belonging to other peasants. And, finally, there were those who were absolutely indigent in the fullest sense, the landless labourers. Members of the depressed castes not only undertook work considered abhorrent by the caste peasants, such as tannery, scavenging etc., but were also, in a large measure, agricultural workers. Thus the *chamars* or 'tanners', worked for wages in the fields of cultivators and zamindars. The *Dhanuks*, constituting a still lower caste, were so called because they husked rice (*Dhan*), while they also laboured at cutting and carrying the crops of the cultivators. The caste system seems to have worked in its inexorable way to create a labour force for agricultural production. The actual status of the members of the low castes was semi-servile, involving a kind of bondage to a particular community of caste peasants or zamindars. According to Abul Fazl, there were four classes of persons for whom revenue grants were specially meant: Men of learning; religious devotees; destitute persons; and persons of noble lineage.⁹ In a survey of India's socio-economic life that prevailed in the period immediately after Mughal administration and in the beginning of British rule it was revealed that social precedence was still determined by caste superiority, the

Brahmins occupying the highest position in all parts of the country, though there were variations in the ranks of castes or sub-castes in different regions. However, in general terms, we can say that the social stratification of pre-British India contained four major elements: the King and his courtiers forming the bureaucratic stratum, the priestly intellectuals comprising scholarly and professional categories, the merchants called Vaisya, and the agriculturists including both artisans and peasants.¹⁰

B.B. Misra made a critical attempt to find out the sources of the growth of the Indian middle classes in modern times. He first divided the middle class into three categories namely commercial, industrial and landed, and then looked into the rise of the professional middle classes in the wake of the introduction of English education in the second quarter of 19th century. According to him, the introduction of the Permanent Settlement in land system in 1793 by Governor General Cornwallis, especially in Bengal, and the subsequent spread of English education all over India gave rise to the middle classes on the basis of land ownership and acquisition of English education. One of the effects of the Permanent Settlement was the growth of subinfeudation comprising a number of intermediate proprietary layers of under-tenure holders. The Indian professional classes included lawyers, public servants, doctors, teachers, writers, scholars, etc. who ranked high in the hierarchy of caste. These groups became the backbone of the Indian middle classes.¹¹ Thanks to the opening of Dhaka University in the Muslim-majority region of East Bengal in 1921, the Bengali Muslim students got ample opportunity to receive higher education in English. Subsequently, these students who were mainly drawn from the jotedar (superior tenure-holder) and rich cultivating classes, began to form an English educated middle class in its social stratification.¹² In the half century preceding world war I (1918), we can easily identify five socio-political categories based on existing land tenure system. These are: The British ruling elite; zamindar- superior landlord; jotedar- superior tenure holder; raiyat-cultivating tenant; and bargadar-share cropper. But the raiyats who not only constituted the largest segment of rural population in Bengal in the mid-19th century, but they also formed a greater part of the Bengal Muslim peasantry. While defining rights and liabilities of raiyats the Rent Act of 1859 classified them into three broad categories: 1) raiyats paying rent at fixed rate; 2) raiyats having rights of occupancy, but not holding at fixed rate of rent; and 3) raiyats having acquired no occupancy right and paying rent at competitive rate.¹³ But we have also the following broad classification of the traditional Bengal Muslim society, before it was substantially affected by the growth of a significant and politically powerful Muslim middle class from the beginning of the 20th century: 1) Ashraf-noblest of all who claim real or fictitious foreign ancestry and had some sort of past or present association with feudal status and land control; 2) Atraf Bhalamanus (or "Atraf made a gentleman") or rising Muslim middle class who because of their prosperity and education have been able to establish marital relationship with Ashraf class; 3) Atraf-they can not claim any foreign ancestry and are not maritally connected with the Ashraf class, but there are various gradations among the members of this class; and 4) Arzal-lowest of all. It consists of very lowest Muslim castes, with whom abovementioned Muslim status groups had no association.¹⁴

After the creation of Pakistan in 1947 we have witnessed intense power struggle between the educated middle class elite of East Pakistan and landed aristocracy-cum-military bureaucratic elite of West Pakistan during the two and half decade of Pakistan's

united existence. It is interesting to note that the Bengal Muslim middle class in different sectors of social life has been especially expanding since 1947 due to various factors. The exodus of the Hindu zamindars in the wake of the East Pakistan state Acquisition and Tenancy Act of 1950 and also well-placed Hindu professional groups throughout the Pakistan period had created a great vacuum in the social structure of East Bengal to be filled up by ambitious and enterprising Muslims. The rural class stratification of Bangladesh is in a large measure, incomparable with the more elaborate and "closed" class and caste systems found elsewhere in the sub-continent.¹⁵

Pakistan is composed of four major language and cultural groups in distinct geographical regions: the large irrigated plains of the Punjab containing more than half of the population. The upper strata of this new agrarian society benefited handsomely with the creation of Pakistan, while the condition of the cultivators deteriorated. The power structure of Pakistan had always been dominated by the landed aristocracy, although in course of time a large number of urban professionals emerged on the social scene to effectively challenge the landed aristocracy. There was a rise of the middle class farmers in the 1960's in the social stratification of Pakistan. The system of Basic Democracy launched by President Ayub Khan in 1959 was designed to transfer some of the political, social and economic power wielded by the landed aristocracy to the rural middle class. In Pakistan society various classes like landlords, peasant proprietors, tenants and landless agricultural labourers etc. have come into existence due to the variability in land tenure system. This social stratification is complex in most of the rural areas of the country. Which leads to unhealthy class competition and conflicts resulting in so many forms of socio-economic and political exploitation. In general, the big landowners in the society of the sub-continent as a whole have been the ruling class due to their large estates.¹⁶

But there are certain peculiar phenomena regarding class configuration in some of the regions of the three countries of the subcontinent which need to be stated. For example, the rise and growth of middle class vis-à-vis the position of the rural jotedars in both parts of undivided Bengal (present Bangladesh and West Bengal) seem not to be similar. As compared to West Bengal, the Muslim middle class in Bangladesh had mainly arisen from agrarian background and now acquires more affluent status, while the power of jotedars in west Bengal countryside is supposed to be substantially reduced, following the introduction of operation Barga (Share-holding), which is yet to be done in Bangladesh. Another important observation may be made in regard to the power structure of both India and Pakistan. In contrast to India, Pakistan's power politics is still determined by the civil-military bureaucrats on account of the persisting weakness of the political elites and the democratic institutions.

China

The social stratification of China the most populous country of the world and the nearest neighbour of the Indian sub-continent necessarily deserves critical appreciation of social scientists. Ancient Chinese civilisation is one of the greatest human achievements. More than 6,000 years ago Chinese civilisation emerged in the yellow (Huang Ho) valley. The stability and success of the traditional Chinese social order stemmed from the pre-eminent place the Chinese gave to a remarkable ideology- Confucianism- which was secular and considered appropriate for the solution of problems of every one-emperor ,

bureaucrat, landlord, and ordinary peasant. At an early stage in their history, the Chinese could abandon the traditions of an aristocracy based on birth and introduce the great principle of merit and individual attainment through competitive examinations. The introduction of Buddhism and Taoism (Daoism) created tensions in the ideological superstructure of the Chinese society. While both Buddhism and Taoism found favour with the common men, Confucianism claimed to be an adequate ideology of the Mandarin bureaucracy. The tensions between these philosophical systems stemmed not just from conflicting doctrines but possibly even more from class interests because, as the Buddhist monasteries grew they could become centres of power and wealth.

During the Chinese imperial period (starting 211 B.C.) the emperor and his court were found to be at the apex of a socio-political hierarchical system composed of a civil bureaucracy of 'scholar-officials' who were balanced by a military power group. Thus there were three basic elements of the imperial power structure: the emperor and his court, the bureaucracy of Mandarin scholars, and the army. For members of the bureaucracy tensions existed at two extremes; at the top their relations with the emperor and at the bottom in dealings with the citizens. There were three important classes or status groups in the social stratification of imperial China: The scholar, the gentry and the merchant. In the rural society of China there are always distinctions between landlords and rich peasants, on the one hand, and tenant workers and lowly peasants, on the other hand. It should be noted here that most of the scholar-officials came from the gentry class.

With the advent of modern science and industry, the traditional Chinese society began to experience the profound effects that inevitably accompany the decline of a traditional social stratification and the creation of a modern technological society. By the end of the 19th century, human relations throughout China were to undergo radical changes due to new forms of urbanisation, which pulled people from the countryside who directly came under the influence of money economy. Consequently, members of such once-despised classes as soldiers and merchants were to find new opportunities, while such previously secure classes as scholars and gentry were to have their most basic values and self-esteem threatened. The collapse of the Confucian order not only led to changes in tenant-landlord relationships, but also it contributed to the disturbing increase in the number of both landless peasants and absentee landlords.¹⁷ In feudal times the Chinese peasants were undoubtedly serfs of the feudal lords to whom they owed taxes and labour. But the manorial serfdom under a feudal lord in the Western sense should not necessarily be assumed. After private property had been instituted the head of the sib was replaced by the wealthy landlord. His impoverished sib members became his serfs. Besides serfdom, slavery has always existed in China but it took the form of the debt slavery. Towards the end of the sixth century A.D. nine kinds of degraded "castes" were distinguished in Chinese social stratification: certain kinds of slaves, descendants of certain slaves and coloni, beggars, descendants of former insurgents, descendants of immigrants, barbarians (guest tribes), musicians and performers in family functions, actors, and jugglers.¹⁸

Chinese society has two kinds of hierarchy: that of community or region, on the one hand; and that of class and status, on the other. What might be considered class sub-cultures were differentiated by territorial system and what might be considered local and

regional sub-cultures were differentiated by class.¹⁹ The epoch from 1560 onwards witnessed rapid change in the social stratification pattern of China: the formation of a proletariat and of an urban middle class, the rise of a class of rich merchants and businessmen. Money-changers and bankers, rich traders, ship owners, and above all the great merchants formed new urban and mercantile society. In this context, the disintegration of traditional socio-economic set-up in China became inevitable, which eventually led to formation of a commercial middle class, appearance of a proletariat, rise of new ideas that spread among the intelligentsia, organisation of political movements and parties—all these factors greatly contributed to the changes in social stratification of China during the period from 1895 to 1949.²⁰

Following is a summary of Chinese class structure from 1949 to the present. Urban society (mainly state sector) is composed of former 'bad classes' GMD (Guomindang i.e. Kuomintang) leaders, foreign capitalists, intellectuals, national capitalists, GMD bureaucrats; petty capitalists, enterprise managers, intellectuals (including scientists and engineers), regular urban working class, contract workers, private entrepreneurs (pre-1956 and post-1976), and wage-labour (post-Mao period). Rural society (mainly collective sector) contains former 'bad classes': landlords and rich peasants (sub-class of peasantry), local leaders representing state/ society cleavage, peasants (differentiated by economic endowments), private entrepreneurs (post-Mao period), and wage labour (post-Mao period).²¹

Japan

Japan is one of the most successful countries of Asia which developed herself into a prosperous capitalists society within the shortest possible time. And in her march toward capitalist development Japanese social stratification pattern played a vital role. There are some peculiar features of the stratification system in traditional Japan. The official class system of the Tokugawa period set warriors as rulers, below whom came peasants, then artisans, and finally merchants. Merchants were despised by the Confucian-oriented warrior-rulers. The imperial family and the nobility surrounding the Emperor constituted a class superior to the warriors at least in prestige, in spite of lack of power and a significant amount of wealth. The traditional social stratification of Japan came under radical transformation with the Meiji Restoration of 1868 which marks a turning point in Japanese history only comparable with the French Revolution of 1789 or the Bolshevik Revolution of 1917 in Russia. With the inauguration of the modern era, the Meiji government did away with the feudal caste structure and permitted at least in theory, free occupational nobility among the classes.²² The Meiji leaders wished to recruit personal for bureaucracy on the basis of ability rather than family background. Thus an examination system for civil officials was introduced in 1887. Civil and military bureaucracies and business organisations form indispensable elements in modern Japanese society.

The great bulk of the Japanese population lie between the two extremes of social elite and outcaste. Their occupations may be grouped into a smaller number of categories, such as "professional" and "managerial" etc. According to a social survey, 1.9% of Japanese in 1960 belonged to the highest category of "top administrator and researcher"; 5.5% belonged to the next, "professional service specialist", "middle-managerial"

category; 31.9% belonged to the third category of "white collar worker in large company, small entrepreneurs, and artisan"; 32.3% belonged to the next "skilled and semi-skilled worker and store clerk" category; and finally 28.4% formed the lowest, "manual labourer" category. The Japanese middle class has been divided into two types; old and new. The modern middle class wage-earner, commonly known in Japan as the "salary men", has a style of life distinct from other urban dwellers. One significant effect of the rise of the white collar-worker as the new middle class has been to push a small independent entrepreneurs—like the old middle class—into the background of the social and economic ladder.²³

Japanese society has a trio of bureaucracy, business and politics. Japan has a clearly discernible ruling class. Its members—mainly bureaucrats, top businessmen and upper stratum of political leadership of the ruling party—are all basically administrators.²⁴ The predecessor of the modern Japanese bureaucracy was the Samurai system in the feudal era. The Samurai class was loyal servants of the Tokugawa Shogunate which ruled Japan for two hundred and fifty years. Ninety percent of the people of present Japan believed that they belong to the middle class. But people who work in large organisations and lived in collective housing complexes may be called organisation men.²⁵

Sri Lanka

Among the SAARC countries Sri Lanka surprisingly has attained a sustainable development almost in all walks of life, in spite of incessant ethnic violence for quite a long time. It is perhaps because of her inherent strength that lies in the social structure. The economic basis of the Anuradhapura kingdom (A.D. 67- A.D. 993) of Sri Lanka was agriculture which needed irrigation works. It is quite likely that early migrants brought notion of social differentiation with them from India. There is no mention of caste before the foundation of the said kingdom. But it is almost certain that there are caste-like divisions of society at the time of the introduction of Buddhism (250 B.C.). However, caste in Lanka assumed a fairly milder form than in the Indian sub-continent. The four-fold Indian varna division—Brahman, Kshatriya, Vaishya and Sudra—appears to have had little practical relevance in Lanka. The kings claimed to be Kshatriya origin and tried to keep their families distinct, but were compelled by force of circumstances to marry with the local nobility. Nor was there any large group of Sudra, though there are references to a category of outcastes called *Candelas* and to slaves who worked on the land. The major distinction appears to have been between the *parumakas* or men of lineage and the agriculturists and craftsmen who performed occupations that were ritually low. In the last phase of Anuradhapura period, the nobility seem to have been called *Sam-daru* or sons of lords in contrast to *has-karu* or agriculturists and *kudin* or labourers. Caste-status came to determine the obligations of a tenant to the state or other institutions. Excepting the *Candelas* there were no untouchable categories. Towards the end of the fifteenth century Sinhalese merchants seem to be absent. It may be due to a monopoly of foreign trade by the Arab and Indian merchants or the absorption of the merchants into the landowning hierarchy. The period between the thirteenth and the eighteenth centuries saw the movement of migrants of whom there were few Brahmans absorbed into the *Goyigama* caste. Three other groups who came, however, retained their identity and formed distinct castes in Sinhalese society. They were the *Salagamas*, *duravas* and *kuravas*. These

groups eventually found a place in the *Sinhalese* caste structure, sometimes even changing their occupational identity.

The highest position in the bureaucratic structure was held by the members of Ceylon Civil Service which came into being in 1802 as an administrative elite. The rise of plantation agriculture in the 1830's and the 1840's had unforeseen effects on the social structure. The steady growth of communications and of a western system of education eroded the foundation of the old society. In the *Sinhalese* districts persons generally became slaves due to unpaid debts and could regain their freedom on payment of the debt. In Jaffna there were slave castes- the *Koviyars*, *Pallas* and *Chandars*- and these castes were found to serve the *Vellalas*. The social structure and social divisions of Sri Lanka assumed new character in the first half of the 20th century. The unified elite became divided. Some imitate the British less than others and were more concerned with the preservation of indigenous customs and traditions. Below the elite were the petty bourgeoisie. This is a large group comprising of small shop-keepers, teachers, clerks, indigenous medicine men and the like. This intermediate class often formed the political link between the elite and the peasant y. The largest working class group—the Indians on the plantations—were an isolated category.²⁶

Nepal and Bhutan

Nepal and Bhutan-the two small Himalayan kingdoms of south Asia, are the closest neighbours of India, not only physically but culturally and socially too. As a unified political and social system, the contemporary nation state of Nepal is of relatively recent origin. Except for a small education elite with a more assertive national consciousness, citizens of the kingdom usually still identify themselves in regional terms-e.g. *Pahari* (hill man), *Madheshi* (plains-man) or by their ethnic community. Most of Nepal's rulers had been Hindus, seeking to impose high-caste social codes and customs on their largely Buddhist subjects. Early in the 15th century the *Newar* community in the valley, which then had a large Buddhist majority, was divided into numerous sub-castes (*jatis*). In the national elite, there were five major *Bharadar* familial contenders for power and office. Familial alliance systems emerged as a normal feature of Nepal politics. In each alliance, several client elite families were affiliated with a faction led by a *Bharadar* family. The central elite made it a practical to grant trade concessions and new lands to supportive local elite families in order to gain their goodwill and cooperation. Authority relationships under the *Rana* regime depended primarily on land control. An ascending chain of vertical relationships linked tenants at the lowest level to landlords, then to village elites, to local notables and family to district officers of the central government. The two most striking social changes during the *Rana* era were the consolidation of a landed aristocracy that monopolised all important political officers and top social ranks, and elevation of a Kathmandu-based bureaucratic elite to a political and social rank superior to the formerly dominated local notables.²⁷

Bhutan basically belongs to the pastoral economy. The establishment of a Bhutan state on a nearly and predominantly stateless, nomadic pastoral society meant emergent social and economic inequality which might have different forms. Certain warrior families were accorded special privileges on pastoral base. In Bhutan we have two main ethnic elements; one which is politically dominant formed by the descendants of

immigrants from Tibet; and a second, formed by the older aboriginal population and peoples from the low lands. The monks and government officials who were drawn from the Tibetan population occupied top positions. The people of the second element were sub-divided into groups of menials in the hills or were slaves. The politico-administrative stratum of the Bhutanese society is composed of ministers, governors of provinces, collectors of rents and all their dependents.²⁸

Afghanistan

Afghanistan is strategically located between the Middle East, Central Asia and the Indian sub-continent. Afghanistan ethnically comprises people of diverse origins. In 1947 Afghanistan emerged as a political entity, although Islam proved a unifying factor for Afghanistan which lacked ethnic homogeneity and a unified economic and administrative system; there is no religious unity and political stability there. There is a system of interdependence in Afghan social stratification between the *sardar* and the *mullah* (Islamic leaders), the former to control and administrative his subjects and the latter as the man of wisdom and counsel exert influence upon the people.²⁹

However, it is an astonishing fact that in April 1978 Afghanistan whose social stratification pattern has been characterised by a pastoral and tribal-feudal elements witnessed a radical political movement organised by a handful of educated middle class individuals who have acquired western orientations. But this revolution ultimately failed, reflecting the inherent weakness of the modern middle class, on the one hand, and the tremendous power of religious fundamentalism, on the other.

Iran

The civilisation of Iran has its distinctive character. One force which moulded it—a static one—was the geographical location of Iran as a land bridge between East and West. Iran's social structure was built around the rule of an absolute monarch supported by feudal lords. In Sasanian period (A.D. 211-628.) the top rungs of the social ladder were held by the king, then the *shahrdar* or subordinate kings, then great nobles, and finally, lesser nobles. Iranian society was divided into four classes: priests, warriors, secretaries (i.e. civil servants), and commoners. The first three groups were headed by officials of several grades, while the commoners included farmers, merchants, and artisans. Basically, society was sharply polarised between the few highly privileged and the many underprivileged. With the extension of stable government and well-organised system of tax collection, a large bureaucracy grew up, staffed, in part by men learning. Thus, men of the pen ranked high within the society, followed by the warriors, the traders and artisans, and finally, the agriculturists. By the seventeenth century, landowners were distinguished from the working farmers, and the civil and military bureaucracies were attached to the court.

A persistent division within the Persian community was between the tribal nomads and the settled people. Iran was said to have been dominated by one thousand families. In fact, there appears to have been about 150 families which possessed great influence and prestige. They included landlords who comprised more than one-third of the members of the *Majlis* (Assembly) and two-thirds of the membership of successive cabinets, and some of them rose to the highest ranks in the armed forces. They engaged in

interlocking commercial enterprises, frequently with self-made individuals whose energy and acumen enabled them to marry into this social elite. These families had the means to provide higher education usually abroad, for sons and relatives, and it was these 'doctors' (i.e. doctors of philosophy) who played prominent roles in socio-economic planning. The rule of Dr. Mossadeq was marked by the rapid emergence of an urban middle class. At Tehran its members grew by leaps and bounds to include industrialists, entrepreneurs, professional men, educators, writers, shopkeepers, bankers, managers, contractors, and those engaged in the service trades.³⁰ The land reform in modern Iran had a profound impact on its social stratification. The rise to power of the comprador bourgeoisie had been the result of a long process. Before the land reform, 30% of all arable lands were cultivated by small holders. Afterwards, a much larger number of peasants joined the ranks of the small holders. This vast section is itself sub-divided into three strata of poor, middle and rich peasant families.³¹

Iraq

Iraq was, in fact, the cradle of human civilisation. The dynastic history of Iraq dated back 3000-2400 B.C. In the first dynastic period sixth king the illustrious Hummurabi makes Babylon into a mighty city and the centre of a large empire. The year 1921 was a turning point in the history of Iraq. Since then Iraq has passed through a radical social evolution. The tribal traditional social stratification began to change. The Beduin nomadic tribesmen have gradually abandoned their wandering life, settled and engaged in agriculture. The most vital change that has taken place in the rural social structure is the increase in the number of landowning farmers, instead of being share-croppers. The government scheme for distribution of arable state land to the landless cultivators made them more confident that they are no longer members of a servile caste. The social stratification of Iraq in the 1930's was composed of three major socio-political forces, represented by the intelligentsia—predominantly national and partly liberal, the tribes and the growing army. Besides this, a new upper class began to emerge in the tradition-bound society of Iraq in the wake of the disintegration of tribal social structure. In the beginning of the 20th century, 17% of Iraq's population had been nomadic; by 1957, only 4 percent was such *Shaykhs* became landlords, and tribesmen peasants. Sons of most *Shaykhs* and educated overseers were often completely detribalised. This emerging new upper stratum of landed proprietors during the period of 'old regime' of Iraq's history formed an urban wealthy class, which was increasingly imbued with an entrepreneurial spirit. This landed class was a mixed group of tribal leaders, urban merchants and investors. The urban upper class was made up of entrepreneurs and businessmen, who often had antecedents in the older bourgeoisie of traders and merchants. This group included ministers, members of parliament and *Shaykhs*.

As a combined landed and entrepreneurial class emerged at the upper end of the social stratification; a new middle class was also taking shape. The latter class differed from the former class in terms of outlook, culture and wealth. The educated class was wholly urbanised, because it was only in urban areas that higher academic institutions were established. Thus, as in the case of the wealthy, the middle class consisted of a mixture of professionals and those engaged in private enterprise often overlapping between the two. There were also gradations within the middle class, both at the upper

and the lower levels. The lower middle class was composed of lower level bureaucrats, non-commissioned army and police officers, and primary teachers. In 1958, the social structure was only just beginning to be affected by the emergence of a new urban working class, employed mainly in large-scale factories and modern industries. Also within this group, stratification had already taken place. The most skilled workers and the best organised were those employed in the oil industry and on the railways. A large number of the urban working class in 1958 was still semi-skilled or engaged in traditional occupations.³²

Arab Countries

The most salient features of new Arab social order is its stratification system. From the ninth century to the nineteenth century, the Arab society as a whole and in most of its parts was broadly differentiated into two strata. The upper stratum, made up of a small percentage of the population, comprised a central elite, its provincial representatives or allies, army officers, the religious dignitaries (i.e. the ulama) and judges, the upper echelon of a bureaucracy and big merchants. The lower stratum, the vast majority of the population was comprised of city craftsmen and rural peasants. With advent of the 19th century the above class structure began to change organically as a result of several factors, of which Western penetration is the most important. The significant change in the class structure of the northern Arab countries was the gradual growth of a middle class and an urban working class. The Members of the middle class descended from merchants and rural notables. Similarly, a new working class has formed and grown.³³

Indonesia

Indonesia is one of the important ASEAN countries with a very rich cultural heritage. The introduction of a money economy into Indonesia was the first effect of modern Western capitalism in the 19th century. The Indonesia peasantry got divided into two groups, one became involved in production for world market, and the other became labourer on commercial crop-production. The Indonesia status system had been characterised by both territorial and genealogical factors. The fully qualified villager was a man who owned farm land as well as his own compound and house. But a man who owned a compound and a house without farm land, fell into the second social rank. One man who possessed only a house in another man's compound was classed in still a lower category. A great social gulf became visible between the noble families and the commoners, both in the inland status and in the coastal principalities of Indonesia. There was also a slave class which was looked down upon by the class of freemen. The nobility lived on the labour of the peasantry and the slaves. Where Hinduism prevailed, social stratification even assumed the character of a caste system. Social sub-division was far advanced in the harbour principalities.

There was a rise of new status system in Indonesia society based on race. About 1850 the colonial stratification based on race had assumed a fixed form in Java. The Europeans constituted the ruling stratum, resembling a caste, while people of mixed blood belonged to the upper social category. Against this upper layer stood the native Indonesians, known as the subject stratum. The planters gained a patriarchal power and a social esteem which often equalled that of the Indonesian *pryayis*—members of the

Javanese nobility. In Java the Chinese and the Arabs formed a middle class of independent merchants and artisans. Education created a new class of intellectuals who occupied a special position in society. The existence of this class had as dynamic an effect on the status of Java as rubber cultivation had on that of the Islands.³⁴

The Philippines

As elsewhere in Southeast Asia, the social organisation of the Philippines is familial. The system of family loyalties and responsibilities has shaped Philippine political institutions. The two principal power groups during the Spanish period (1565-1898) were the clergy and the agricultural aristocracy or *Cacique* class. But dominant political power was vested in the *Caciques*—the Philippine land-based aristocracy. Numerically predominant were the Philippine peasantry of whom small landholders constituted the majority. Most depressed among the peasantry are the landless tenants, the agricultural proletariat. The middle class elements are namely concentrated in Manila and consists of the bureaucracy, teachers, the new Filipino commercial and industrial interests and professionals. Manila—the capital of the Philippines has the highest proportions of college and University students of any large city in the world. It is well-surrounded by burgeoning industrial and residential Suburbs which demonstrate an emerging middle class.³⁵

Korean Peninsula

During the first century B.C. many tribal states of Korean peninsula were united through wars into three powerful kingdoms. Village community based on agriculture was the basic unit of society. Most of the farming population in these village communities possessed freeman or commoner social status. Above this preponderant component of free peasants were the village headmen and below them there were slaves in some number. The peasant population was governed by a ruling elite who lived in walled-towns. A kingly authority had thus emerged at the apex of society, but in reality power was exercised by the ruling elite. A centralised aristocratic state based on monarchical power introduced the rigid and hereditary status system in Korean society. But during the 8th century conflict developed within this hereditary status system, leading to the rise of local gentry in the middle of the following century. Military rule was established in 1170 A.D. during which a new bureaucratic class appeared following the disintegration of aristocratic government. This was the *literati (sadaebu)*—composed of educated person who were also adept in governmental administration. After collapse of the military rule these scholars-bureaucrats strove for political advancement through examination. *Literati* also emerged from among the religious force in the central government and form the ranks of petty functionaries in the local administration. The *literati* of this latter origin were small and middle-level landowners. The emergence of such *literati* from among independent rural landowners brought about a profound change in the socio-political structure of Korea at that time. In the Korean countryside peasants had grown rich through the practice of large-scale farming and poor peasants were being forced to abandon their farms increasing the number of landless vagrants. A variety of changes were under way in the urban areas also as merchants amassed wealth through their control of trade. The traditional scholars of Korea, who were mainly social reformers, emerged during the 17th century. The development of a new intellectual class in Korea in

late 19th century, characterised by rising national consciousness and interests, was opposed to Japanese rule (1910-1919). Independent Korea got divided into two regions following the end of the Second World War in 1945. Now North Korea follows the path of a kind of socialist development, while South Korea pursues capitalist system of modernisation which has been facilitated by existing stratification.³⁶

Thailand

The Thai social formation under the pre-capitalist Bangkok probably emerged with the need for a strong centralised state. Accompanying this development of the state was the adoption of a Buddhist-Brahmanic religious hierarchy confirming the king as head of the state. The state power and authority wielded by various strata and segments of the ruling class linked this structure to the cultivators of rice. Most of the individuals were divided into higher and lower social levels. The Thai ruling class (*Sakdina*) mainly consisted of royalty and local chieftains who held large grants of land at the pleasure of the king—the head of the *Sakdina* society. The state bureaucracy and its functionaries were subservient to this class which was not a group of hereditary nobles. Social mobility between strata of the *Sakdina* class and within the entire ruling class including the functionary stratum was fairly fluid. The stratification of the ruling class thus consisted of the king, followed by royalty of greater or lesser status, the non-royal *Sakdina* landholders and the functionaries who made up the bureaucracy. The lower stratum of the ruling class consisted of state functionaries who did the actual mobilising of the peasant *corvee* units for war, public works, and so on. This stratum of the ruling class was further segmented by the 19th century along racial lines. Buddhist monks and Brahmins that existed in all strata of Thai society formed another ruling stratum which administered the allocation of landholdings, controlled irrigation water and mobilised the *corvee* labourers.³⁷

Malaysia

Malaysia began one of the important ASEAN countries already made its mark in the world market dominated by international capitalism. Politically Malaysia is a federation of eleven units known as states (*negeri*). Its bureaucracy is based upon British model. Malaysia manifested herself in the multi-ethnic composite nature of social stratification. Besides this development which tended to separate the people along vertical lines, there was also the horizontal division between individuals of different classes and status groups that cut across the vertical ethnic lines. The class and status system in Malay were transformed radically. The lower classes grew and expanded with the development of the tin and other industries; the majority of individual workers being immigrants. In Malaysia, among the 'middle' classes there is a specialisation in occupation along ethnic lines. From the beginning, the people drawn into the administration were mostly Malays. For this reason, the Malays have not taken well into the technical, medical and other professional fields in which non-Malays have become naturally dominant.

At the same time, landowners in the rural areas constitute a part of the middle classes, but they are also drawn from the various ethnic groups. Among the upper classes, there exists a certain specialisation of functions determined to a certain extent on an ethnic basis. The people included here are the Malay rulers and their families, the British colonial officers together with some of the more successful Chinese capitalists. The landlords are certainly

set apart from the peasants economically and socially, but the peasants also consider themselves as belonging to different classes. They fall into three main categories, namely the well-to-do peasants, the middle-range peasants, and the poor peasants. The well-to-do peasants are those who sometimes describe themselves, as living comfortably (*senang*). The middle-range peasants often called themselves as being moderate (*sadarhana*) or ordinary (*biasa*) in their lives. Although the term poor (*miskin*) is often used by others to describe their conditions, they themselves often prefer to call it difficult (*susah*). The teachers, government servants and shopkeepers are quite apart from the various classes of peasants. In fact, they may be referred to as middle class. Alongside these classes, there is also a group of workers who only sell their labour. In Malay society there are various categories of traditional leaders, such as village elders, religious functionaries and village headmen. New leaders have emerged along with the rise of nationalism in the Malay peninsula which saw the formation of several political parties at national level. The categories of new leaders are political personalities, political faction chiefs, and political pressure groups.³⁸

Kampuchea

Kampuchea is clearly a country of cultivators with small farms. Under the pressure of commercial production, social differentiation gave rise to new social strata. Kampuchea peasantry may be categorised into four major sections; 1) landowning peasants who do not cultivate themselves, but rent out some quantity of land; 2) landowning peasants who are partially tenants; 3) peasant-tenants; and 4) Tenant-agricultural workers. In Kampuchea tenancy and share-cropping take various forms, almost comparable with those of Bengal. In fact, there are five social categories in agrarian Kampuchea: The landlords, the rich peasants, the middle peasant, the poor peasant and the semi-proletariat. Big landlords, Chinese money-lenders and notables constitute the upper stratum of the Kampuchea society.³⁹

Burma

Although geographically Burma (presently called Myanmar) belongs to south Asia is basically remains outside the SAARC. In terms of political system, Burma is being surrounded by democratic, capitalist and socialist countries; yet it has managed to remain alienated from any of these system. Burma was a part of the Indian sub-continent under British colonial rule which brought certain benefits to her people. There were five conflicting socio-political forces in the first phase of independent Burma (1948-1962): a) proletariat vs bourgeoisie; b) socialist vs bourgeoisie; c) nationalist vs chauvinist; d) arakanese vs Bhamas; and e) Islam vs Buddhism. The second phase of independent Burma (1962-to-date) has been experiencing the classic confrontation of nationalism, Communism, militarism and democracy. During military regime the students of Burmese Universities formed a major political force of the Anti-Ne Win movement. Rangoon University which was established in 1921 produced a greater part of it. The Universities happened to be the palaces of the children of the high officials, big business men, aristocrats and feudal landlords. Subsequently the Universities were dominated by the students of the middle class society. But practically in the paddy-producing country of Burma 80% are farmers, about 5% are in government service and the rest 15% are

small producers and retailers. There are four sections of wealth: The big rich, rich, moderate and poor. These wealth classes constitute Burma's social stratification. There are no fixed hereditary status divisions, no strict class system, no places in the Burmese social structure to which even the humblest may not aspire.⁴⁰ The important group which controlled business in the pre-Ne Win era comprised of the importers and exporters. They were, in fact, the big bureaucrats or important political leaders. Missions (Religious), merchants and military dominate the socio-political structure of Burma. Although Burmese political culture has been influenced by military dictatorship it is basically a multiple society with diverse system of customs. Burma's opposition political forces have been divided into two factions : pro-election and pro-revolution.⁴¹

Vietnam

The last but not least is the once very politically volatile country of South East Asia—Vietnam—whose politics, economics and society have undergone radical transformation for more than five decades of her glorious history characterised by grim struggle for political self-determination and economic independence. The social structure prior to the French take-over comprised three main classes: the imperial court, village notables, and patriarchal families. All these classes retained some rights of control over the land and of surplus appropriation. Social polarisation also increased through private appropriation of land, including the appropriation of communal land by village notables for their own benefits, and the reduction of the vast majority of peasants to the status of share-croppers. Because of the way in which French colonial rule in Vietnam was established, and because of the long period of separation after 1954, the social structure of North and South Vietnam have developed in different ways. In the South private property was institutionalised on a more widespread basis, whereas in the North it co-existed with more traditional forms of land ownership. In South Vietnam, a capitalist market economy was established from the early days of French rule. This system created intense class antagonism in the southern countryside. The great bulk of peasants were classified as middle or rich and it was these peasants who produced the large marketed surplus of the delta. The historical development of the northern social structure was very different. There was more systematic wave of land reforms which resulted into the appropriation of land in large-scale and the surplus land was distributed among the landless peasants.⁴² After unification of the two parts of Vietnam into a single political entity in the wake of its successful war of liberation the social structure that has begun to emerge in mid-seventies consists of diverse social classes who are engaged in various reformist activities for the establishment of a modern society in Vietnam on the basis of egalitarian ideology. The tradition-bound, peasant- dominated agrarian society of Vietnam is now really in state of transition in which modernisation policies are being vigorously pursued by the progressive and pragmatic government of Vietnam. It is expected that the dynamics of social stratification of Vietnam will make a positive contribution to build the country as a prosperous nation in Asia.

Conclusions

The salient features of social stratification that had evolved through many centuries in the major Asian countries numbering actually twenty have been stated above. The countries which are being taken into consideration mainly belong to four important regions of the

huge continent of Asia, such as South Asia, Southeast Asia, East Asia, and West Asia. Of them some tradition-bound societies happen to be situated in such areas that are privileged to have possessed rich heritage of classical antiquities pertaining to the three great river-valley civilisations of the orient, namely the Indus, the Mesopotamian and the Chinese. Moreover, Asia is destined to have become a unique place of three prominent palaeontological discoveries of fossil man called *Pithecanthropus Erectus* (Java Man), *Sinanthropus Erectus* (Peking Man), and the most recently found fossil man named *Ramapithecus* in India. This suggests the fact that the earliest human settlements appeared in Asia, though this does not mean that social stratification develops there automatically, which is practically a product of long-drawn historical process.

However, although geographically all the countries or regions are within the fold of the single continent of Asia they differ in many respects. Firstly, they vary in terms of population which is classified into different strata in every country. China and India, the two most populous countries of the world occupy the largest part of Asia. By contrast, Bangladesh being one of the smallest countries in Asia is bestowed with the highest density of population in the world. Secondly, the countries are distinctly uneven in the development of the mode of production. For instance, while Japan is one of the industrially developed countries of the world pursuing the capitalist mode of production, China has, of late, introduced market economy into her socialist system of production. Besides, most of the countries belonging to the Southeast Asian region have been peculiarly following capitalistic pattern of industrial development whereas the countries of South Asia are still actually agrarian i.e. they are lagging behind in industrial method of production. Yet it is also true that the mode of production in the said region is increasingly assuming capitalistic form. On the other hand, the countries of the Middle East are marked by the remnants of pastoralism along with their oil-resources, for which they apparently look like industrially prosperous nations. But they are heavily dependent upon industrial capitalism of the West, especially of the United States. Thirdly, though quite a good number of Asian countries have been trying their best to develop democratic polity some are fundamentalist with tribal-feudal features, some monarchical, some nationalist with socialist orientations, and some even militaristic in political systems. Fourthly, regarding rituals and beliefs these countries can be conveniently categorised as practicing all the major religions of human society, such as Buddhism, Hinduism, Islam and Christianity including animism.

Since the Asian countries are strikingly divergent from one another, it is difficult to discern their varied system of social stratification by a single sociological paradigm. Hence a modest attempt has been made here to analyse the stratification pattern by following a combined theoretical framework as articulated by the two distinguished German sociologist i.e. Marx and Weber. The concept of class, status and power—the three dimensions of social stratification have been employed in order to make a proper balance in the treatment of the societal problem under review. The continent of Asia as a whole, whose social stratification has been discussed, had passed through several evolutionary processes, and as such all types of social stratification either co-exist or differently developed there. Particularly in the countries of South Asia, social stratification may be observed in a form of 'caste-class dichotomy', 'caste-class couple', and 'caste-class formation'. Moreover, the rise of middle class is a common phenomenon in these countries. The modern middle class has generally been composed

of two groups, such as economic (merchants, traders and industrialists) and educational (various professional people engaged in teaching, law, medicine, engineering, journalism, and the like). In the analysis of social stratification pattern that obtained in the countries of the sub-continent we might state the fact that their socio-economic and political structures as reflected in both rural and urban sectors are being characterised by peripheral capitalism in which more or less comprador-bourgeoisie or state-patronised capitalists, or in other words, big bank-loan defaulters are destined to play dominant roles almost in all aspects of life.

But the condition of Communist China is quite different. Here the class of comprador-bourgeoisie is almost non-existent. Status differentiation is more pronounced than economic class distinctions. Political power is exercised by the monolithic communist party, although the impact of market economy is gradually becoming apparent. It is too early to predict about what would be the pattern of social stratification in future. In both China and Japan family and rural community have long been prototypes and basic units of social organisations, but in Japan family and rural community played a centripetal role vis-à-vis the central government, whereas their function in China was centrifugal. Besides, the harmonious relation that exists among bureaucracy, business and politics in Japan is regarded as a favourable requisite for her economic development in capitalist form. In Sri Lanka, there are ideological differences and social divisions based on ethnicity, caste and religion. But English education and responsible political leadership have contributed to a large extent to hold them together. However, for the last three decades the ethnic violence is increasingly becoming a disturbing factor in the socio-political life of Sri Lanka.

In the Himalayan country of Nepal the system of parliamentary democracy is functioning within the framework of constitutional monarchy. Society is stratified into three broad groups, such as a small section of noble families, an emerging educated middle class, and a large community of exploited peasantry and other working people. The socio-political structure of Afghanistan is now split into a number of tribal factions following various brands of Islamic fundamentalism. Here the modernist forces which once captured political power in the late seventies have really now become dormant. In modern Iran social patterns, attitudes and behaviour seem to have gone through two overlapping periods of change; the second one more directly reflecting influences from the West. Western education brought the middle classes into association of political elites, many of whom were active supporters of Dr. Mossadeq and his national front and many more were in the forefront of the land reform and other programmes of socio-economic change which led to creation of a class of comprador-bourgeoisie. However, although after the fall of the Shah the traditional priestly class came into power with popular support in late 1970's this political change could not substantially curtail the power of the comprador-capitalists. It is interesting to note that the present Iranian religio-political leadership appears to have introduced certain modernising measures particularly in the fields of politics. But what is more significant in the contemporary society of Iraq is the steady growth of the middle class which consists of a combination of professionals requiring modern education and the traditional counterpart, engaged in commerce and small-scale business. The new professionals though growing as a group, are still a small percentage of the population. The Arab world consisting of twenty "sovereign states" may be considered as a single society unit at least with regard to social

stratification. The relevance of the consideration to inter-Arab stratification lurks in the back of the minds of the Arab governments and individuals alike. The accident of birth is one of the several entities which overshadows the broader cultural bond. The situation is analogous in some respects to an ascribed caste system of Indian Hindu society. There are no poor within oil-rich Arab countries or that there are no rich people within poor countries. The two orders of stratification, the inter-Arab and the intra-Arab, are closely linked. Both a new middle class and an urban working class still remain small in size in the Arab countries even at the beginning of the twenty-first century. The relationship between the ruling elements of the new middle class on the one hand, and the new working class and the peasantry on the other, has oscillated between alliances.

In Indonesia different modes of social intercourse and style of speech symbolised the great distinctions between classes. As Indonesia remained under the Dutch colonial administration for a long time the Dutch officials used to enjoy high social prestige. In fact, colonial stratification based on race was merely superimposed on the original Indonesian class system. However, there were dynamic developments in the 20th century which cut across the existing social stratification pattern and increased social mobility. The Philippines possess both Spanish and American colonial practices. But there the initiators of non-revolutionary change traditionally been the bourgeoisie, the middle class, who have tended to be politically and intellectually independent but they are numerically still small. In the wake of the second world war the Soviet-US rivalry led to the division of the Korean peninsula into north and south regions where two divergent systems of stratification have developed. But the educated middle class dominates in the whole Korean peninsula despite the fact that North Korea is socialist while South Korea is clearly capitalist.

The most important element which was responsible for the existence of the Thai social formation was war which divided the whole Thai population into two broad categories, military and non-military. Besides, ethnic Thai were in-charge of the extraction of surplus labour from the peasantry in the core organisation, while ethnic Chinese were responsible for the extraction of taxes from the peasantry. The military aristocracy was accustomed to utilising its incomes for maintaining entourage and conspicuous consumption, and it was therefore that the Malaysian original people were unable to accumulate sufficient capital to invest in business ventures for which the Chinese predominate in this sector. In Kampuchea the introduction of the capitalist mode of production modified the feudal forms of ownership, making the social structure of the peasantry more complex. The landlords make up a kind of tyrant caste like that of caste-ridden feudal society of India. In addition to that, there were Chinese money-lenders who used to exercise tremendous power over the peasantry. But in the 20th century most of the Kampuchean peasantry did not have a land-owning aristocracy pressing down on them. In Burma (present Myanmar) during British colonial rule it was the students, mainly belonging to the University of Rangoon which was founded in 1921 who became a social force in her social structure. But surprisingly, in spite of elections being fairly held, the people of Myanmar are still basically under brute military rule. The military Junta seems to be unwilling to transfer political power to the country's legitimately elected leader. However, the latest newspaper reports say that Myanmar's military Junta has proposed a power sharing arrangement with opposition leader Aung San Suu Kyi.⁴³ Nevertheless, future will say whether democracy will be established there through violent revolution or

by peaceful means. The predominantly rice-growing agrarian society of Vietnam had never been free of class conflict, and for the bulk of the peasantry, support for the Indo-Chinese Communist Party had always been an essential vehicle for social change and economic reconstruction. The class struggle was, as in most of the other colonial countries, inevitably bound up with the question of national self-determination and the creation of a sovereign nation-state in Vietnam.

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WHITHER POVERTY ALLEVIATION : REFOCUSING BANGLADESH'S DEVELOPMENT AGENDA

Jakir Hossain *

Abstract: The overwhelming interest in poverty reduction and the focus on poverty alleviation as the principal goal of development have generated keen interest in the poverty concept itself. Accordingly, there has been many attempts to define poverty, however, a universally accepted definition of poverty is yet elusive. Poverty and its eradication are difficult in its form and content. It embodies values that reflect historical, political, social and economical forces prevalent at the context in which it is put. This paper argues that it no longer makes sense to focus on poverty alleviation as the ultimate goal of development. The impoverishment of some sections of society is a consequence of the ultimate problem which we must seek to tackle, namely, the problem of social injustice. This does not mean that poverty alleviation as such should be erased from the Bangladesh's policy agenda. It means re-dimensioning this aim and dealing with it as a short and medium term measure while at the same time tackling more structural, strategical and long term issues.

I Introduction

Bangladesh, during the last three decades, has come a long way defying the predictions of the development planners, domestic policy makers as well as development partners underpinned by the publication of the *Test Case*¹. The experience has been varied because development interventions have been wide-ranging: vertical versus horizontal, conventional versus radical, and imported versus indigenous; and because development actors have been many: the state, multilateral agencies, non-government organisations and private entrepreneurs. The outcomes of this unique and varied experience have been quite remarkable; a number of social and economic changes have occurred in Bangladesh over the years, with considerable successes in some respects and notable failures in others. The significant development successes in Bangladesh have been achieved even in the face of severe adversities like political instability, inefficient aid utilisation and frequent natural

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¹ Faaland and Parkinson (1976:5) wrote, "If the problem of Bangladesh can be solved, there can be reasonable confidence that less difficult problems of development can also be solved. It is in this sense that Bangladesh is to be regarded as the test case". With the epithet of 'test case', development discourse informed the mindset of development professionals for the subsequent two decades after Bangladesh's independence. Influential views of the time were distressingly dismissive in assessing the potentials of the newly born nation, and many observers expressed serious doubts about the country's capacity for self-rule and self-development. Among development professionals, a major line of thinking characterised the growth prospects of Bangladesh economy extremely bleak.

disasters. These 'successes' are well known: rapid fall in birth rates, improvements in child survival and nutrition, increase in school enrolment, reduction in gender gaps in survival and schooling and women's increased labour force participation in the modern sectors. Despite these success stories and some modest improvements in overall terms in the area of poverty and human development during the three decades of post-independence development, Bangladesh continues to display very high level of mass poverty. The greatest challenge of development policy facing today is to identify and remove the obstacles that remain in the way of poverty eradication and further ascent of the poor.

The concern with poverty always has been an overriding felt need of the people at large. The Constitution of Bangladesh provides clear directives for formulating the country's development goals, objectives and strategies. Fundamental Principles of the State Policy, as enshrined in the Constitution, vest on the state the responsibility of meeting basic needs of the people through planned economic growth, constant increase of productive forces and a steady improvement in the material and cultural standard of living of the people. Bangladesh's Constitutional guidelines are rooted in a framework aimed at raising the quality of life – a secured living that is foreseeable and safe, with access to productive resources, quality health and education – through a balanced and equitable growth.

Accordingly, poverty alleviation has been an overarching goal of the successive governments of Bangladesh. However, Bangladesh never had a home-grown holistic dynamic strategic framework to combat poverty nor had a clearly articulated operational approach been developed to address the issue (Bhattacharya and Titumir, 2000). Rather agendas for poverty alleviation and poverty alleviation programmes have been donor-driven. As a result what has served as a strategy for poverty alleviation in Bangladesh has been like more than aggregation of a large number of various donor-funded micro projects supplemented by some discrete domestically funded programmes. The syndrome of donor-dependence is manifest in the absence of sustainable institutional capacities (Mahmud 2000). The programmes also fall short of an overarching strategy for poverty alleviation because it remains unrelated as overall target for poverty alleviation. There is, thus, a need for conceptualising and developing a holistic policy framework to strategically formulate policies, sequence intervention-instruments and implement projects and reforms to realise specific goals for poverty alleviation.

This paper argues that it no longer makes sense to focus on poverty alleviation as the ultimate goal of development. It is precisely through the process of re-thinking the concept of poverty that we have come to understand that it in itself cannot be the end. We have come to understand it as a process. The impoverishment of some sections of society is a consequence of the ultimate problem which we must seek to tackle, namely, the problem of social injustice. To make the necessary leap out of this paralysing straightjacket, we must change the end goal of development from poverty alleviation to social justice. It is the search for a more just and equal society that must be our guiding focus, our motivation in the development field.

The article has three core sections. Section II traces and analyses different poverty concepts in the development thinking during the last five decades. Section III attempts to broaden the concept of poverty in order to understand the impoverishment process and lay down the rationale in search of a holistic development focus. Analysing the commonalties between the poverty concepts, section IV attempts to re-focus Bangladesh's development agenda. In the final section, conclusion is drawn.

II Poverty Concept in the Development Thinking

Poverty reduction is although hardly a new theme in development, the priority given to it has waxed and waned over the years. The overwhelming interest in poverty alleviation and the focus on poverty reduction as the principal goal of development have generated keen interest in the poverty concept itself. Accordingly, there has been many attempts to define poverty by national and international institutions and academics, however, a universally accepted definition of poverty is yet elusive. Poverty and its eradication are difficult in its form and content. It embodies values that reflect historical, political, social and economical forces prevalent at the context in which it is put (Hossain 1998).

The last five decades have witnessed the changing place of poverty concept and the strategies employed for its eradication in the development thinking. The change in the dominant development paradigm from redistribution with growth of 1970s to neo-liberalism of 1980s shifted the emphasis from basic needs to structural adjustment and market mechanisms. State intervention in markets was believed to have harmed the poor, and public sector anti-poverty programmes to have been captured by the rich. Social welfare was therefore seen as best to communities themselves, with NGOs playing an important intermediary role between local and international institutions. Nonetheless, interest in Adjustment with a Human Face (Cornea *et al.* 1987) stimulated programmes on the social dimensions of adjustment. This very publication and World Development Report 1990 brought poverty at the forefront of development agenda and paved the way for renewed commitment to poverty alleviation.

The pedigree of new thinking of 1990s on poverty reduction shifts emphasis on the development actors, and represent an approach of not totally familiar from earlier analysis of poverty on number of counts. These are: (a) balanced attitude to the role of state; (b) recognition of the importance of civil society – not just NGOs, but active pressure upon governments by as well as for the organised poor; (c) focus on labour intensive growth; (d) interest in social security and targeted welfare safety nets; and (e) new environmental considerations (Lipton and Maxwell 1992).

Throughout the decades since World War II, development professionals have come a long way in terms of thinking and re-thinking development, its paradigmatic frameworks, its objectives and its strategies. We have come to better understand the impoverishment process of sections of the society better and thus better understand its underlying causes, precisely because to a large extent through the iterative process of conceptualising and re-conceptualising poverty. However, in the absence of a universally accepted definition, and due to the many faces of poverty, the debate about the definition and concept of poverty goes on. The poverty concept has been thought and re-thought, expanded, complemented, but after so much effort and flux we are in fact caught in fixity. There

appears to be some fundamental steps that we can not take in order to transcend, to liberate ourselves of the deep rooted and encrusted mainstream paradigms. Thus, it is important to give an overview of how poverty has been understood during the last decades. In analysing these, it is important to avoid fashionable over-reaction against older ideas, and instead to concentrate on identifying where each of them has performed well in conceptualising poverty and in its eradication strategies.

2.1 Recognition of Income Gap

The recognition in the late 40's of the per capita income gap between the so-called developed nations and the 'rest' led governments of industrialised countries to define this new relationship in terms of a problem (developing countries) and a solution (developed countries). "Almost by fiat, two thirds of the world's peoples were transformed into poor subjects in 1948 when the World Bank defined poor as those countries with annual per capita income below \$100.... and if the problem was one of insufficient income, the solution was clearly one of economic growth" (Escobar, 1995). A decision was taken without consulting any of the supposedly 'beneficiary' countries and the development era was inaugurated. The 'others' were defined in relation to the USA and bulked together into one homogenous lump which came to be known as 'the third world', the 'south' or the 'developing world'. From this point on poverty was seen as a problem – economic *state of being* of all those that found themselves below a determined (and arbitrary) level of income – that only experts from income rich nations could solve.

2.2 Growth through Industrialisation

The poverty eradicating policies during the following decade were mainly based on the assumptions that income poor countries are underdeveloped and momentarily unable to define their own interests and that economic growth was the *sine qua non* for escaping poverty. Thus, growth through industrialisation was supposed as the key to tightening the income gap between nations and bilateral and multilateral aid projects reflected this supposition. Aid was directed to projects which would promote rapid growth and the benefits, it was rationalised, would 'trickle down'² to the needy. Just as the industrialised nations had passed through this painful but necessary pubescent stage of development, the periphery would have to stick it out. Because poverty was defined in terms of income per capita, only economic growth could increase those figures even if only to \$101 and relieve countries and regions of this negative label.

The exclusive reliance on the instrument of growth is simply proven not to be enough. There has been a consensus that growth is a necessary factor but not the sufficient one for development. To this end, Sen (2000) provides some rough calculations on growth's prospect on poverty eradication. If the annual per capita income growth rate

² Trickle down, the dominant development thinking in the 1950s and 1960s, implies a vertical flow from the rich to the poor that happens of its own accord. The benefits of economic growth go to the rich first, and then in the second round the poor begin to benefit when the rich start spending their gains. The poor benefit from economic growth only indirectly, and the proportional benefits of growth going to the poor will always be less. However, it was assumed that the incidence of poverty can diminish with growth even if the poor receive only a small fraction of total benefits.

is 3 percent, it will make about 30 years for someone from amongst the extreme poor person to be lifted out of poverty³. Policy instruments leading to higher growth is important but will hardly suffice to achieve poverty eradication at shortest possible time. The political, social and human costs of waiting for long thirty years for trickle down to work for the extreme poor may be too high. Again, there is no guarantee that such a high growth rate can be sustained, and for that matter, there is hardly any certainty that all subsequent growth will be at least distributionally neutral.

2.3 Reliance on Income Poverty Approach

The income poverty approach gave rise to the notion of poverty line, whereby nations and people from the entire globe were categorised according to a polar criterion of being either above or below the line. The benchmark of poverty was a (so called) western one and implicitly, it stood on the assumption that all societies of the world had to follow the western model in order to succeed and then again, success was defined by western standards. This framework of viewing poverty has the tremendous limitation of perceiving the world's population as monolithic and rests on the assumption that there is one way forward, which is dictated by western values. This perception of absolute poverty has policy implications that lead one to target those below a certain level of poverty, leaving out those at the fringe of this line.

The notion of relative poverty that next came about was important in that it shifted attention to issues other than income, such as the *distribution* of wealth within a given nation. The Gini coefficient measures distribution of poverty among groups below the poverty line, in other words 'the degree of income concentration' and thus points to issues of equality / inequality. This was a significant shift and allowed for a perception of poverty that touched upon issues of justice. It also added the necessary complexity to analyse poverty in that it showed that a country could become less poor in the absolute sense (an increasing percentage of the population over the poverty line) but poorer in the relative sense (an accompanying increase in the concentration of wealth). Relative poverty also was important in that it took on board issues of cultural relativity and in this way ceased to see the entire world monolithically. Difference started to be acknowledged and poverty was understood as also referring to the way social relations were allowed or impeded to take place in the customary way. However, such composite indexes still depended solely on the income/consumption model and failed to take into account the complexities of poverty.

These measures were helpful in beginning to disaggregate income per capita numbers and also in analysing the distribution and degree of changes as a result of economic growth. While these methods begin to illustrate the picture of world poverty – the scale and magnitude of income poverty, they do little in helping policy makers understand why people are poor. Furthermore, by the end of the 1960's it was clear that economic growth

³ The estimate is based on the extreme assumption of 'distribution-neutral growth'. This is sensitive to the choice of the poverty line and the estimation of the average income of the poor, but the central message is worth emphasising. For the purpose of calculation of the crossover time, poverty line here corresponds to Taka 524 per person. Mean per capita income of the extreme poor has been estimated at Taka 215.

was not a sufficient condition for income-poverty-alleviation. Aggregate numbers grew and in many instances, poverty and inequality worsened as a result of economic growth.

2.4 Beyond Income and Consumption

The conception of relative poverty culminated in the World Bank reformulation of its development aims and a new approach was introduced in 1974, namely 'redistribution with growth'. It was thought that by redistributing income and resources the "latent energies" of the poor could be directed towards rapid growth and more appropriate forms of development (Chenery *et al.* 1974). This pro-poor growth⁴ indicates that growth is pro-poor when it is labour absorbing and accompanied by policies and programmes that mitigate inequalities and facilitate income and employment generation for the poor, particularly women and other traditionally excluded groups.

As the name suggests, growth was still seen as the final objective but the latter was seen as having to go hand in hands with redistribution. Although it contained this new emphasises, redistribution with growth represented a modification rather than a clear break with previous mainstream development strategies. Redistribution of income towards the poor essentially remained tied to rapid economic growth. Nevertheless, the traditional recipe of balanced growth was extended to cover social as well as economic development (Brohman 1996). Social development during this process was seen as a means of reaching economic development goals and not considered an end in and of itself. This new focus on social aspects was an important acquisition and paved the way to another approach which came to be known as the 'basic need approach', formally introduced in the international development agenda in 1976 by the International Labour Organisation (ILO).

The 'basic need approach' was very important in that it acknowledged that poverty was not only resolved by increasing amounts of income, but that the human being had determined basic needs which should be catered for. Basic needs are generally understood as housing, sanitary, health and educational ones. However, here distinction must be drawn between the so-called 'weak' and 'strong' approaches to basic needs. International organisations struggled to define the hierarchy of these needs so that benefits to the poor would be maximised. Basic needs were defined by the ILO to include the minimum requirements for private consumption including food, clothing and shelter. More liberal groups included more qualitative measures and more subjective concerns such as security, freedom and identity in their definition. The former definition reinforces a sectoral approach whereby policies target different sectors (e.g. health care and education) and the latter attempted to identify the complex processes surrounding the attainment of those goals. The former approach (adopted, for example, by the World Bank) contents itself in

⁴ What 'pro-poor growth' is and how it works have been hotly debated issues. Although the beginnings of this debate may be traced to the 1950s, World Bank's *Redistribution with Growth* (Chenery *et al.* 1974) sets an important milestone for its major departure from the trickle-down development concept. Pro-poor growth was also implicit in 'broad-based growth' that pervaded the World Development Report 1990 (World Bank 1990). Broadly, pro-poor growth can be defined as one that enables the poor to actively participate in and significantly benefit from economic activity.

alleviating and compensating conditions of poverty, and thus still stress the importance of economic growth to meet those needs. The latter approach (adopted, for example, by the United Nations and the ILO) insists that broad based structural change is needed (ie. land reform) to promote a wider distribution of wealth and power (Brohman 1996), and seeks to alter the *structural causes* for those conditions of poverty.

Because basic needs are defined differently by different groups, the term in and of itself is so useful. It does, though mark a shift from the status quo in that it recognises that disadvantaged groups must be targeted and that their needs will not automatically be met by economic growth. To understand how poverty is addressed as a result of this approach, it is essential to see how the groups addressing these needs are defining them.

It is important to mention UNDP's efforts to formulate composite indices of poverty that included a much broader range of "objective" measures such as literacy, life expectancy, infant mortality and access to clean drinking water. It has given a strong institutional backing to the 'multidimensionality of poverty' camp with the development of the Human Development Index (HDI) and the Human Poverty Index (HPI)⁵. Both indices are composed of the same major dimensions of human development namely knowledge, longevity and standard of living⁶. The indexes value lies, as with basic needs approach, in that it focuses on elements i.e. social indicators other than income. By including these social indicators it became possible to compare and contrast regions and identify their differences in terms of these indicators.

This was an improvement from the narrowly defined income and consumption based methods but still defined poverty as static and not as a dynamic process. It also was still measuring in terms of Western values and did not account for the different perceptions of poverty. These methods of measuring 'poverty' translated into policies which began to see that poverty was not going to eradicate itself through growth but rather a conscious effort would need to be made to improve those index figures.

III Broadening Understanding of the Impoverishment Process

The understanding of income-poverty is never totally replaced by other perceptions and today we have a coexistence of several different ones. In fact, although income-poverty has here been criticised as an analytical framework to understand and explain poverty, it still can be used as a tool to measure one of the many aspects of poverty. Furthermore, it can be used as a measure to compare the different nations of the world, although the validity of this comparison is debatable. After all, the comparison will only be solid and significant in as much as the measurement itself is solid and significant.

⁵ The HDI is a weighted average of life expectancy, educational attainment (adult literacy and combined primary, secondary and tertiary enrolment) and real GDP per capita (in PPP \$). HPI uses the percent of people expected to die before age 40, the percentage of adults who are illiterate, the percentage of people without access to health services and safe water and the percentage of underweight children under five (UNDP 1997).

⁶ The indicators measuring these dimensions vary as does the 'targeting of the index'. The HDI focuses on change in human development of the country or region as a whole whereas the HPI looks at this change only from the standpoint of vulnerable groups.

All these abovementioned models except perhaps the strong approach to basic needs are mainstream one. In what refers to social aspects, they focus much more on agency issues, such as community based safety networks than on broad-based structural issues. There is another set of poverty frameworks which question and focus the deep rooted *causes* of poverty and seek to explain poverty as a *process* as opposed to a *state of being*. Additionally, they seek to explain other aspects of poverty, so that the conception of poverty must either be broadened or the notion of poverty must be replaced by a more holistic and all-encompassing one.

Such a framework, presented by Perlmann (1976), made a very important contribution to a new vision of poverty by challenging the notion of 'culture of poverty', whereby the poor themselves are blamed for their condition. The 'culture of poverty' believes that the poor, given their value systems is incompatible with the 'modern' one, keep themselves on the margins of society. It very much stands on modernisation paradigm assumptions, where the poor are seen as carriers of traditional (in the sense of backward) values which then impede them to integrate themselves into mainstream society. This 'blame the poor' stance has tremendous policy implications for the poor since it assumes they are in that 'state of being' out of their *own choice*. Perlmann argues that what happens is quite contrary; the poorer sections of society actually make a great effort to participate in all aspect of society as much as possible in their struggle for livelihood, but that in fact it is society that marginalises them and invests great efforts in keeping them on the margins.

This latter assumption is in tune with the dependency paradigm, whereby one section of society explores another and lives at the expense of the other. It explains social relations in terms of conflict and exploitation. For the first time, poverty is understood as an active *process of exclusion* and not as a passive *state of being*.

The perception of 'social exclusion' was popularised by the ILO in the beginning of the 1990s. The fact that an international agency with the gravitate of ILO was defending this conception was very significant in starting to mainstream what was so far an 'alternative' approach. Although social exclusion (or 'marginalisation' in other expression) is understood in different ways in different contexts (such as the Anglo-Saxon and the French context) and deserves a discussion in itself, what is important for the present discussion of poverty is that the notion of exclusion points to a process approach to poverty and seeks to shed light on the causes of this process. The word social exclusion - inability to participate in some aspect of life which is considered desirable - itself changes the way we see poverty. While poverty is interpreted as static, social exclusion suggests a process which is changing all the time in degree and nature. Poverty or being income poor assumes that this is a negative quality while social exclusion suggests some of the undesirable characteristics of poverty. Furthermore, exclusion is something not necessarily linked to income and in this way accounts for a greater sensitivity to issues of diversity; exclusion is not only class based but can be based on gender, ethnicity, age, caste and other social relations. The focus on social relations brings in the issue of power and how it is distributed in society (Gore 1995 and Silver 1995).

Sen, Beall and Chambers have also presented breakthrough concepts. Amartya Sen, in "Poverty and Famines: An Essay on Entitlement and Deprivation (1981) introduces the idea that poverty is a result of entitlement relationships, in other words, of what an individual owns and of what are his/her exchange entitlements. The focus is diverted to

the issue of access to goods and services and to security, where the latter is a function of one's ownership and exchange entitlements. The less access and security, the more one is deprived.

In 'Social Security and Social Networks Among the Urban Poor in Pakistan' (1995), Beall introduces a concept related, but not synonymous, to poverty and in this way broadens our understanding of the impoverishment process. The author discusses the concept of deprivation, taken to mean "not only material deprivation but low status and lack of social and physical mobility", as well as the concept of vulnerability, defined as "the exposure to risk and insecurity and the impact these can have on asset depletion and access and entitlements to social rights, reciprocity and obligation". Furthermore, insecurity is taken to mean the lack of guarantee of being able to meet one's basic needs in a sustainable way. All of these additional concepts that interrelate to the notion of income-based poverty help in consolidating a more accurate picture of the reality in which the socially excluded live and thus to design more appropriate policies. It is worth noting that the author underlines the importance of disaggregating when analysing a scenario and when designing policies, so that measures are targeted to specific sub-groupings of society (based on gender relations, age, ethnicity, etc), each of which has its own problematic.

In 'Poverty and Livelihoods: Whose Reality Counts?' (1997), Chambers further explores some of the variables discussed above and introduces the crucial concept of subjectivity. He provokes us into thinking "how professionals' universal, reductionist and standardised views on poverty (and on employment) differ from those of the poor themselves." He challenges us into perceiving that who defines 'poverty' is actually imposing an agenda that is compatible with his/her values. Cultural relativity is put on the forefront of discussion. In terms of policy implications, Chambers suggests that "in a new understanding of poverty, wealth as an objective is replaced by wellbeing and employment in jobs by livelihood". He offers us an opportunity of questioning and "interrogating the Western chronicle". Instead of seeing poverty in terms of its impacts on the poor (including but not limited to: low income, high infant death rate, short life expectancy), he looks at causes as identified by those groups who are experiencing them. He calls for a decentralised, bottom up approach to poverty alleviating and urges planners and policy makers to recognise the limitations of measurements based on 'objective' income/consumption values. Vulnerability and insecurity are included to further broaden the definition of poverty.

IV Refocusing Development Goals

The debate goes on, whether poverty is largely about material needs or it is about a much broader set of needs that permit well-being⁷. The former position defines poverty as 'the inability to attain a minimal standard of living' measured in terms of basic consumption needs or income required to satisfy them. Then the poverty line is based on the

⁷ Well-being is about the life people live: what they can do or can not do. Sen (1987) articulated the concept of well-being in terms of functionings and capabilities. Functioning is an achievement whereas capability is the ability to achieve. Thus, functionings are directly related to what life people actually live, whereas capabilities are connected with the freedom people have in their choice of life or functionings.

expenditure necessary to buy a minimum standard of nutrition and other necessities. The latter position moves beyond the criterion of individual physical survival to satisfying the material conditions of a full social existence, the ability to participate in ordinary living patterns, customs and activities. The income-poverty approach adopted by the majority of national governments and development agencies for the analysis of poverty and anti-poverty policy, and thus using income as the only indicator of well being has many drawbacks. Due to the practical considerations, such as the ease of measurement and the availability of data, a specified income level is often used to demarcate poverty (Blackwood and Lynch, 1994).

The income poverty approach has been heavily criticised for its excessive emphasis on reductionism and bias to the measurable. Some of the serious of these shortcomings include the inability of income to capture failures in the distribution of goods/services and the consumption of government provided goods and services that do not require personal income to purchase (e.g. education, health care, public transportation, etc.). Field researchers indicate that the poor have their own perceptions of poverty and well-being which may be quite different from outsider. The classic study by N.S. Jodha (1988), more popularly known as Jodha's paradox (cited in Chambers 1997) points out that the people of two villages surveyed in Rajasthan mentioned thirty-eight criteria of well-being. According to their assessment, they were better off whereas the income measure indicated they were worse off⁸. In another investigation, more income was listed as the ninth or tenth criterion in a list of twenty (Chamber, 1997). Participatory approaches have distinguished other dimensions of poverty that are not also captured by the income poverty measures. These include [a] vulnerability to any kind of emergency and contingency, and the risk of becoming poorer. [b] physical weakness due to undernutrition, sickness or disability. [c] isolation physically and /or socially due to peripheral location, lack of access to goods and services, ignorance, illiteracy. [d] powerlessness within existing social, economic, political and cultural structures (Chamber, 1983).

The gender difference in the perception of well-being has further made poverty analysis complex. Such a study (Mahbub and Roy 1997⁹) revealed gender difference in the perception of well-being. While listing the well-being indicators women pointed out money, fixed income, land and children at the top of the list. On the other hand the men mentioned money, livestock, peaceful life and well-built house as primary indicators of well-being. However, in prioritising the indicators, both men and women identified money, fixed income, three meals a day, children and their education, small family, health, access to medical service and peaceful life as essential indicators of well-being.

⁸ Comparing data from his fieldwork in 1964-66 with 1982-84 he found that the 36 households which were more than 5 per cent worse off in per capita real incomes were on average better off according to 37 out of 38 of their own criteria including not having to migrate for work, not having to skip a third meal during the lean period, not residing on patron's yard or land, and other indicators of social and economic independence.

⁹ To explore indigenous ideas about well-being, the study employed participatory research tools in a village of Matlab thana.

Thus, it is increasingly argued that, as there is a gender¹⁰ dimension to the poverty alleviation, there is a need for specific gender focus in programmes and policies directed toward the poor.

A recent book, *Voices of the Poor* (2000) has also shown that there is an urgent need to expand conceptions of poverty focusing on income, expenditure, education and health to include measures of voice and empowerment. Using participatory and qualitative research methods, the study brings together the voices and the realities of over 40,000 poor people from 50 countries. Poor peoples definition reveals: (a) many factors converge to make poverty an interlocking multidimensional social phenomenon; (b) poverty is the lack of multiple resources that leads to hunger and physical deprivation; and (c) while poverty is material in nature, it has psychological effects such as lack of voice, power and independence that leads to exploitation, vulnerability and inhumane treatment, pain brought about by unavoidable violation of social norms, inability to maintain cultural identity, and breakdown of social relations.

In the context of such different perspectives, in order to set the development goals, if one takes the narrower perspective of the concept of poverty, the income-poverty approach, it leads to conceptualise poverty reduction as moving households from a stable 'below poverty line' situation to stable 'above poverty line' situation. This emphasises the *promotional* poverty reduction strategy that raises household incomes. By contrast, the other view of poverty that conceptualises income levels as fluctuating emphasises *protectional* strategies which stabilise reductions in income and other entitlements as major tools of poverty reduction. Dreze and Sen (1989) refer to these concepts of protection and promotion in their discussion of different forms of 'entitlement' and 'social security' which influence access to resources. These strategies are neither unrelated nor competing against each other, rather the effective poverty reduction strategy would be the combination of both that promote income and protect against insecurity, vulnerability and destitution, and that tackle the root cause of the interlocking multidimensional facets of poverty and not the phenomena in themselves.

The unique contribution of the concepts of questioning the *culture of poverty*, *social exclusion*, *deprivation*, *vulnerability*, *entitlement* and *subjectivity* has made to the understanding of poverty has already been described above. It is now important to analyse what they have in common: all of them point to, firstly, the underlying injustice of the system, and secondly, to the issue of power and its distribution. This is a major breakthrough because poverty alleviation is no longer seen as a technical problem, where appropriate mechanisms must be designed in order to deal with it. But it is seen as a political process, which involves acknowledging that there is a *conflict of interest* in society and that these conflicts must be dealt with as opposed to ignored by pretending they do not exist.

¹⁰ The term 'gender' has undergone significant redefinition over the years. While the term originally implied the biological differences between men and women, it is now being increasingly used to refer to all aspects of social, political and economic differentiation due to gender.

Successive attempts to tackle poverty in Bangladesh though interventions largely as an exercise in delivering resources to the poor either by the trickle-down route or through the conventional approach of targeted development has bypassed the issue of power and justice by treating poverty eradication as positive-sum game (Sobhan 2000). Poverty originates in injustice rather than only the poverty of resources. This injustice is merely the outcome of events influencing the life chances of particular people. Injustice, nor can be addressed in terms only through widening capabilities and choices. Both capabilities and choices are themselves constrained by institutional structures designed to perpetuate this injustice. In Bangladesh, sources of injustice cover – the market; the social structures and human development; the institutions of democracy; the institutions of state; and globalisation process within an asymmetrical global order¹¹. Injustice is institutionalised in the social, political, legal and economic structures of our society. The policy regime of the last three decades has reinforced these iniquitous structures and legitimised them by elevating the values of individual accumulation into dominant value (Sobhan 2000). Unless Bangladesh can address both the paradigmatic and the institutional foundations of deep-rooted multifaceted injustice, an order which compounds injustice in the name of poverty alleviation will continue to prevail.

V Conclusion

It becomes clear the way we define poverty has major policy implications. Poverty as static, conflict-less reality is dealt with through alleviation programs that vary from self-help mechanisms, increasing community participation, programs that focus on coping mechanism or survival strategies and the provision of basic needs as an end in itself.

On the other hand, poverty as a process resulting of unequal share of power and of unjust social relations has very different policy implications. It makes us focus on issues of structure and not only on local, ground level and often punctual and uncoordinated agency. Policies are geared to structural reforms, such as land reform, securing land and property tenure, legal frameworks that benefit the marginalised and legal mechanisms that ensure the enforcement of the framework. It implies policies that lead to more assets, such as micro-credits, quality health and education services. It implies policies that lead to further security such as an effective social security system that caters for the unemployed and the elderly among others. It implies in policies that recognise diversity so that, for instance, women are guaranteed the access to credits or to tenure and ethnic groups, children, elderly and other social groupings are all catered for. How these policies are put through is a context-specific issue and is not the focus of the present discussion. But the essential point is that poverty originates in injustice rather than the poverty of resources, and thus the moving force, the focus and the intention of these development procedures must be clearly pointing to further social justice.

Poverty alleviation stands on the premise that the actual model of society does not need structural change. The notion of alleviation is one of *managing* tensions and not of resolving them. Poverty is one of the many consequences of an unjust system based on

¹¹ The examination of these five sources merits separate discussions, however, is beyond the scope of this article.

extremely unequal power relations and power distribution. Other consequences are marginalisation, exclusion, disrespect, patronisation, pasteurisation of cultures, the blurring of diversity in the name of a given and homogenising truth, the breakdown of traditions and culture, only to name a few. Even if we broaden the concept of poverty to mean not only income-poverty, but also insecurity, vulnerability and destitution, our focus as development professionals must still be the root cause of these phenomena and not the phenomena in themselves. Poverty reduction is about improving human well-being, in particular that of poor people.

This does not mean that poverty alleviation as such should be erased from the Bangladesh's policy agenda. It means re-dimensioning this aim and dealing with it as a short and medium term measure while at the same time tackling more structural, strategical and long term issues. The failure of successive generations of development policy to eradicate poverty and build a more inclusive development process originates in the incapacities of the policy discourse to come to terms with the new realities of power which have sharply polarised Bangladesh society and marginalised the issue of justice from the development agenda. In the end, focusing on social justice implies focusing on the redistribution of power within Bangladesh's society and in the world as a whole.

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WOMEN OF BANGLADESH: AS THEY SEE THEMSELVES

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Abstract: The main objectives of the study have been to measure the perceptions of men and women regarding familial roles, women's alleged deprivation of different rights, and relative intellectual ability of spouses. The study population was peri-urban mostly literate, low income, married, and neo-local residents. Both men and women support the present sex specific division of labour in the family, want more education for sons than daughters do, and accept men's genetic superiority. All these findings imply that women have taken their present position in society as natural and desirable. More precisely, they define their position in society as fair and non-discriminatory. However, women's own feelings do not negate the earlier findings of different authors that women are discriminated in society. This study asserts that women's own assessment of their position is grossly different than those who assess women's position from alternative perspectives.

I Introduction

Women in Bangladesh are dependent upon men throughout their life-cycle and are required to remain under the protective guardianship of successive male kinsmen at the appropriate stages of their life-cycle: father or brother, husband, and eventually son (Adnan, 1989:4). Land being the primary resource of agrarian economy, access to land and control over it is crucial in rural areas (Jahangir, 1982:48). This scarce resource is unequally distributed among the members of both Muslim and Hindu families¹ by sex. Women are also dependent upon men for rigid Purdah² system in rural areas, which restricts them to participate in economic activities outside the household (Kabeer, 1988:108).

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¹ According to Muslim inheritance law, father's land is divided among the children in such a manner that all sons get equal share and the daughters half of the sons. A widow is legally entitled to one-eighth of her deceased husband's property, and if there is no child she is entitled to one-fourth. Among the Hindus, girls have no rights to father's land, in case there is no son, daughters may inherit, if there is a will (Westergaard, 1983:83; Adnan, 1989:5). Begum (1988:10), Prabantana (1986:7), and Quddus et al. (1985:34) point out that whatever amount of land are supposed to be inherited by women are mostly retained by their brothers on the plea to provide them shelter in case of widowhood, divorce or any other mishap.

² It refers to the system of isolation of Muslim women from outsiders and imposition of high standard female modesty. It is a complex institution that entails much more than restriction on women's physical mobility. It means more than wearing burkha (veil). It is the internalisation of values of shyness, timidity, horror, and shame (Feldman and McCarthy, 1981:26).

Male dominance being prevalent in society, sons are preferred to daughters for security and economic reasons (Cain, 1978:421-428). This subordinate condition is not inevitable rather a product of socialisation process which starts at the birth of a female child. This male dominated ideology is accepted by women who internalises and acquiesces in their subordination because it is presented to them as biologically given (Ahmed, 1990:365). Westergaard (1983) argues that women's personality in Bangladesh is subdued, as they are being socialised to identify themselves not as persons, but as mothers.

The movement of women emancipation in the country began in the early part of twentieth century by a woman from a traditional landlord family³ (Jahan, 1975:22). After her death, there was no substantial activity for a long time. A small book in vernacular entitled "Village Women as I Saw Them" in 1966 by Aabduallah (1974)⁴ sparked a new era of feminist writings in Bangladesh. During the last two decades a considerable amount of literature had been produced depicting the subordinate condition of women from different perspectives. The perspectives were working hours (Westergaard, 1983; Begum, 1988), decision-making (Mizan, 1994; Westergaard, 1988; Hartmann and Boyce, 1983), income earning (Ahmed, 1980; Greely, 1982), education (Parveen et al. 1978), and socio-economic status (Jahan, 1975; Adnan, 1989). The condition of urban women is not very different than those of rural ones except some relaxation of Purdah. The worlds of urban men and women are also segregated like rural men and women (Jahan, 1975:9). The above mentioned studies have amply demonstrated that researches, feminists, and policy planners are well aware of society's brutal discrimination against women.

1.1 *Objective of the Study*

A voluminous literature on women show that women are exploited and subordinated by men through the control of resources of society. Having believed in this notion, numbers of organisations are created and action programs⁵ are undertaken under the patronage of the government, national, and international agencies. Interestingly, there has hardly been any attempt on the part of the government or donors or NGOs (Non-Government Organisations) to examine how far the victims (women) themselves think and feel that

³ Her name was Rokeya Sakhawat Hossain (1880-1932). She was not only the pioneer of women's emancipation movement, but also a true feminist. She was against the rigid Purdah system at her father and husband's houses. Rokeya felt that the only way a woman could be emancipated was through education. She established the first Muslim girls' school in Calcutta with eight students in 1911 (Jahan, 1975:22).

⁴ Later translated into English language in 1974.

⁵ To name a few are Bangladesh Women's Rehabilitation Organization was established in 1972 to administer the needs of war widows and rape victims. Equal rights bill for women were enacted in 1972. Government formed Bangladesh National Women's Organization and Women's Affairs Division in the Presidential Secretariat for Development of Women. A separate Ministry was formed in 1978 for women. Quota system for all jobs in Public Sector was introduced for women in the five-year plan (1980-85). Family Court Ordinance. The Prohibition Act. The Child Marriage and Divorce Registration Act were enacted to empower women. A cell in the Ministry of Women Affairs is created to monitor the repression and violence against women and take remedial measures (Ahmed et al. 1979).

they are exploited and subordinated in society. This should have been the most important pre-action agenda of the concerned organisations. The present study is not of introducing new programs based on our findings rather an attempt is made to know the perspective of women themselves with regard to the issues that are so hotly debated by academics, donors, feminists, and politicians. Therefore, the main objectives of the study are to measure the perceptions of men and women regarding familial roles, women's alleged deprivation of different rights, and perceived intellectual abilities of spouses.

1.2 Conceptual Framework

Women's subordinate status is almost an established fact in Bangladesh (Begum, 1988; Westergaard, 1983; Hartmann and Boyce, 1983; Jahan, 1975; and Adnan, 1989). In doing so most of the researchers have used explicitly or implicitly the Resource Theory of Blood and Wolfe (1960), which asserts that "the balance of power (in decision-making) will be on the side of the partner who contributes the greatest resources to the marriage". The family member with the greatest command of resources to meet other's needs and goals is defined to have the greater power. Since man holds the status of family head and controls the resources, enjoys the most power in the family in Bangladesh. Consequently, woman has no choice but to accept the subordination of man.

Conflict theorists argue that women do not accept the situation automatically rather the values of inferiority are instilled in the female child in the process of socialisation. Of course all societies socialise children to fulfil their adult roles (Lee, 1982:282). The present Study do not dispute the claim of conflict theorists, rather fully agree with those claims and emphasise that once a person has internalised the values with which she/he has been socialised will become part of her/his life and act accordingly as it becomes real to her/him (Berger and Luckmann, 1966).

In view of the above discussions we have used Thomas and Thomas' (1928) concept of *Definition of Situation* as conceptual framework for this study. This concept asserts that a situation is real to a person what is defined by her/him is real. An individual acts on the subjecting meaning of a situation because that is real to her/him. For example, a researcher may find a blatant discrimination of women by men, but women (particularly rural) may take this situation as normal because they might have internalised the values that they are unequal and inferior to and naturally different than men. Therefore, using the concept of definition of situation we have tried here to assess the situation of women as defined by men and women themselves.

1.3 Study Methodology

The survey technique was used for collecting data. The same interview schedule was used for both male and female respondents. In some cases responses of several questions were combined together for making a composite variable. Multi-stage sampling technique was used to draw samples. Peri-urban areas of three district towns were divided into clusters, from which three were selected randomly. The total number of households in three selected areas was 12129. Only one married male or female respondent was selected for interview from each household. We have purposively selected the peri-urban areas for the study considering rapid urbanisation of the country.

Bangladesh is trying hard to raise her literacy rate as quickly as possible and it is making a significant progress. If this trend continues the rural areas are likely to catch up with the peri-urban literacy rate during the next decades. Therefore, the present samples are not only representing the present population of peri-urban areas but also the anticipated future literate group who are now living in rural areas of Bangladesh.

A total of 399 respondents were sampled randomly for the final interview. It may be noted here that the male and female samples were not spouses. It was assumed that if couples were taken as samples husbands' opinions might influence the responses of wives. The sample size was determined by using Fisher and others' formula⁶ (1991:45).

II Study Findings

2.1 Socio-economic Characteristics of Respondents

The backgrounds of the respondents are presented here to apprise the readers about the people whose opinions are under discussion. The mean years of respondents are 43 years for males and 34 years for females (Table 1). The age gap of 7 years between married males and married females in this study corresponds to the national census statistics (BBS, 1994:31). The religious distribution of respondents also corresponds to the national proportion, i.e., 9 out of 10 persons are Muslims (BBS, 1994:103). The literacy rates are 86 percent for males and 78 percent for females. These rates are not consistent with the national adult literacy rates of 44 percent for males and 26 percent for females (BBS, 1994:xii). The literate males and females on an average have 7.6 years and 5.9 years of schooling, respectively. The high rates of literacy and high mean years of schooling of literate respondents could be because the sample population represent peri-urban areas⁷ who are likely to be better educated than the vast majority of the rural population (Table 1).

⁶

$$n = \frac{z^2 pq}{d^2}$$

Where n = the desired sample size (where population is greater than 10,000).

z = the standard normal deviate set at 1.96 which corresponds to the 95 confidence level.

P = the proportion in the target population estimated to have a particular characteristic. Since there is no reasonable estimate, we have used 50 percent (.50).

$q = 1.0 - p$

d = degree of accuracy desired, usually set at .05 or occasionally at .02.

For example, if the proportion of a target population with a certain characteristic is .50, the Z statistic is 1.96, and we desire accuracy at .05 level then the sample size is:

$$n = \frac{(1.96)^2 (.50)(.50)}{(.05)^2} = 384$$

⁷ The reasons for selecting this special group have already been discussed in the methodology section.

Table 1 : Socio-economic Characteristics of Respondents

Variables	Percentages		Mean		Total
	Male (N=211)	Female (N=188)	Male (N=211)	Female (N=188)	
Age:	---	---	43.0	34.0	---
Religion					
Islam	90.5	90.5			
Hinduism	8.5	9.0	---	---	---
Others	1.0	.5			
Total	100.0	100.0			
Literacy :					
Illiterate	14.0	---	---	---	---
Literate	<u>86.0</u>	---	---	---	---
Total	100.0	---	---	---	---
Years of schooling :	---	---	7.6 (N=181)*	5.9 (N=146)*	
Occupations:					
Petty business	39.0	4.8			
Service	26.0	8.0	---	---	---
Farming	12.5	---			
Daily labour	19.5	3.2			
Housewife	---	84.0			
Others	<u>3.0</u>	---			
Total	100.0	100.0			
Family type:					
Joint	41.7	38.3			
Nuclear	<u>58.3</u>	<u>61.7</u>	---	---	---
Total	100.0	100.0			
Household annual income:					Tk. 53491.0
Per capita family income:					Tk 7984.0
Household size:					6.7
Land holdings:					
Landless	45.0	89.0			
Land owning	<u>55.0</u>	<u>11.0</u>			
Total	100.0	100.0			
Cultivable lands under possession:					
Male				1.43(acr)**	
Female				.26 (acr.)**	

*Those who have no schooling are excluded from the calculation of mean.

** The landless persons are excluded from the calculation of mean.

The traditional occupation of farming is pursued only by about 13 percent of the respondents possibly due to their peri-urban residences. The highest percentage of male respondents are petty businessmen (39 percent), followed by service holders (26 percent), daily wage labourers (20 percent), and other occupations (3 percent). Among the female respondents, 16 percent have some kind of cash earning occupations while the remaining 84 percent are full-time housewives. Contrary to common notion that family type in

Bangladesh is predominately extended, about three-fourths of the respondents' families are nuclear. The mean household size is about 6.7, which again is much higher than that of national average of 5.5 (BBS, 1994). The higher household size of sample families could be for temporary sheltering of relatives who almost regularly come to town from outlying areas for variety of purposes. This is a culturally accepted practice on the part of the kin who live in urban or peri-urban areas of Bangladesh. The per capita annual income of the respondents is Taka 7,984.0, which is much less than the national annual per capita income of Taka 10,560.0 (TWB, 1997:130).⁸ Therefore, the sample respondents have an average income below national per capita income. With regard to the possession of land, 45 percent of male and 89 percent of female respondents do not own cultivable lands in their names. Again among the owners of lands, males own five times (1.43 acres) more lands than those of females (.26 acre) do (Table 1).

The above descriptions of sampled respondents' characteristics reveal that they are likely to be more modern than their rural counterparts on three counts, namely literacy, occupation and family type (Table 1). The possession of these modern traits by the sample respondents may help them positively define their position in society. However, this will more prominently evince in the next paragraphs.

2.2 Perceptions on Responsibilities of Spouses in the Family

There is a clear division of labour for men and women in Bangladesh (Kabeer, 1988:102-103; Adnan, 1989; Westergaard, 1983:9-11), i.e., traditionally men and women work outside and inside home, respectively (Begum, 1988:7). This tradition is reflected in the respondents' own opinions. The overwhelming majority of both male and female respondents believe that the responsibilities of a husband to the family are earning an income, maintaining the wife, looking after parents (husbands' parents), taking care of family properties, cultivating lands, and rearing cattle (Table 2). Here both male and female respondents see economic activity as the primary role of man.

The interesting point here is that despite so much feminist writings and action programs in Bangladesh female respondents do not believe that they too have economic responsibility to the family. A similar opinion of male and female respondents on this issue only supports the traditional ideology of division of labour between sexes. However, some of the respondents have deviated from the traditional beliefs. About 23 percent of male and 22 percent of female respondents don't think that maintaining wife is the sole responsibility of the husband, which may mean that they believe in the partnership of conjugal life. It may be mentioned that none of the male or female respondents opines that maintaining wife is also the sole responsibility of the wife. These deviations of few respondents on certain issues, however, don't imply that men and women have changed their traditional notion about men's breadwinner role as all economic activities are considered to be the primary function of men by both spouses.

⁸ US\$ 1.0 = Taka 55.0 (approx).

Table 2: Perceptions on Responsibilities of Spouses

Responsibilities	Responsibilities of husbands*		Responsibilities of wives*	
	Male (N=211)	Female (N=188)	Male (N=211)	Female (N=188)
Earning an income	99.1	95.7	-	-
Maintaining wife	77.3	77.7	-	-
Looking after parents	95.3	94.7	-	-
Taking care of family Properties	99.1	98.9	-	-
Cultivating lands	90.5	92.0	-	-
Rearing cattle	99.5	98.4	-	-
Looking after parents-in-law	-	-	25.1	18.6
Rearing child	-	-	88.2	87.2
Household chores	-	-	96.7	93.6
Serving husbands	-	-	51.2	49.5

*A respondent could give more than one response

Nine out of ten male and male respondents consider wife's familial responsibilities are household chores and child rearing. Contrary to it, none of the male or female respondents has mentioned that men have any responsibility in these two important family functions (Table 2). An important point here is to note that both male and female respondents hold almost an identical view on traditional role of women. It is understandable that men will support such a notion to perpetuate their domination over women, but why should women cling to this ideology. It may be that women have taken these socially prescribed roles for granted and don't know alternatives to these.

It is interesting to observe that about half of the male and female respondents have opined that wife does not have to render service to the husband, which was once considered a religious obligation for a Muslim or a Hindu wife (Begum, 1988:8). Similarly, about 75 percent of male and 81 percent of female respondents do not believe that they have to look after the parents-in-law (Table 2). These responses of sampled men and women indicate a shift in their attitudes toward the relationships between husband and wife but are not a sign of their deviation from the belief of women's traditional role of homemaking, which precisely refers to child rearing and household chores.

The above findings amply demonstrate that both male and female respondents strongly believe in the traditional roles of men and women even though they are relatively more modern than the vast majority of the rural population. The striking similarity of responses of both male and female respondents demonstrate that they have internalised the existing societal values of men's instrumental and women's expressive roles in the family. Therefore, the sex specific division of labour is likely to persist in society as incumbents have faith in them.

2.3 Perceptions about Male's Superior Intelligence

Women have lower status in Bangladesh, possibly for their economic dependence on men (Bertocci, 1970; Khan 1988; Cain et al., 1979) and unequal inheritance laws (Sobhan, 1978; Ahmed and Chowdhury, 1979:293-94; Bhuiyan, 1985). For the same reasons Islam (1979:258) claims that women are socialised with the values of intellectual inferiority to men from the very childhood. Ahmed (1990:365) reinforces Islam's claim by asserting that the ideology of male dominance is internalised by women themselves in such a manner that they are convinced of their inferiority to men. The data of the study seem to support the claims of Islam (1979) and Ahmed (1990). About four-fifths male and female respondents hold the notion that men possess higher intelligence than women do. Almost equal percentages of respondents of both sexes have assigned the causes of higher intelligence of men to genetic superiority, higher education of men, and more exposure of men than women to the outside world (Table 3).

Of the three causes of superiority assigned by the respondents, two of them i.e., higher education and exposure to outside world, may be eliminated through intensive intervention, but the other one, i.e., genetic superiority of men can't be changed without some kind of revolution in genetic engineering. Therefore, the belief of genetic superiority of men over women by respondents seems to stand on the way of changing women's status as they themselves believe in their own inferiority, no matter whether this is the result of socialisation or religious orientation.

Table 3: Perception about Comparative Intelligence of Men and Women

Responses	Male	Female
<i>Perception of intelligence:</i>		
Men are more intelligent than women	86.2	79.3
Women are more intelligent than men	11.4	19.1
Both have equal intelligence	2.4	1.6
Total	100.0 (N=211)	100.0 (N=188)
<i>Reasons of Men's higher intelligence than women:</i>		
Women are genetically inferior to men	88.2	85.1
Higher education of men	86.3	83.0
More exposure of men to outside world	58.3	64.9
Total	232.8* (N=182)	233.0* (N=149)

* Percent exceeds 100 because more than one response could be given by one respondent.

2.4 Respondents' Knowledge of Equality of Man and Woman in Religion, in Family, and in Inheritance Laws

Religious values and laws that dominate Bangladesh society (Ahmed, 1990) are the principal hurdles for women's mobilisation (Westergaard 1983:10-11). Jahan (1975:13-14) does not seem to agree completely with the above mentioned views rather indicates that women are treated more equally with men in Islam compared to other religions of South Asia, but their socio-economic status prevents them from exercising their rights.

The respondents of the study do not quite agree with the claims of the authors. About a half of male and female respondents believe that their religions have granted equal rights to both men and women. The chi-square statistics also confirm that male and female respondents do not significantly differ in their opinions on this issue (Table 4). The question here is why both male and female respondents claim to have the provision of equal rights in the religion while it is actually absent in the Holy Script. This wrong notion may help man to manipulate woman's legitimate rights, but why should a woman fall into this trap. Such a wrong response on the part of women could be due to their inadequate knowledge of the religion that they have acquired mostly from the hearsay.

Table 4: Knowledge of Equality in Religion, in Family, and in Inheritance Laws

Responses	Equality in religion		Equality in the family		Equality in inheritance laws	
	Male N=211	Female N=188	Male N=211	Female N=188	Male N=211	Female N=188
Equal	55.5	53.7	58.8	58.3	81.0	71.8
Not equal	<u>44.5</u>	<u>46.3</u>	<u>41.2</u>	<u>41.7</u>	<u>18.1</u>	<u>28.2</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0
	$\chi^2 = 10$, df=1, not sig.		$\chi^2 = .01$, df=1, not sig.		$\chi^2 = 4.73$, df=1, sig. at 05	

Men enjoy privileges and unequal rights over women in almost every sphere in the family (Jahan, 1975:27). Lack of decision making power, economic dependence, and low or no education of women further reinforce male dominance over females (Begum, 1988:13, Mizan, 1994:33-40). Adnan (1989) and Quddus et al. (1985) also claim that women are under patriarchal control in Bangladesh family. Despite all these empirical evidence of discrimination against women, about three-fourths of both male and female respondents have conceded that spouses have equal rights in the family. The chi-square test has also found no statistical difference in opinion between male and female respondents in this regard (Table 4).

Now the question is have we done anything wrong to get an answer from the sampled women to show that they are not discriminated? Possibly we have not done anything wrong. The fact of the matter perhaps is that the earlier researchers studied women using objective criteria and did not try to understand them from the perspective of women who live under constant domination of men. Contrary to them we have tried to study not the objective reality as studied earlier by dispassionate researchers rather the subjective reality as perceived by the real women. Therefore, a woman's realisation of equality in the family could be nothing but the outcome of her early socialisation that is possibly her subjective reality today.

Both Islam and Hinduism have discriminatory inheritance laws against women (Ahmed and Choudhury, 1979:293; Westergaard, 1983:34)⁹. Despite such clear

⁹ According to Muslim inheritance law in Bangladesh the father's land is divided among the children in such a way that all the sons get an equal share, and the daughters half of the sons. A widow is legally entitled to one eighth of her deceased husband's property, and if there are no children, she is entitled to one fourth. Among the Hindus, the girls have no right to the father's land, although in case there are no sons, daughters may inherit, if there is a will.

prescriptions in the Holy Scripts, 81 percent of male and about 72 percent female respondents believe that laws have given them equal inheritance rights. However, less number of women (11 percent) than men believe that they have equal rights over parental properties. This difference is found to be statistically significant at .05 level (Table 4). Although the vast majority of women assert to have equal rights on parental property with men, this is not found to be true by any independent observer in the country. The objective reality is that whatever share women have in parental property, for practical reasons they rarely exercise it. They generally do not make claims on their father's property because their brothers usually control the property after the death of the father. They are the ones who will protect their sisters in the event of their husbands' death or on their divorce (Begum, 1988:11). The question now is why then the women believe that they share the parental property equally. It could be women's believe out of ignorance. However, this is simply an assumption that needs further investigation for confirmation.

2.5 Knowledge of Respondents about Specific Rights of Divorce

Islam and other religions of the country permit divorce (Sattar, 1979:7-8). The overall divorce rate of ever-married women is as low as 10.5 percent in the country (Quddus et al., 1985:9). In spite of religious provision of divorce about 15 percent of male and 31 percent of female respondents do not know about their specific rights of divorce. This difference of knowledge between male and female respondents is found statistically significant at .05 level (Table 5). The reason for lack of knowledge about the provisions of divorce by larger numbers of women relative to men could be because men are more prone to divorce and they usually make the first move in this regard. Therefore, they need to know the most about the provisions. On the contrary women may care little to know about provisions of divorce as they take marriage and staying in marriage as women's ultimate destiny.

Men who know that wives can divorce their husbands have mentioned husbands' inability to maintain the wife, assault on the wife, adultery, and demand of dowry as grounds for it. It is observed that a much greater proportion of women than men have given these reasons as grounds of divorce of husbands by wives (Table 5). Among those male and female respondents who think that women can't divorce their husbands, over four-fifths of them have given religions as its causes. It is observed from the above facts that the trends of responses of men and women regarding the grounds of divorce and causes of women's inability to divorce are very similar. This could be because women might have learned all about these in their husbands' house as they get married at an age when they can hardly understand about marriage and divorce.

2.6 Respondents' Intended Years of Education for Sons and Daughters

Except for a few, all sample respondents want formal education for their sons and daughters. Interestingly women want 2 more years of education for sons (mean years = 16.6) than the men's intended years of education for sons (mean years = 14.4). Contrary to this, men want one year of more education (mean years 12.3) for their daughters than women's intended years of education for daughters (mean = 11.4) (Table 6).

Table 5: Knowledge of Male and Female Respondents about their Specific Rights of Divorce

	Male	Female	
<i>Knowledge of specific rights of divorce:</i>			$\chi^2 = 7.39$
Have the right	84.8	69.1	df=1
Don't have the right	<u>15.2</u>	<u>30.9</u>	sig=.05
Total	100.0	100.0	
	(N=211)	(N=188)	
<i>Grounds on which wife can divorce:</i>			
Inability to maintain the wife	45.1	53.9	
Assault on the wife	56.4	79.9	
Adultery by husband	55.3	62.3	---
Demand of dowry	11.2	17.7	
Others	<u>10.5</u>	<u>13.1</u>	
Total	178.5*	226.9*	
	(N=179)**	(N=130)**	
<i>Reasons for which women can not divorce:</i>			
Religious restriction	83.3	86.2	
Others	<u>16.7</u>	<u>13.8</u>	---
Total	100.0	100.0	
	(N=32)***	(N=58)***	

*Percentage exceeds 100 as respondents could give more than one response.

**Rest of the respondents is excluded from the calculation of percentage because they believe that men and women do not have the rights to divorce.

***Rest of the respondents is excluded from the calculation of percentage because they believe women can divorce.

The traditional attitude of both men and women are reflected in their expectation of education of sons and daughters. Both want more education for sons than daughters. Women seem to be ahead of men, as they want more education for sons than their male counterparts do. This notion of women may be rooted in the social reality, as they will have to depend on sons in their old age. Therefore, more educated the sons are more secure they feel for their later life. Women can't be blamed for their attitudes because they have heard and learned through out their entire life that daughters will go to their husbands' homes while sons will stay and provide security to parents in their old age. From this point of view women are not at all anti-feminist rather they are realistic in their attitudes to life. Therefore, more education for a son than a daughter appears to be a social necessity particularly for the women.

There is a striking similarity of opinion between men and women regarding the purposes of education of a son. About 62 percent men and 66 percent women want education for their sons for economic solvency while only 42 percent men and 50 percent women want it for their daughters. Again about one-third of the respondents of both sexes want education for increasing son's competence and social status while none of the respondents of either sex wants education for daughters to increase the same. About 94 percent of male and 86 percent of female respondents want daughters' education for better marriage and making them good mothers while none of the respondents of either sex wants sons' education for the same purpose (Table 6). Poverty appears to be the

most common cause assigned by the respondents of both sexes for not sending sons to the school while it is the secondary cause for not sending daughters to the school. About 78 percent male and 30 percent female respondents who do not plan to send their sons to school apprehend that secular education will distract their children from religious life. They, however, do not apprehend the same for their daughters. About 91 percent male and 87 percent female respondents who do not want their daughters to go to the school have mentioned that they do not need to earn money.

It may be observed from the above data that, except in one occasion, both male and female respondents have given almost identical responses regarding reasons for educating sons and daughters. The responses reflect the traditional attitudes of men and women regarding sex roles. About two-thirds of the respondents of both sexes emphasise sons' education for economic solvency while almost nine-tenths of them want daughters' education for better marriage. Therefore, it seems women themselves want their daughters to assume the traditional role that is nothing but a subordinate status to men.

Table 6: Respondents Intended Years of Education for Sons and Daughters and its Reasons

Reasons	Percentages				Mean years	
	Son		Daughter		male	female
	male	female	male	female		
Intended years of education for sons:	---	---	---	---	14.4 (N=202)*	16.6 (N=177)*
Intended years of education for daughters :					12.3 (N=189)*	11.4 (N=173)*
Reasons for educating Children to intended level:						
To make them competent	41.6	36.2	---	---		
Economic solvency	62.4	65.5	41.8	50.2		
Better marriage	---	---	93.7	85.5	---	---
Social status	31.7	33.3	---	---		
Making good mother/father	---	---	55.6	50.9		
Total	135.2** (N=202)*	135.0** (N=177)*	189.1** (N=189)*	186.6** (N=173)*		
Reasons for not intending to educate children :						
Poverty	88.9	90.0	40.9	33.3		
Do not need to earn	---	---	90.9	86.7	---	---
Not to deviate from religious way of life	77.8	30.4	---	---		
Total	166.7** (N=9)*	120.0** (N=11)*	140.8** (N=22)*	120.0** (N=15)*		

*Rest of them does not want their daughters to be educated.

**Percentage exceeds 100 as a respondent could give more than one response.

Why should a woman being in a subordinate position ask for it for her own daughter? This could be because she possibly has learned it since her birth that women's best achievement in life is to have a good marriage. Hence, she might feel that her primary responsibility is to groom daughters for marriage in the best possible manners.

The values with which she would like to groom her daughters might have their origin in her personal values, which she possibly acquired from her parents and husbands' houses. Therefore, she would possibly desire that the intended education for a daughter should contribute to groom her as a good bride rather than to prepare her for a professional job.

The above facts indicate that mothers themselves are actively contributing to the continuation of subordinate status of women in society by instilling appropriate values into their own daughters. Here parents seem to define the future position of their daughters as housewives who are subordinate to men.

2.7 Summary of Findings

The study has measured the perceptions of men and women regarding familial roles, men's alleged deprivation of women's rights, relative intellectual ability of men and women, intended education of children, and purpose of education for children. The century old tradition of division of labour between men and women is not only widely practised even today but also very much idealised by respondents of both sexes, i.e., men, the breadwinners and women, the homemakers. However, some minor attitudinal changes are observed regarding the roles of husbands and wives. The commonly believed intellectual inferiority of women to men is also supported by about four-fifths of the respondents of both sexes. More dangerously, the vast majority of the women believe that they are genetically inferior to men. Despite the well-established facts that women are treated unequally by religions, by the family, and by inheritance laws, the majority of the respondents of both sexes think that they enjoy equality in all these three areas. Both men and women want sons should have more education than daughters should. A striking similarity is found between male and female respondents with regard to purposes of education for children. The vast majority of respondents of both sexes want sons' education for economic solvency and daughters' education for better marriage. The most important point here to note that the respondents of both sexes don't differ much between themselves regarding different aspects of women and children.

III Conclusion

Earlier studies on women of Bangladesh have categorically shown that women are in a subordinate status compared to men (Abdullah, 1974; Begum, 1988; White, 1992). The single most important reason assigned to it by the researchers is lack of control of women over the economic resources (Begum, 1988; Adnan, 1989; White, 1992). The present study has produced no new evidence to negate the earlier findings; rather it has added a new dimension to the issue. It shows that women hold a different view than the earlier researchers about their own social situation. The reason for such a gross difference between the earlier and the present study could be more for the conceptual orientation of earlier and present researchers. The former researchers mainly used conflict perspective of Marxist or Neo-Marxist varieties (Begum, 1988; Adnan, 1989; White, 1992) while we have used Thomas and Thomas' concept of definition of situation, which means "if persons define situations as real, they are real in their consequences" (Thomas and Thomas, 1928). Hence, we have not tried to examine here whether men have or how women are subordinated in society. Contrary to that we have tried to assess how men

and women see women's social position from their own perspective, i.e., whether they feel and think that women's present position is fair, desirable, and acceptable.

The study shows that men and women believe in the ideology of existing division of labour. Undisputedly it goes at the advantage of men since the labour is organised in a manner that confines women at home with unpaid domestic chores. Contrary to unpaid domestic chores of women, men work outside domestic arena for earning an income. The vast majority of both male and female respondents endorse this division of labour. This division of labour is in vogue for a long time in society. In recent years there have been efforts by government and non-government organisations to improve the status of women by introducing quota system for women in government jobs (White, 1992:15), providing free education up to class VIII, and launching several women development programs. All these programs don't seem to have produced desirable results as women still hold the traditional view regarding division of labour in the family. Here women appear to perceive their position in the family as housewives, which is a subordinate position to men according to most of the researchers (Begum, 1988; Adnan, 1989; White, 1992).

Despite clear evidence of existence of inequality between men and women in religion, family, and inheritance laws (Westergaard, 1983; Begum, 1988), the majority of female respondents perceive that they are treated as equal to men. Their sense of equality in all these three aspects of life logically implies that they do not consider housewife is a subordinate position in the family although feminists would unambiguously claim it to be so. Therefore, we find a clear difference between the findings of many of the earlier studies and the present one. The findings of many earlier studies show that women are discriminated in society while the respondents of this study do not consider it to be true. The female respondents of this study define their position in the family as equal to their counterpart males.

The vast majority of the respondents of both sexes believe that man has the higher intelligence than woman does. Hence women themselves believe that they are genetically inferior to men. This is very consistent with layman's idea of genetic superiority of man. If this kind of conviction is held by women it will be almost impossible on their part to achieve some parity with men because they will instantly accept the subordinate position to men.

The intended years of education of the female child is measured to examine the values attached to daughters compared to sons by the parents. Both male and female respondents prefer more education for sons than daughters. Men possibly support more education for sons for continuing their domination in society, while women support it for peaceful coexistence with men. Women possibly support less education for daughters than sons anticipating a taken-for-granted subordinate status for daughters in the adulthood. Therefore it seems women see their daughters in their position in the future.

The above discussions reveal that the majority of men and women think alike. Both of them believe that the present sex specific division of labour in the family is acceptable, sons need more education than daughters do, and women are genetically inferior to men. All these findings point to the fact that the vast majority of women have taken their present position as natural and desirable. In other words they define their present position in society as non-discriminatory. Again it will be mistaken to believe that

women in this country are not under subordination to men as claimed by many (Adnan, 1989; Jahan, 1975; Hartmann and Boyce, 1983; Westergaard, 1983). *This study simply asserts that women's own assessment of their position is grossly different than those who assess women's position from alternative perspectives (researchers' own perspectives).* Since definition of situation has behavioural consequences (Thomas and Thomas, 1928), it might be a long way for the women of the country to attain equity with men, which requires women's own realisation of discrimination and injustice perpetuated against them in society.

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CRISES OF POLITICAL DEVELOPMENT: BANGLADESH PERSPECTIVE

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Abstract: In its process of political development, Bangladesh is going through different types of crises namely, Identity Crisis, Legitimacy Crisis, Penetration Crisis, Participation Crisis and Distribution Crisis. Each crisis has been analysed in the context of the present political situation of Bangladesh. It is the Identity, Participation and Distribution Crises that Bangladesh is facing most. All the five types of crises are interrelated among themselves. These crises often threaten the process of democratic institutionalisation and even, the stability of the political system. Only through systematic unified effort by the political elite, members of the civil society and the common citizens can the nation overcome such crises.

I Introduction

The concept of development is rooted in man's earliest attempt to understand change¹. In general, development is understood as a process of overall progress in the sphere of social, political and economic activity of man. Development has become a more vital issue at the advent of globalization both among the Third World countries and the Western States than before. Bangladesh is no exception. After thirty years of independence, She is still in her transitional phase and yet to be developed in any of the three spheres-social, political and economic. But we have to admit that significant effort for modernisation preparing suitable environment for development is taking place. This in turn, is giving rise to new crises and complicating the existing ones.

This article focuses on the political aspect of development, particularly the development crises that the political system of Bangladesh is going through at present. The political system is facing different types of crisis e.g. crises of identity, integration, participation and distribution. The state was under military rule twice, which was a great set back to the country's development process. In spite of the experiments with the form of government-parliamentary system (1971-1974 and 1991 onwards), one party rule(1975), multi party presidential system (1776-1990) there seem to be very little improvement to the low level of general performance of the political system. Democracy has not yet been institutionalised. A confusing and mixed sort of political culture is

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¹ James A. Bill and Robert L. Hardgrave Jr, *Comparative Politics: The Quest For Theory* (Ohio: Charles E. Merrill Publishing Company, 1973). p. 43.

observed throughout the transitional society. Non-democratic mindset still exists both among the politicians and the citizens within the political setting. There is very little consensus as to the legitimate ends and means to political actions, over the foreign policy of the state, secular nature of the political system and the very identity of the nation. On the other hand, mutual distrust, intolerance and antagonism among the major political forces have led to political violence. The Bangladesh Parliament had been made nearly dysfunctional in the last decade which is claimed to be the decade of democracy. The citizens are experiencing poverty, unemployment, lack of skilled manpower, human rights violation, corruption and nepotism throughout the whole political system. The law and order situation had deteriorated alarmingly, especially on the eve of the 8th Parliament Election and it continued for some time in the post election period.

It is very urgent for Bangladesh to come out of such condition as soon as possible. This will require a unified effort from the part of the political elite both in power and outside of the power, members of the civil society and the general public to find an effective solution, based on consensus and proper coordination. In the above context, the objective of this article is to focus on and analyse the key crises of political development Bangladesh is facing right at the moment and to find concrete solutions to the problems. The analysis is based on the *Political Development Crisis Model* formed by Lucian W. Pye.²

II Defining Political Development and it's Crises

The term *Political Development* is a very common word used in our everyday political life and in the study of Political Science its importance is enormous. A good number of contemporary political scientists have paid special attention to the concept. Lucian W. Pye, in his book named *Aspects of Political Development* (1966), has defined political development as: 1. political prerequisite of economic development; 2. politics typical of industrial society; 3. political modernisation; 4. the operation of a nation state; 5. administrative and legal development; 6. mass mobilisation and participation; 7. building of democracy; 8. stability and orderly change; 9. mobilisation of power and 10. one aspect of a multi-dimensional process of social change.

Political scientists like Seymour Martin Lipset, Phillips Cutright, Riggs has seen development as some change towards democracy such as increasing participation or involvement of the citizen in state activities, in power calculations, and consequences and the like. But others argue that to use building of democracy as key to political development, can be seen as an effort to push upon others towards American, or at least Western values. Besides the very attempt to introduce democracy can be a positive liability to development.³

Another group of contemporary political scientists often assume that development occurs in a succession of stages and that today's under-developed countries are still in a

² Lucian W. Pye discussed about this crises of political development in his book *Aspects of Political Development* (Boston: Little Brown and Company ,1966) and in Leonard Binder et al. eds., *Crises and Sequences in Political Development* (Princeton: 1971).

⁶ Lucian. W. Pye , *Aspects of Political Development*, (Boston: Little Brown and Company,1966).

stage of history through which now the developed countries has passed long ago. W. W. Rustow in his work *Stages of Economic Growth : A Non-Communist Manifesto* (1960) and *Politics and the Stages of Growth*(1971) delineated six stages of development they are, 1. *Traditional Society*; 2. *The Pre-Conditions of Take off*; 3. *The Take Off*; 4. *The Drive Toward Maturity*; 5. *Age of High Mass Consumption*; and 6. *Search for Quality*. But Rustow's model has little realistic application to the third world. Horowitz comments "It assumes an immense transfer of bourgeois values; which even if possible, would tend to exacerbate rather than alleviate the pressure of social change."⁴

Actually, each writer has modified the definition of political development in the way it best suited their interest. In order to resolve this confusion and reach a consensus the Social Science Research Council (S.S.R.C.) in the United States formed a Committee on Comparative Politics. At the beginning of 1970's a number of political scientists under the inspiration of Professor G. A. Almond reached to a consensus about the definition of *Political Development*. In the conception of the S.S.R.C. Committee, "*The political development process is a continuous interaction among the processes of structural differentiation, the imperatives of equality and the integrative, responsive and adoptive capacity of a political system.*"⁵

This widely accepted definition of political development given by the S.S.R.C. committee provides the three key variables—equality, capacity, differentiation, which constitutes the development syndromes. *Equality* involves popular participation, adherence to universalistic laws, and respect for achievement performance. *Capacity* indicates the need for a more efficient and far-ranging governmental system and secularisation of political process. Secularisation indicates "the process where by men became increasingly rational, analytic and empirical in their political action."⁶ Differentiation means division of labour and specialisation of tasks.

These three dimensions of equality, capacity and differentiation lie at the heart of development process and it is expected that a proper balance should be maintained among them. But historically, the tendency has usually been that there are acute tensions between the demands for equality, the requirements for capacity and the process of greater differentiation. Pressure for greater equality often challenges the capacity of the political system, and differentiation reduces equality even in a socialist society by stressing the importance of quality and specialised knowledge and this give rise to different crises of political development.

A very related term to political development is *political modernisation*. Modernisation is a particular case of political development.⁷ In fact, it may be regarded as an indispensable part of political development. It is a process based upon the rational

⁴ Horowitz, in *Three Worlds of Development* quoted by Bill and Hardgraves, *Comparative Politics*, p. 61

⁵ James S. Coleman, "The Development Syndrome : Differentiation, Equality, Capacity" in Leonard Binder et. al: *Crises and Sequences in Political Development* (Princeton: 1971), p. 74.

⁶ Gabriel A Almond and G.B. Powell *Comparative Politics*, (Boston :Little Brown and Company, 1966) p. 24.

⁷ David E Apter , *Politics of Modernization*, (Chicago: The University Press, 1967) p. 67.

utilisation of resources and aimed at the establishment of a modern society.⁸ According to Robert Ward a modern society is characterised,

"by its far reaching ability to control or influence the physical and social circumstances of its environment and by a value system which is fundamentally optimistic about the desirability and consequences of this ability". More specifically, in its non- political sectors it is also characterized by low birth, death and morbidity rates and by high ratios, degrees and levels of : (1) inanimate to animate sources of energy; (2) tool technology, mechanization, and industrialization; (3) specialization and professionalisation of labor; (4) gross and per capita national product of goods and services; (5) urbanization; (6) differentiation, achievement orientation, and mobility in social organization; and (7) literacy, mass education, and mass media circulation.⁹

Political modernisation is intelligible only in terms of the existence of such a modern society. It is the process of total transformation of the political system. The goal of political modernisation is the development of an institutional framework that is sufficiently flexible and powerful to meet the demands placed upon it. According to C. E. Welch, the process of political modernisation has three major characteristics: (1) an increased centralisation of power in the state, coupled with the weakening of traditional sources of authority; (2) the differentiation and specialisation of political institutions; and (3) increased popular participation in politics, and greater identification of individuals with the political system as a whole.¹⁰

Our discussion so far has shown that modernisation is very related to political development though it is not the same. Political modernisation is concerned with the will, demands and actions towards positive change, progress and the secularisation process. And political development involves at the same time the will and the capacity to initiate, absorb and sustain continuous transformation.¹¹ This modernisation process involves both the opportunities and challenges for the elements that may enhance the process of political development. For example, the forces like education, communications, economic growth which may foster participant citizenship may at the same time cause the increase of demands made on the political system beyond any capacity to meet them, as a consequence crises may arise. S. P. Huntington terms this as *Political Decay*.¹²

Practically, there is no one universal pattern of modernisation and development. And there is also no reason to search for a single universal recipe.¹³ In this article we shall form our own functional index of Political Development suitable for ensuring such Political development in Bangladesh :

⁸ Claud E Welch, ed. *Political Modernization*, (California : Wadsworth Publishing Company, Inc.1967) p. 104.

⁹ E. Robert Ward, *Political Modernization and Political Culture in Japan* in Claud .E. Welch *Modernization*. p. 88.

¹⁰ Welch, *Modernization*. p. 7.

¹¹ Ibid. p. 75.

¹² S.P. Huntington, "Political Decay".

¹³ Rustow, D.A. *World of Nations*. pp. 275-76.

1. Establishing equality in the three senses- popular participation, rule of law and achievement standard in political recruitment in the political system.
2. Ensuring more efficient and far reaching administration based on secular and rational norms.
3. Establishing proper differentiation and co-ordination among different parts of the government administration and other civil organisations.
4. Legitimacy of the government.
5. General consensus on national fundamental issues;
6. Institutionalisation of democracy based in competitiveness, and equalisation of power etc.
7. Bringing economic development with the aim of eradicating illiteracy, poverty, unemployment and reducing inequality.
8. Proper socialisation to establish civic and tolerant political culture (both input and output) oriented in the society and
9. Minimising the elite-mass gap.

It took centuries for the Western political systems to achieve these indexes and now a comparatively new nation, Bangladesh, is seeking to accomplish them in decades. As a result the fundamental crises which the West met sequentially, confront us simultaneously and imperatively. We shall follow the Development Crisis Model developed by Lucian W. Pye to discuss such Political Development Crises in Bangladesh.

Lucian W. Pye in his book *Aspects of Political Development* (1966) pointed out six crises involved in the process of political development; they are *Identity, Legitimacy, Penetration, Participation, Integration, and Distribution*. All these crises must be dealt with for a society to become a modern nation state. However after some refinements these crises has been considered five in number by the S.S.R.C. committee and to be labelled as *Identity, Legitimacy, Penetration, Participation and Distribution*¹⁴ excluding the *Integration Crisis* as it represented both the effect and compatible solution of both penetration and participation crisis. Here we shall focus on all five of them.

2.1 Identity Crisis

The first and most fundamental crisis is that of achieving a common sense of identity. The people in a new state must come to recognise their national territory as being their true home land and they must feel as individuals that their own personal identities are in part defined by their identification with their territorially delimited country. This crisis also involves the resolution of the problem of traditional heritages and modern practices.¹⁵ This crisis is also concerned about the minimum national consensus over fundamental national issues among the citizens.

¹⁴ L. Binders, *Crises and Sequence*.

¹⁵ Lucian W. Pye, *Political Development*. p. 63.

2.2 Legitimacy Crisis

All political crises can end into a crisis of legitimacy- the problem of achieving agreement about the legitimate nature of authority and the proper responsibilities upon them. This crisis may again give rise to other crises. Legitimacy here means the foundation of such governmental power as is exercised both with a consciousness on the governments part that it has a right to govern and with some recognition by the governed of that right.¹⁶

In many new states the crisis of legitimacy is straight forward constitutional problems concerning the questions about the nature of decentralisation, limits of bureaucracy or army in the national political life or possibly the conflict is over how much of the colonial structures of government should be preserved in an independent state. Questions also arise about what should be the underlying spirit of the government and primarily the goals of national effort.

Besides in transitional societies there can be a deep crisis of authority because all attempts at ruling are challenged by different people for different reasons and no leaders are able to gain a full command of legitimate authority.¹⁷

2.3 Penetration Crisis

This involves the problem of government in reaching down into the society and effecting basic policies. This is a process of state building and is associated with increased regulative and extractive capacity.¹⁸ In transitional societies the leaders often take ambitious policies of economic development and social changes. To carry out these significant decisions a government must be able to reach down to the periphery and touch the daily lives of the people, who are still oriented toward their parochial teachings. As a result the authority finds difficulty in motivating the population or changing their long established values and habits in order to bring support to programs of development. Elite mass gap is also responsible for such crisis in the new nations.

2.4 Participation Crisis

The participation crisis occurs when there is uncertainty over the appropriate rate of expansion in political participation and when the influx of new participants creates serious strains on the existing political institutions. As new segments of the population are brought into the political process, new interests and new issues begin to arise so that the continuity of the old polity is broken and there is the need to re-establish the entire structure of the political relations. Participation crisis arises out of the emergence of interest groups and political parties. In many new states expansion in participation has often led only to mass demands and widespread feeling of anomie instead of the organisation of specific interest groups. Besides democratic states, the participation crisis can be organised as in totalitarian states to provide the basis for manipulated mass

¹⁶ David L. Sills, ed. *International Encyclopedia of Social Science*, vol. 9. (U.S.A: The Macmillan Company & Free Press. 1968).

¹⁷ Pye. *Political Development*. p. 64.

¹⁸ Binder, *Crises and Sequence*.

organisations and demonstrational politics.¹⁹ Again internal division or poor leadership within political parties can by depriving a large part of the electorate of an effective voice lead to a crisis of participation.

2.5 Distribution Crisis

Distributive crisis involves problems of using the governmental power to influence the distribution of goods, services and values through out the society. In the developing states, the government in some cases seeks to meet the problem by directly intervening in the distribution of wealth; in other cases the approach is to strengthen the opportunities and potentialities of the disadvantaged groups.²⁸ This is a very crucial problem for developing states.

III Crises of Political Development in Bangladesh

Bangladesh was liberated from Pakistan and emerged as an independent state through a nine month long bloody war in 1971. In its initial stage the country faced almost every crises of political development. In the following years one or two crises were resolved while others changed their form and nature. In this article we shall mainly focus on the crises that our political system is facing at present.

3.1 The Crisis of Identity

The crisis Bangladesh is facing in its most severe form, is the identity crisis. The search for identity that began in Bangladesh immediately after its independence still continues. Only a month after liberation, the tribes of Chittagong Hill Tracts denied to merge themselves as the members of the Bengali nation. According to the 1974 Consensus only 0.64% of the population of Bangladesh was tribal having distinct language and culture and the rest were Bengali. The tribal people, specially the Chakma formed the majority population only in the Chittagong Hill Tracts District. The tribal of this area regarded themselves as a distinct nation with different language and culture than the Bengalis. Chakama Leader Manobendro Nrayan Larma who also was a Member of the Parliament of the 1973 Parliament, claimed that he was a Chakma not a Bengali. He was a citizen of Bangladesh, a Bangladeshi. He added that the Bengalis were also Bangladeshi but their ethnic identity was Bengali. The tribal people would not turn into Bengalis even if some one says so in a dominating voice.²⁹ He declared Chittagong Hill Tracts as his country and demanded for territorial autonomy, monopoly rights of the tribal on that area and the preservation and development of their own language and culture.³⁰ But the ruling elite regarded Chittagong Hill Tracts as inseparable part of Bangladesh and denied to agree to the tribal people's claim of being a separate nation. They with stress, said that the tribal

¹⁹ Pye, *Political Development*, p. 65.

²⁸ Ibid.

²⁹ National Assembly, Debate, Vol. 1, No. 6 23rd January, 1974, p292, as quoted by Abul Fazl Huq in *Bangladesher Rajniti Sanghat O Paribartan 1971-1991 (Bangladesh Politics : Conflict and Change 1971-1991)*, (Rajshahi: Rajshahi University Text Book Board, 1994), p. 119.

³⁰ Gono Parishad, Debate, VOL. 2 No. 9, 25th October, 1972, pp292-296. As quoted in Ibid. p. 119.

people shall be known as Bengalis and they will learn the Bangla language and accept Bengali Culture just like the remaining population of the country.³¹ This policy of cultural unification of the government and denial of autonomy generated discontent among the Chakma and other tribes. In order to make the government carry out their demands the Chkamas formed *Jono Sanghati Samity*-a political organisation headed by Manobendro Nayan Larma and its armed wing named *Shanty Bahini*. They have fought for two decades for the recognition of their separate identity and territory. But these resentment and rebellious activities were never regarded as any threat to the political system and integration of the nation. A peace accord has been signed between the government and the rebel groups on 2nd December 1997.³² If the articles and provisions of the Peace Accord are properly realised by both the parties, the problem should come to an end. Though the country is on the way of overcoming the crisis of ethnic and traditional identity, the controversy over ideological identity remains sharp.

"History instead of creating a common purpose and identity has created mutual antagonism and distrust among the various political groups."³³ The role of different groups for and against the causes of Independent Bangladesh during the Liberation War in 1971 and their activities afterwards have provoked such division within the nation.

In the 1972 Constitution, the citizenship of Bangladesh was defined as Bengali(article-6) and the Bengali nationalism was defined as the *unity and solidarity of Bengali nation which deriving its identity from its language and culture, attained sovereign and independent Bangladesh through a united and determined struggle in the war of independence(article-9)*. Here language and culture which formed the nucleus of an identity separate from Pakistan was chosen the way religion was picked up by the same community from the Indian Hindus during the forties as at that time, religious differences was perceived to be crucial variables.³⁴

In course of events Bengali identity based on only culture and language appeared inadequate at both elite and mass level perception. Doubts were raised as to the criterion of a separate identity as distinct from the millions of Bengali speaking people living across the border in West Bengal of India with indistinguishable culture. Obviously the choice was again religious factor.³⁵ Thus *secularism* which formed one of the four state principles was replaced under the fifth constitutional amendment of 1979 by "*Absolute Trust and Faith in Almighty Allah to be the basis of all actions*".³⁶ The national identity was changed from *Bengali* to *Bangladeshi*. As Hakim and Haque (1994: 80) explains:

³¹ National Assembly, Debate, Vol. 2, No. 3, 13th July, 1974, p. 2408. as quoted in Ibid. p. 200.

³² The Daily Star 3rd December, 1997, Dhaka.

³³ Abul Fazal Huq. *Constitution and Politics in Bangladesh : Conflict, Change and Stability*. Unpublished Ph.D. Thesis. (Rajshahi: Department of Political Science. Rajshahi University. 1985) p. 18.

³⁴ Iftekaruzzaman and Mahbubur Rahman, "Nation Building in Bangladesh : Perception, Problems and An Approach", in M. A. Hafiz and A. R. Khan, eds., *Nation Building in Bangladesh. Retrospect and Prospect* (Dhaka: Bangladesh Institute of International and Strategic Studies, 1986), p. 18.

³⁵ Ibid.

³⁶ The Constitution of Peoples Republic of Bangladesh 1979, Quoted by Iftekaruzzaman "Nation Building", p. 19.

*The existing ethnic identity of the people was... replaced by a territorial identity... Supporters of the regime viewed it as an attempt to draw a line of distinction between the people of Bangladesh and the ethnic Bengalees of West Bengal and to project the image of Bangladesh as a distinctive Muslim nation*³⁷.

The controversy whether we should call ourselves Bengali or Bangladeshi is still on fire as both the groups are equally strong and proceeding in a parallel way. It is the recede of historical conflicts tempered by ideological belief that appears to be a key variable affecting consensus building on such a fundamental issue. Besides, as, the beneficiaries in lingering this identity crisis which has polarised the nation, are the political elite on both sides, it is observed that there is little possibility of resolving the problem and reaching a consensus in the near future.

The country also lacks consensus on a number of vital issues, specially upon the foreign policy. In the years following independence, Dhaka (Mujib Regime) visibly leaned on the Indo-Soviet block, along with its declared faith in non-alignment.³⁸ Afterwards we see different types of principles shaping the foreign policy of Bangladesh. Ziaur Rahman regime tried to come out of the orbit of Indian and Soviet influence and widened and strengthened relationship with China, the Muslim states, and the United States. Zia's foreign policy was followed by both the Ershad and Khaleda Zia regimes. Under the Prime Ministership of Shaikh Hasina Dhaka has developed a better relationship with India as well as with U.S.A., China and other Muslim and NAM states. The new BNP (Bangladesh Nationalist Party) government formed after the 8th Parliament Election is now adjusting their foreign policy in the context of the changed international situation and the world market, after the 11th September (2001) Bombing at New York's World Trade Centre.

An area which remains particularly contentious, relates to the sweet and sour Indo-Bangladesh relation which has been and continues to be used by either major party (Bangladesh Nationalist Party or Awami League) for partisan gain when they are in opposition protesting against the 'pro-Indian move' of the ruling party. "It is not statesmen like on the part either party and indeed harmful at an international level, to engage in partisan warfare over Indo-Bangladesh relations".³⁹ In the context of the changed world order and triumph of international liberalism a foreign policy serving the national interest in the best possible way must be formed and be supported by all segments of our society. Practically there is substantive, if not technical, consensus in most major fields of foreign policy, such as friendship to all malice and to none, non-alignment policy, policy of peace, maintaining friendly relationship with neighbours and other nations of the world and so on. A positive sign in this case, is the consensus on liberalism in economy, globalisation and democratic politics arrived at by the major political parties influenced by the post cold war world order.

³⁷ Quoted in Zafarullah Habib ed. *The Zia Episode in Bangladesh Politics*. Dhaka, University Press Limited, (1996) p. 26.

³⁸ Dilara Chowdhury, *Bangladesh and the South Asian International System*. (Dhaka: Academic Publishers, 1992) p. 11.

³⁹ Rehman Sobhan, "Building a Consensus in Bangladesh: Scope and Constraints", *Journal of International Affairs*, Vol.4, No.1 (Dhaka: January-June 1998), p. 7.

Again, in domestic politics the concept of *Bengali Nationalism* as long as it stands for *we feeling of Bengalis of Bangladesh* is not necessarily different from or contradictory to *Bangladeshi Nationalism*, because the latter reflects the community of Bengalis of Bangladesh and also includes those who are not ethnically Bengalis but by history, geography and commitment are loyal citizens of Bangladesh⁴⁰. But this does not mean we have to give up our Bengali identity. This is just like the case of a British being also an English or Scottish. And as Bengali we are always different from the Ethnic Bengalis of India. There is no need to identify us separately. We have sovereignty and we share the history of war of independence, which the Indian Bengalis don't. They are identified as Indian Bengalis. In this situation, the solution to our identity crisis actually depends upon the courage, composure and goodwill of the leaders and their followers to resolve the crisis which may in turn show the path to end the other crises too.

3.2 *The Crisis of Legitimacy*

Bangladesh seem to be free from the legitimacy crisis since 1991-after the fall of the Autocratic Rule of the Ershad regime and the beginning of the new democratic age. But just like other transitional societies, Bangladesh had to face this crisis for a long period. Just after liberation in 1972, hopes and aspirations and desires of the people centred around President Sheikh Mujibur Rahman who also was the chief architect of the Bangladesh's struggle. Afterwards, in the 1973 Parliamentary Election his party Awami League won a landslide victory. So, from the point of popular support and public mandate Mujib regime was a legitimate one. But the inexperienced legitimate government unfortunately failed to tackle the consequential problems that were not unexpected for a new state born through revolution. All attempts of ruling the state was challenged by different part of the society. A milieu of controversy arose over the type of democracy, nature of socialism, extent of secularism, pattern of social justice, type of institutional group role, and the like, even under ground armed resistant groups were formed. There was also a great downfall in the economy and famine broke out. On December 24, 1974, a state of emergency was declared by the regime. In January 25, 1975, the Fourth Constitutional Amendment replacing the parliamentary system by a One Party Presidential Rule was passed. This new system not only lacked public support but also rendered ineffective because of some internal contradictions. The lack of legitimacy and effectiveness of the regime provided the opportunity and contributed to the success of toppling the government, by a section of the army who had a number of individual, particular and corporate grievances coupled with ideological and policy differences with the regime.⁴¹ The military coup of August 15, 1975, which killed Sheik Mujibur Rahman the most celebrated leader of the Bangladesh movement along with his family members turned the legitimacy crisis of the country to a more grave and complex phase.

For the next sixteen years the political system was under direct or indirect military rule consisting mainly of two regimes of General Ziaur Rahman and General H.M. Ershad. Both of them captured the state power through Coup D'etat. After assuming the

⁴⁰ Mizanur Rahman Sheelley, "Consensus and Bi-partisanship", *The Daily Star*, 10th Anniversary Special Edition, 30th January, 2001. Dhaka.

⁴¹ Abul Fazal Huq, *Politics in Bangladesh*, p. 263-263.

highest power of the state both Zia and Ershad took a number of steps to legitimise their regimes.⁴² Due to political distortion, corruption, vote rigging in the elections held under the military government etc., attempts of civilianisation could not bring legitimacy or public support to both the regimes, specially to General Ershad's rule. On the other hand multi-party system of Ziaur Rahman and authoritarian rule of H.M. Ershad produced strong executives, *rubber stamp* parliament, subservient bureaucracy, weak judiciary and ruptured political institutions.⁴³ The massive political upheavals of 1990 that brought the Ershad Rule to an end showed the path to the establishment of a legitimate democratic government with public mandate once again in Bangladesh. But the influence of the military rule still remains. The citizens and the political leaders of Bangladesh have been deprived of the opportunity of gaining much needed political skills due to the long military rule. Such military rule is very much responsible for the leadership crisis we are going through. In the post military period political leaders have failed to match their performance with the expectation of the people and the requirements for political development⁴⁴. It is now time for the politicians to realise that good politics is what is about right, not what is expedient. But they seem to go further or indulge in search of opportunism.

At present parliamentary system of government and the constitutional provision for peaceful change of power, through free and fair elections conducted by the election commission but under the governance of a Non-Party Care Taker Government are on the way to be established as strong practised institutions. But we have to admit that our fledgling democracy is also experiencing a very rough and bumpy journey. Though we have experienced two democratically elected regimes, democratic institutional framework still remains a hollow. There has always been a perceptible gap between the precise promises made during the election campaign and the actual performance when the party comes to power. Lack of institutionalisation led to unprecedented agitational politics and corruption both among the civil servants and the politicians. We shall highlight these problems in the discussion of the remaining crises.

3.3 The Crisis of Penetration

Penetration crisis here is as old as the independence of Bangladesh. The country has inherited the transitional social system and the fragmented and underdeveloped political communication system from the Pakistani period. And these were the continuation of the British colonial rule. The government faced difficulty in gathering information from the periphery. The rural communication network was completely different from and parallel with the then national mass communication system. It was very hard for them to assess the

⁴² For details see, Abul Fazal Huq, *Politics in Bangladesh*, and Jaglul Haidar, "Role of Military in the Politics of Bangladesh: Mujib Zia and Ershad Regimes (1972-1990)", *Journal of South Asian and Middle Eastern Studies*, Vol.xxii, No.3. (Villanova:1999).

⁴³ Ataur Rahman, "Challenges of Governance in Bangladesh", *Bangladesh Institute of International and Strategic Studies Journal*, Vol. 14, No. 4 (1993). : 464.

⁴⁴ For more about Military Rule vs Political Development see, Talukdar Maniruzzaman, *Military Withdrawal From Politics A Comparative Study*, (Massachusetts. Ballinger Publishing Company 1987). PP 4-7.

consequences or social costs of the ambitious development policies that they had taken. The only two means to reach down to the general people and motivate them towards the government's development policies was mass rally and party organisations. Besides our elite who were supposed to be the viable agents of democratisation and to play the mediating role between the citizenry and the state, demonstrated a mindset of British institutionalised serfdom in their behaviour, moreover they were new and immature. The political parties including the major ones are still not well organised at the grass root level. Their active presence in the rural areas can be observed only at the time of the general elections. Their influence in the local union council elections is also insignificant.

Again our administration is not efficient. As different sections of the government are not properly integrated and coordinated, often different development programs in the mid way of their implementation have to be held up for indefinite period. For the same reason many projects just remain within files and papers. Bureaucratic complications and red-tapism still rules the day in Bangladesh. This is another obstacle for the authority to gain confidence of the masses.

In recent years however, things have been changing rapidly. By means of the *policy of decentralisation*, and with the help of *non-government organisations, social workers, radio, television programs, the press* etc., our political system is on the way of overcoming such crisis. The political parties are also organising themselves at the grass root level now. These institutions are acting as agents to educate and motivate the masses and change their values and orientations in order to modernise their mindset and make them supportive to the development policies and helpful in implementing the same. Naturally the process is very complex. They have to overcome many types of social, cultural, and psychological obstacles to break through the ascriptive, particularistic and diffuse political values to which most of our rural people are oriented. The primordial sentiments seem to persist even in the face of social, economic and political modernisation. We will have to wait for one or two generations to establish secularised (where rationality, neutrality, objectivity are the basic tenets of secularisation) political culture through new patterns of socialisation.

But we can confidently say that in the last ten years of democracy the general people of Bangladesh have become aware of their political rights than before. The increasing turn out of voters in the last three general elections of 1991 (55.35%)⁴⁵ 1996 (73.76%) and 2001(74.9%) is remarkable. The overwhelming participation of the women voters was a distinctive feature of both the 1996⁴⁶ and 2001 elections. The magic behind such success was the introduction of the system of a Non-party Caretaker Government acting as the interim government during the period of transition-beginning from the end of one parliament till the new one is sworn in. As it had support from all sections of the political system, *Non-Party Caretaker Government* appeared to be a unique mechanism in Bangladesh for holding free and fair elections. Through setting up Fair Election Monitoring Alliance (FEMA) the civil society played their role in ensuring fair conduct in the elections. Naturally voters both male and female have become more aware of their rights than before. This is more than an optimistic sign in the process of socialisation to

⁴⁵ Abul Fazal Huq, (1995). *Bangladesher shashon baboshstha o rajniti (Government and Politics of Bangladesh)*, 5th.ed. (Rangpur: Town Stores.) p. 211.

⁴⁶ *The Bangladesh Observer* 13th June, 1996.

develop civic political culture²⁰ in the society. The press here also enjoys comparatively more freedom than before. This political consciousness of the electorate is a positive sign in bridging the elite mass gap existing for centuries in our society. And by strengthening such democratic practices and procedure it is possible to bring progress far before a sound political social-engineering may be achieved by our leadership. Next we shall focus on the political participation situation in Bangladesh.

3.4 *The Crisis of Participation*

This crisis is very distinct in the political system of Bangladesh. While our political process affords people to participate in various levels of government, over politicisation creates impediments to governments ability to govern and implement policies effectively.⁴⁷ Instead of forming effectively organised associational interest groups and parties, expansion in political participation here had lead to wasteful and counter productive controversies and corruption and has increased the probability of instability and violent politics. Major political parties of Bangladesh lack effective and real consensus on the principles of loyalty towards constitutionalism, rule of law, commitment to the toleration of differing views and orderly and peaceful decision making. So they have failed to play the role as vigilant agents in sustaining a stable democratic order. Stability is maintained through Prime Ministerial dictatorship backed by the Constitution⁴⁸. The political parties including the major ones lack internal democracy too. Practice of personality cult, factionalism, intra conflicts have converted them into simply leader based organisations. Mutual distrust, intolerance and antagonism among these major political parties have led to political violence and turned the Bangladesh Parliament where the vital national issues were supposed to be discussed and resolved, totally dysfunctional. A good number of sessions of both the Fifth and Seventh Parliament had been boycotted by the Opposition for which both the government and opposition are to be blamed. Recently, different types of complications have arisen regarding the opposition joining the 8th Parliament just after the election results and before the first session of the parliament being summoned.

Over the last decades, violence and corruption have become the enduring patterns of political activity in Bangladesh. Hartals (strikes) associated with violence is becoming a permanent practice among the major political parties. According to a report of Bangladesh Rehabilitation Centre for Trauma Victims (BRCT), some 207 political activists were killed and 1182 injured in 402 incidents across Bangladesh during January-June 2000.⁴⁹ The situation is deteriorating day by day. Recently, in this election year for the 8th Parliament a new bomb culture has been added to the deteriorating law and order situation. In the year 2001, there has been four big bomb blasts-20th January at the Paltan Maidan during the meeting of the Communist Party of Bangladesh, 14th April at the

⁴⁷ Ataur Rahman, "Challenges of Governance". p. 470.

⁴⁸ In Bangladesh once the leader of the party gaining majority seats in the parliament becomes the Prime Minister, it is the Constitution that turns into his/ her source of power bypassing the people and the Parliament. Through the articles 48(3), 55, 56, 57, 58, 72 and 73 The Constitution of the Peoples Republic of Bangladesh specifies the power and functions of the Prime Minister which in England is mostly based on customs.

⁴⁹ *The Daily Star*, 10th December, 2000.

Ramna's Batamul during the celebration of the Bengali new year, 3rd June at the Baniarchar Catholic Church, Gopalganj and 16th June District Awami League office at Narayanganj⁵⁰. These bomb blasts left 47 people dead and hundreds injured. The election campaign for the 8th Parliament this year has been termed as the most violent election campaign in the history of Bangladesh. In a report published by *The Daily Star* (26.9.2001) it has been shown that from 6th September, 2001 the last day of withdrawal of candidature to 24th September just five days before the election day, 50 people had been killed and other 3000 injured due to clashes between the two major political parties *Awami League (AL)* and *Bangladesh Nationalist Party (BNP)* through out the country. Though the election had been held peacefully and freely, according to the different national and international election monitoring groups, the violence claimed five lives on the election day (*The Daily Star*, 2.10.2001). The post election period was also not free from political violence.

This indicates only to the uncompromising, none negotiable, intolerant mentality of the political elite and their party workers. Their non-agreement on basic issues-both substantial and procedural, may bring uncertain times for the tender parliamentary democracy in the country. Besides our much needed economic development is hampered and the social tranquility is eroded by such restlessness and intolerance. This uncertainty in the domestic trade and business circle has also led to the sense of apprehension among the bilateral and multilateral development partners. Continued stability is a must if increased international co-operation in the development of Bangladesh is to be obtained.

Strong organised associational interest groups are yet to emerge as significant forces in the political system of Bangladesh. Again the very few groups that have made their existence felt, have failed to develop their image independent from any political wing. The Trade Unions, Students Associations, Chambers of Commerce, Bar Association, Medical Associations, Teachers Associations etc. act as if they were just the extensions of the major political parties, specially, the parties in power. Moreover, whatever demands these interest groups are placing upon the government, are being made separately. There is no prior understanding or coordination among them before the placement of these demands. These disintegrated demands only create and increase confusion within the political system.

Non democratic mindset prevails not only among the politicians but also with the citizens as well. Very little initiative has been observed on the part of the civil society to change the situation. Though the constitution of Bangladesh provides rules for the achievement standard to be followed in the recruitment of civil servants by public examinations (article-29) and political executive and law makers through elections (articles-48&65) the general voters still favour family inherited tradition in political leadership both at the local and national level. This traditional mentality of the people helps family legacy to become an important factor in achieving political posts though through modern mechanism and institutions. Again, this political right conscious Bangladeshi people who toppled the autocratic rule in 1990, now has taken violence and economic losses during Hartals (strikes) for granted as they have become used to such trend for years. Any strong unified and organised protest against this *hartal culture* has yet to be staged by the civil society and the citizens. Unless consciousness about their

⁵⁰ *The Daily Star Weekend Magazine*, 29th June, 2001, p. 3.

fundamental rights and national interest grows within the people, the leaders will always get away with their politics of expediency.

Corruption in Bangladesh takes place in various arenas of the political system—legislative, electoral and administrative. Corrupt patterns have already spread in the democratic process. The lust for corruption to gain some personal ends often tends people to enter politics as it provides the path to the economic power and the opportunity to get involved in the economic developmental activities. The wealthy people spend money or contribute to the political party funds not just out of a sense of commitment to democratic healthy politics but with the expectation to gain something in return when the party is placed to power. This leads to the growth of illegal financial extortion under political patronage. As patron-clientelism is historically a characteristic of our political culture, it is the administrative sector where corruption takes place most. Persons in or out of the government hoping to use corruption as an instrument of politics turns primarily to this sector. Moreover, the lack of integration among the various political institutions and within the government itself provides the opportunity to generate this trend of corruption throughout the whole system of politics. In its *Report 2001* the Amnesty International has said that rampant corruption at all levels of government and society continued to dash hopes for improvement in the human rights situation in Bangladesh and to thwart efforts to tackle poverty and political instability⁵¹. In the year 2001 the Germany based NGO Transparency International has rated Bangladesh as the top most corrupt country of the world.⁵²

So it is observed that the participation crisis is acute in Bangladesh. It is urgent that we must find solutions to overcome it. It is important for both the political elite and the citizens to have the political will and the sincerity of commitment to unity, stability and development of the nation. National interest must get priority over party interest in every decision of the government and the opposition. The ruling party and the opposition must be committed to making the Parliament workable and they must take action accordingly. In this case responsibility lies more with the government. Using loopholes of the Parliamentary Laws must be stopped. On the other hand, in certain cases of deadlock where the law and rules remain silent, the parliament leaders may take initiative to bring solution through compromise and understanding to keep the Parliament running normally, thus creating instances which may afterwards be followed as custom in Parliamentary Procedures. The ruling party should be conscious in their behaviour not to antagonise the opposition which may in turn give rise to violent confrontational politics. The opposition also must act responsibly and try their best to present themselves as alternative to the government. And of course, going back to the streets, boycotting the Parliament is not the answer.

To prevent and eliminate corruption the first and foremost thing that is needed is the realisation and awareness among the political elite, civil servants and the citizens against such miss doing. Then comes the question of ensuring accountability and responsibility in the administration. Again a properly functioning parliament and appointment of an Ombudsman (Article 77, of the Constitution provides for such post) with the cooperation

⁵¹ *The Daily Star*, 31st, May 2001.

⁵² *The Daily Star*, 28th June, 2001.

of a responsible government is sure to bring some positive change to the already corrupted society.

3.5. *The Crisis of Distribution*

Bangladesh is the leader of the forty-nine Least Developed States of the world. She is a front line state in humankind's continuing war against its ancient enemies: poverty, hunger, malnourishment, illiteracy and superstition.⁵³ Real GDP (Gross Domestic Production) growth in Bangladesh is only 5.6 percent and per capita GNI (Gross National Income) is 386 US dollar.⁵⁴ We have a disproportionately large population in a small territory, huge unskilled and under-utilised manpower with practically no resource-base, grossly inadequate farm land often washed away by floods and ravaged by other natural disasters. The country lacks strong infrastructure and industries with advanced technology. Facilities for further research and inventions in the field of science and technology is more than inadequate. Our domestic economy is very much guided and instructed by the international *financing agencies* and the *aid group* as the state depends upon these institutions not only for resource inflows but also for some critical supplies including food, petroleum and other industrial products. In the age of Globalisation, Bangladesh is also facing grave problems in the open competition of the World Market with her few exportable items and backward trade policies. Her sector for International Technology is in its germination stage. All this reveals a very disappointing picture of our economy, which is more disappointing in the case of national distribution.

Policy making being the monopoly of the elite has failed to cater the needs, aspirations and perception of the disadvantaged masses. The result is that whatever development takes place assumes a distorted pattern of distribution biased to the elite at the cost of the masses.⁵⁵ The available data shows that 42 percent of Bangladesh's national income is distributed to the highest quintile while the lowest quintile gets only 12 percent.⁵⁶ In terms of land distribution, the top 10 percent of owners occupy 49 percent of land, while the lowest 10 percent own only 2 percent.⁵⁷ Such inequity is all pervasive including opportunities of employment, education, health and other sectors. In 1995 Gini Ratio in urban area rose to 44 percent and in the rural area 38 percent. Gini Ratio is an index of inequality⁵⁸. Such maldistribution is true even in the use of foreign aid. Recently it has been revealed in a seminar organised by the *Bangladesh Economic Association* in Dhaka, that around 75 percent or TK 135,000 crore, that is about \$24.5 billion (US \$1= \$55) of the total foreign aid over the last 30 years was looted in an organised way. This 75 percent was taken away by the suppliers of foreign equipment and consultants, local bureaucrats, politicians, commission agents, contractors an urban

⁵³ Mizanur Rahman Shelly, "Consensus"

⁵⁴ *Monthly Statistical Bulletin, Bangladesh, August 2000*, Bangladesh Bureau of Statistics, Dhaka.

⁵⁵ Iftekaruzzaman, "Nation Building" p. 27.

⁵⁶ Report of the Task Force on Bangladesh Development, University Publication Limited, Dhaka, 1991, as quoted by Ataur Rahman Op. Cit. p. 475.

⁵⁷ World Bank, World Development Report, (1992). Quoted by Ataur Rahman Op. Cit. p. 475.

⁵⁸ Atiur Rahman., "Development in the Nineties: Quest for Social Justice Remains a Challenge", The Daily Star, Independence Day Special 26th March 2001.

and rural rich. Only 25 percent or TK 45000 crore, that is about \$8.1 million was used for the poor for whom the aid was actually given.⁵⁹ It had also been admitted that irregularities, corruption and indiscipline in the financial sectors are blocking the progress of the development programmes including poverty alleviation.

But still there are some lights of hope. In spite of such disheartening situation in our economic administration, we may observe some progress in poverty alleviation through the social upliftment programs of different NGOs as well as the government's structural adjustment measures in the recent years. The government has also taken different development measures for ensuring social security and justice, for example, for the first time in the country, though inadequate, *old age allowance* has been introduced for the elderly people. Though the economic attainments are not so stunning they have brought some changes in the social sector such as increase in the life expectancy and literacy rate, self-sufficiency in food production etc. These are positive signs for a potential welfare state like Bangladesh to move towards economic equity.

IV Conclusion

Our brief analysis shows that the political system of Bangladesh has already overcome the legitimacy crisis and is on the way of resolving the crisis of penetration. Unfortunately the country is still suffering from the identity crisis. The other three crises of integration, participation and distribution which were present from the very birth of the state, are related to this identity crisis. The participation crisis has changed its nature and has become more confrontational and violent than before. They are also inter linked. Actually, it was the lack of legitimacy of the governments in the last half of the Seventies and the Eighties of the Twentieth Century which was responsible for the identity crisis to become so severe. And this has divided the nation into two hostile sections. Identity crisis has complicated the other crises too. A decade has already passed after the restoration of parliamentary democracy and the establishment of the legitimacy of the government but there is no sign to the end of the consequential problems of the previous military and authoritarian rule. On the contrary the crises have become compounded and deep rooted in the political system and at times threaten to do away with democracy and the political stability of the nation.

It is very urgent for Bangladesh to overcome such retched situation as soon as possible. But the solution is not so easy. This will require an unified effort on the part of the political elite both in power and outside of the power, members of the civil society and the general public to find an effective solution. Matters of controversy on national issues must be tackled by following the ways of democracy, transparency, communication and exchange through constant and consistent dialogues within the legislature and all platforms outside the parliament. We have to make positive utilisation of every opportunity, national and international to achieve our cherished goal of political development.

Standing in the post cold war era, marked by the triumph of globalisation, it is now very important for the political authority as well as the civil society to concentrate more

⁵⁹ *The Daily Star*, 11 February, 2001. Dhaka.

on bringing economic prosperity to the nation, ensuring rule of law, social and physical security and upgrading our social and moral life. This will ultimately ensure a stable political system. And this is possible only through unified sincere commitment and determination of both the political elite and the general citizens of Bangladesh to institutionalise democracy and accelerate the process of development. Time has come to restate our identity in the international world from one of the leading Least Developed Countries to an Emerging one.

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DEMOGRAPHIC AGEING IN SAARC COUNTRIES

Md. Ripter Hossain*

Abstract: In this paper an attempt has been made to examine the issues of demographic ageing in the SAARC countries. The transition in age structure has been analysed through statistical indices, its effects on growth rate, median age, dependency ratios and speed of ageing have been studied. Fertility and mortality change will have tremendous effect on age distribution. Further fertility will have more significant effect relative to mortality.

I Introduction

Ageing has become a focal point of emerging issues in the world's population in the present millennium. Not only the elderly are living longer, but also they are growing older in marked different ways from their predecessors. In the recent years there has been an increasing interest in ageing of human population within developed and developing countries. The rapid and faster technological process in medical sciences, control of fertility and mortality rates considerably and is resulting in increasing the life spans. While the number of elderly persons continues to get accumulated in the developed countries, proportions surviving to elderly ages in developing countries are also gradually increasing. A population with a high proportion of the elderly may differ considerably from that of young in various activities and problems of life (Stockwell 1964). Although the proportion of the elderly in the population's of the developing countries are still much lower than those in the developed countries, the increasing trends in life expectancy of this region are creating an awareness in ahead about the needs of the elderly people.

As many of the SAARC countries commence their ageing from a base population of larger size (India, Bangladesh, Pakistan for example), rather than the long-term ageing of more modest populations of industrialised countries in the nineteenth and early twentieth century, an in-depth analysis of ageing in these countries assumes significant.

The SAARC countries contain 6.92% aged population (of age 60 and above) which is 15.62% of the total elderly population of the world, 31.6% of the elderly population of Asia and 94.4% of the total elderly of South Asia. The total population of the SAARC countries is 23% of the total world population, 36.4% of the total Asia population and 93.4% of the total South Asia population. The total number of elderly population of the SAARC countries is estimated to be 186274 thousand in the year 2020- an increment of 100566 thousands from 1995. The percentage of the aged population in SAARC countries is only 6.9% against 6.5% of aged population in Asia and 9.5% of the aged in the world in the year 1995. Such percentage values are estimated to be 10.0, 12.66 and 12.8 after a time period of 25 years (UN 1995).

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Socio-economic development achievement of SAARC countries is not remarkable. The countries are characterised by low level of income, low level of literacy (except Sri Lanka), ill health condition and so on. In such circumstances the demographic changes in SAARC countries does not seem to be rewarding except one or two instances (examples are Sri Lanka and to some extent India). Fertility in Bangladesh, Bhutan, Nepal and Pakistan had not began to decline before 1990, on the other hand, fertility in Sri Lanka and India had began to decline in between 1950 to 1990 (Hugo 1993). Nevertheless, the age composition of the population of these countries is still a 'pyramid' and remains to be pyramid instead of 'pillar' in next decades. Remarkable difference between the two categories (as mention above) in the proportion of their population aged 60 years and above (the elderly) ranging from 5% in pre-initiation countries (the former group where fertility began to decline not before 1990) to 9% in the late initiation countries (the later group) of the SAARC countries (ESCAP, 1994).

At present the joint families have been increasingly breaking down in developing countries, and the children are not seemingly very much attentive to the old. When the sons are married they are busy with their work, if it is a middle class family or upper class they go to different places for their work with their wives and children and parents are left alone in ancestral or rented house and may provided with some money which is not adequate to cover all the expenses including medicines for this old parents and they live a measurable life. Sometimes even if the sons and their wives have some love for their parents, their own economic condition does not permit them to look after the parents properly. In the villages as the joint family also has broken and due to economic constraint the most sufferers are old people (Mukherjee, 1996).

An attempt has therefore, been made to examine some of the issues of demographic ageing in this region. Data have been taken for 1980-2020 from the United Nations medium variants projections and other national documents. For 1990-2050, three fertility variants and one fertility scenario of population projections were prepared in 1994 Revision: the high-, medium-, and low-fertility variants; and the constant-fertility scenario. The major differences among the four variants are largely due to the assumed future fertility rates; however, varying assumptions were also adopted on future patterns of international migration when such differentiation seemed appropriate. In these direction the medium variants projections would be batter than others.

II Trend in Age Structure

A very simple kind of analysis of age structure is the presentation of age distribution. A study of age distributions of a country over periods gives an idea about its past history of fertility and mortality. Comparison of age structures of different countries gives us some perspectives about the relative demographic regimes of the region. For the present analysis three broad age groups 0-14, 15-59, 60+ have been considered to represent the child, working age and elderly population in table-1.

An examination of the table below reveals that in majority of the countries the percentage of child population has increased in 1980 partly due to increase in fertility. With faster decline in fertility the proportion of children is expected to decline

substantially during 1990-2020 in all the countries except Bhutan. In relative terms Sri Lanka and India would have the smallest proportion of children during the first quarter of the 21st century. For the working age population, at the age group 15-59 increasing trend is observed in the percentage of population for SAARC countries except Maldives and Nepal. The old age population will also increase significantly in India and Sri Lanka particularly during 1990-2020. According to the United Nations medium variant projections ageing in other countries of the region will not be substantial.

Table 1: Percentage of Population in Selected Age Groups, 1980-2020

Country	1980	1990	2000	2010	2020
Age Group 0-14					
Bangladesh	46.5	41.4	38.8	35.7	30.8
Bhutan	40.3	40.6	40.7	40.1	37.7
India	38.6	36.0	33.2	29.7	24.8
Maldives	43.0	44.7	42.6	38.4	33.8
Nepal	41.2	43.5	40.7	37.3	33.2
Pakistan	44.4	43.8	42.3	37.6	32.6
Sri Lanka	35.3	32.6	27.4	24.0	22.6
Age Group 15-59					
Bangladesh	47.7	53.7	56.4	58.9	62.5
Bhutan	54.4	54.0	53.6	54.1	56.3
India	55.0	56.9	58.8	61.3	64.0
Maldives	50.1	49.7	52.0	56.2	59.6
Nepal	53.8	51.5	53.9	56.7	60.0
Pakistan	51.0	51.6	53.0	57.3	60.5
Sri Lanka	58.1	59.4	63.1	64.1	62.3
Age Group 60+					
Bangladesh	5.8	4.9	4.8	5.4	6.7
Bhutan	5.3	5.4	5.7	5.8	6.0
India	6.4	7.1	8.0	9.0	11.2
Maldives	6.9	5.6	5.2	5.4	6.6
Nepal	5.0	5.0	5.4	6.0	6.8
Pakistan	4.6	4.6	4.7	5.1	6.9
Sri Lanka	6.6	8.0	9.5	11.9	15.1

Source: The Sex and Age distribution of the world population: The 1994 Revision, United Nations, New York

III Measures of Ageing

Three different measures of ageing have been used - Median age, Dependency ratio and the Index of ageing.

3.1 Median Age

Median age is used as a basis for describing a population as young or old. Populations with medians under 20 are taken as young, those with medians with 30 or over as old and

those with medians in the range 20-29 as of intermediate category. The median age of population of SAARC countries during 1980-2020 has been presented in table-2. Thus while during 1980-90 almost all the countries in this region lie in the border line between the young and the intermediate categories, during the first two decades of the 21st century, though the median age is expected to increase, only Sri Lanka and to some extent India may be said to belong to the categories of old.

Table 2: Trends in Median Age of Population of SAARC Countries, 1980-2020

Country	1980	1990	2000	2010	2020
Bangladesh	16.8	18.5	20.2	22.2	24.9
Bhutan	20.2	20.0	19.9	19.8	22.0
India	20.6	22.0	23.8	26.2	29.7
Maldives	18.7	17.9	18.6	20.6	23.0
Nepal	19.8	18.6	19.6	21.2	23.6
Pakistan	17.5	18.1	18.7	20.8	23.8
Sri Lanka	22.0	24.2	27.3	30.7	33.8

Source: The Sex and Age distribution of the world population: The 1994 Revision, United Nations, New York

3.2 Dependency Ratio

Dependency ratios for SAARC countries during from 1980-2020 have been presented in table-3 under total, child and aged dependency. An examination of table-3 shows that in majority of the countries total dependency ratios were at their peak around 1980, with a declining trend thereafter. In future major differences in dependency will be in their composition. Whereas the share of aged to total dependency in 2020 will be 31% in Sri Lanka and 23% in India, countries like Bhutan, Bangladesh and Pakistan would have as low as 10-12 percent of their total dependency due to old age dependency.

3.3 Index of Ageing

Another important measure of ageing is the number of elderly people (60+) divided by the number of children (0-14) multiplied by 100 - known as the index of ageing. The index of ageing for SAARC countries during 1980-2020 are presented in table-4. The table reveals that in 1980 the ratio were as low as 17-19 in India and Sri Lanka, i.e. there were few elderly persons in proportion to the number of children. In 2020 the same is expected to increase to 45 in India - near about 3 times the ratio in 1980 and 67 in Sri Lanka - near about 4 times that in 1980. The results are in agreement with those obtained by analysing the median age and such an enormous increase in the index of ageing is due to faster rate of increase in the old age population accompanied by an equally faster rate of decline in the child population. There is, however, no uniform pattern as the ratio is expected to increase marginally in Bhutan, Bangladesh, Nepal and Maldives would have lower ratio in 2020 relative to that in 1980.

Table 3: Dependency Ratios for SAARC Countries, 1980-2020

(Percentage)					
Country	1980	1990	2000	2010	2020
<i>Total dependency ratio</i>					
Bangladesh	100.0	79.9	71.6	64.2	54.1
Bhutan	77.0	78.3	79.2	77.6	71.2
India	74.2	68.1	62.6	55.5	47.5
Maldives	90.1	93.8	85.5	72.0	61.3
Nepal	79.2	86.9	78.6	69.8	60.2
Pakistan	89.7	87.2	82.8	69.2	58.5
Sri Lanka	65.5	60.8	51.2	46.6	48.8
<i>Child dependency ratio</i>					
Bangladesh	93.0	74.5	66.6	58.6	47.5
Bhutan	71.3	72.4	72.9	71.2	64.5
India	67.2	60.5	54.0	46.2	36.6
Maldives	81.7	86.6	79.0	66.0	54.5
Nepal	73.8	81.3	72.7	63.3	53.2
Pakistan	84.2	82.0	77.3	63.6	51.7
Sri Lanka	58.4	52.4	41.4	35.2	33.6
<i>Aged dependency ratio</i>					
Bangladesh	7.0	5.4	5.0	5.6	6.6
Bhutan	5.7	5.9	6.3	6.4	6.7
India	7.0	7.6	8.6	9.3	10.9
Maldives	8.4	7.2	6.5	6.0	6.8
Nepal	5.4	5.6	5.9	6.5	7.0
Pakistan	5.5	5.2	5.5	5.6	6.8
Sri Lanka	7.1	8.4	9.8	11.4	15.2

Source: The Sex and Age distribution of the world population: The 1994 Revision, United Nations, New York

Table 4: Index of Ageing for SAARC Countries, 1980-2020

Country	1980	1990	2000	2010	2020
Bangladesh	12.5	11.8	12.4	15.1	21.8
Bhutan	13.2	13.3	14.0	14.5	15.9
India	16.6	19.7	24.1	30.3	45.2
Maldives	16.0	12.5	12.2	14.1	19.5
Nepal	12.1	11.5	13.3	16.1	20.5
Pakistan	10.4	10.5	11.1	13.6	21.2
Sri Lanka	18.7	24.5	34.7	49.6	66.8

Source: The Sex and Age distribution of the world population: The 1994 Revision, United Nations, New York

IV Trends in Fertility and Mortality

To understand how ageing has progressed in SAARC countries and also to know the possible impact of the relatively faster rate of decline in fertility and mortality as compared to that envisaged in the United Nations medium variants projections. Two

indicators- total fertility rate and life expectancy at birth(e_0^0) for SAARC countries during 1980-2025 have been shown in table-5.

Table-5: Total Fertility Rate and Life Expectancy at Birth for SAARC Countries

Country	1980-85	1990-95	2000-05	2010-2015	2020-2025
	TFR e_0^0	TFR e_0^0	TFR e_0^0	TFR e_0^0	TFR e_0^0
Bangladesh	6.15 48.6	4.72 52.8	3.97 57.1	3.22 61.3	2.45 65.6
Bhutan	5.89 44.3	5.89 48.5	5.47 53.7	4.62 57.7	3.78 61.6
India	4.73 55.4	3.85 60.4	3.15 65.1	2.45 69.0	2.10 71.5
Maldives	6.75 57.5	6.17 63.3	5.01 68.0	3.84 71.7	2.68 74.5
Nepal	6.25 48.2	5.47 53.5	4.51 58.8	3.54 63.6	2.58 67.5
Pakistan	7.00 54.0	6.17 59.0	5.01 63.8	3.84 67.7	2.68 70.7
Sri Lanka	3.25 68.9	2.48 71.6	2.10 73.7	2.10 75.6	2.10 77.3

Source: The Sex and Age distribution of the world population: The 1994 Revision, United Nations, New York

It has been amply demonstrated by Coale (1956) that fertility and mortality change will have tremendous effect on age distribution and further fertility will have more significant effect relative to mortality. To examine the issue empirically an analytical approach, though to some extent less rigorous has been adopted here. Correlation coefficients between fertility/mortality indicators and three different measures of ageing based on 35 pairs of observations have been calculated and presented in table-6.

Table 6: Correlation Matrix between Fertility/Mortality Indicators and Ageing

Fertility/Mortality indicators	Measures of Ageing		
	Median age	Dependency ratio	Index of ageing
TFR	- 0.833*	0.937*	- 0.651*
e_0^0	0.715*	- 0.724*	0.638*

*Correlation Co-efficient is significant at the 0.01 level (2-tails)

It is interesting to note that fertility will have negative effect on median age and index of ageing and positive effect on dependency ratio. The simple correlation coefficients are all significant 1 percent level. Mortality will also have negative effect on dependency ratio and positive effect on median age and index of ageing. Here again the correlation of coefficients are significant. Thus the impact of fertility on ageing will be more significant in the SAARC countries at least during the first half in the 21st century.

V Conclusion

The changes of elderly population of SAARC countries have drawn apt attention of social scientists following the declining in mortality and fertility. The emerging trend calls for substantial responses both on the part of government, NGO, and on the part of individual family members.

From the forgoing analysis it is clear that demographically population ageing is not imminent in SAARC countries in coming 10 to 15 years from now. Sri Lanka is the only country that is expected to be on the verge of ageing in near future followed by India. Other countries are far away from ageing. What are concern from now are the increase number of elderly population and preponderance of the female elderly than the male elderly. These phenomena are expected to create major issues in future in respect of providing social and material services to this segment of population.

For the policy measures, though the overall dependency burden is expected to decline, aged dependency ratio is expected to increase. A huge amount of resources will be needed particularly for the medical care of the elderly. Since the physical disability is known to be an important aspect of ageing process and as a large proportion of the elderly may not get family support, the national governments will have to share more responsibility by way of introducing old age pension schemes and other social security measures for this section of the population in future.

The aged population are the respective senior citizens of a country. Their needs and demands are different from any other segment of population. They are capable of contributing for the benefit in their family and community. For this purpose, there is an increasing need for establishing organisation of the elderly. Illiterate is widespread among them the elderly. Therefore, they should have access to continue education and learning through formal and informal channels. For them special policies should be required.

Again an action research program for the welfare of the aged population(60+) is to collect support of mass media which essential as an on gong exercise to carry out these message of elderly across to the wider section of the population in the country. The from may be directed towards educating the general public especially the young segment of the population on values, attitudes, honesty, integrity and modesty, as well as proper use of leisure time activities aimed at strengthening the bonds within the family as well as community. The aged should not be taken as burden or liability to the nation. Their rich experience, sound judiciousness and useful residual capacity should profitably utilised for the sake of overall socio-economic development of the nation. Their presence may help immensely retaining the cultural heritage and the moral bonds among people in terms of honesty, modesty, dignity and integrity. Their ability to lead productive, healthy and meaningful life should by all means be ensured by the younger generations well as the national administration.

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ECONOMIC BEHAVIOUR OF SMUGGLING : AN ANTHROPOLOGICAL STUDY

Md. Nazmul Hasan Chowdhury*

Abstract: Economic activities are geared for gaining properties to maintain life-that is to survive and to meet other necessities that are culturally determined. Nature provides resources to be collected, to be exploited through technology. Deficiency between persons or groups in the process is mitigated through distribution or exchange in a culturally established manner. Inability of a single technology to provide every facility explores chances for supporting or new technology and their combination requires services. Economic activities, thus, diversify through production to service for its' production, distribution, exchange and consumption. Economic inability encourage people to smuggle but economic ability or inability itself is culturally determined that is society determines the necessities and luxuries of life and individuals ability to economically afford those necessities and luxuries, determines economic ability or inability. The relationship between economic condition and other aspects of life, thus, is not 'one structure determining the other' rather it is "different structures conditioning each other".

Introduction

Smuggling is predominant in border regions of different parts of the World. Frontier people with or without the intervention of organised groups usually conduct it by evading agencies responsible for protecting smuggling. Bangladesh, a South Asian independent country has only about 147000-sq. k.m. of land. It is surrounded by West Bengal, Meghalaya, Assam of India at it's North, Tripura, Mizorum at East, Bay of Bengal at South and West Bengal at West. It possesses 4711.15 km. Frontier lines with these countries. Among them 3715.15 km. with India, 280 km. with Myanmar and 716 km. coastline.

Bangladesh though a small country, throughout these frontier areas smuggling has continuously being carried out, subsequently it became one of the hot topic of discussion. Smuggling, for this purpose, refers to " the transaction of goods that occurs in between the frontier areas of two countries but without the legal intervention of states. It excludes authorisation in goods and occasionally of transactors (labelled as smugglers), without proper taxation, as well as eloping from all sorts of government agencies to protect this type of trade that is labelled as illegal by any or by both countries." Smugglers, here, refers to indicate persons conducting smuggling and smuggling goods to the items that are being smuggled.

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Smuggling continues because of many reasons. Smuggling goods do not come into a country through proper taxation channel. So, they can be sold in a much cheaper rate than that of the same good which comes through the proper channel. These smuggling goods are also easily available as the smugglers bring these goods locally from the neighbouring country where as approved importing procedures are much more complex, time consuming and needs good organisational efficiency. Quality is very important in case of smuggling. Qualitative supremacy of smuggling goods over the local goods actually elongates the persistence of smuggling goods. Smuggling has a great socio-economic impact on a country. Domestic industries count a heavy loss by the products entered illegally through smuggling. Smuggling creates dependency to other countries, decreases production, excludes government from taxes and also entangles numerous other cultural and political effects. Relative availability, low price, countries' deficiency in the production of a particular good or short supply of goods actually provoke smuggling.

There has been a lot of discussion regarding the nature of smuggling, organisation of smuggling and about the smugglers and their strategies. This article intends to present the economic behaviour or nature of smuggling at the local level situation in context of a very famous frontier smuggling zone of Bangladesh-India border.

Methodology

The study was conducted in Blackpur village of Doulatpur thana in Kushtia district for a period of over two months. Blackpur was selected for its national level reputation as a major smuggling zone in Bangladesh. The ontological and epistemological concern conceives transactors of smuggling as the rational actor looking for their own benefit from their position in relation to resource and other competitors. There are competitions between actors and group of actors but these are mitigated by mutual understanding through negotiation, not through conflicts among the aggregates of actors. It unfolds numerous processes of smuggling in progress. It involves the identification of smugglers, their adaptive strategies, then patterns and causes of such behaviour and lastly the effect of these behaviours to other characteristics of social life. It assumes that smuggling happens with reasonable secrecy, through male dominance, by organised gangs and remaining in conflict with smuggling protecting agencies. Smugglers undertake strategies to evade these agencies, and agencies simultaneously take appropriate actions. It also counts anomalies created in the field situation. Broad gathering of data has been analysed to explore as many dimensions as possible and getting general characteristics through these dimensions. Data was collected through the observation method and case study method. Key informant was also used for further illustration of data.

Transactions in Smuggling

Smuggling transactions to be completed successfully requires completion of 3 (three) events--buying smuggling goods, carrying of goods to a market place and finally selling of those goods.

Buying

Smugglers to smuggle must buy goods from a market. Smuggler buy goods either from a market place which is situated at a very frontier area of his own country or from that of

an alien situation. Selection of items to be bought is determined by the demand of the market place where he plans to sell goods and eventually by the demand of the other parts of the country. Understanding demand does not require a pure economic knowledge rather traditionally experienced demands by the frequent selling of different goods where the country does not have self-sufficiency or where the expectation level of goods (quality and buyers preparedness to the exchange value for the quality) does not match the goods that are available.

Selection of item is subject to frequent change. It changes according to the changing demands as well as smugglers preparedness to carry a particular type of good (as to sell goods he must cross a considerable distance mainly walking), measuring obstacles on the way and his ability to overcome these obstacles in the process of carrying and selling goods. Profit is also important in selecting goods. Profit seems to have a parallel relationship with the obstacles in the process of the transaction completion—more profit more obstacles, less profit less obstacles. The study shows that out of 58 items, 10 items (underlined in the goods list) involves more profit as well as more obstacles on the way. In a smuggling transaction buyers and sellers most of the time are known to each other—that is previously established personalised relationship is extant in smuggling.

Goods List

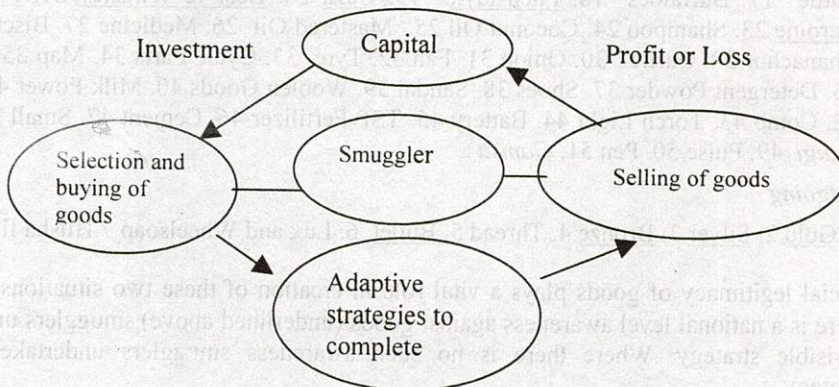
Incoming

1. Rice 2. Sugar 3. Salt 4. diesel 5. Kerosene 6. Cumin 7. Crackers 8. Sari 9. Fruit 10. Radio 11. Bulb 12. Cosmetics 13. Motor Parts 14. Bicycle 15. Pressure Cooker 16. Cattle 17. Buffaloes 18. Phensidyle 19. Gaza 20. Bear & Whiskey 21. Pistol 22. Heroine 23. Shampoo 24. Coconut Oil 25. Mastered Oil 26. Medicine 27. Biscuits 28. Chanachur 29. Garlic 30. Onion 31. Fan 32. Tyre 33. Cycle Parts 34. Map 35. Mirror 36. Detergent Powder 37. Shoes 38. Sandal 39. Wollen Goods 40. Milk Power 41. Eggs 42. Comb 43. Torch Light 44. Battery 45. TSP Fertilizer 46. Cement 47. Small Fish 48. Lungi 49. Pulse 50. Pen 51. Gamsa

Outgoing

1. Gold 2. Silver 3. Bronze 4. Thread 5. Bullet 6. Lux and Wheelsoap 7. Hilsha fish

Graph 1: Cyclical Events of Smuggling



Strategies for Carrying Smuggling Goods

Smugglers carry smuggling goods a long way on the way to sell. The process must encounter potential obstacles on the way which tries to protect smuggling. In case of Bangladesh it is 'The Bangladesh Rifles (BDR)'. Smugglers conduct smuggling using numerous different techniques to negotiate with BDR. These strategies can broadly be divided into two categories- (i) visible Strategy; and (ii) invisible Strategy.

Visible Strategy

Smuggler most of the time conduct smuggling openly. They don't hide goods they are carrying. One can easily watch a smuggler conducting smuggling. This strategy when the smugglers don't hide their smuggling goods to avoid being traced by the local people or by BDR has been termed here as the "visible strategy".

Invisible Strategy

It is just the opposite of the visible strategy. Here smugglers hide smuggling goods in such a fashion that the general people or at least the BDR cannot trace them as a smuggler conducting smuggling.

Smuggling Goods: Visible Vs Invisible Strategy Ratio

Surprisingly smugglers use the visible strategy far too often than the invisible strategy. From the list given below to show different goods being smuggled, the study reveals that out of 58 items, only 10 items (underlined) are being smuggled following the invisible strategy.

Goods List

Incoming

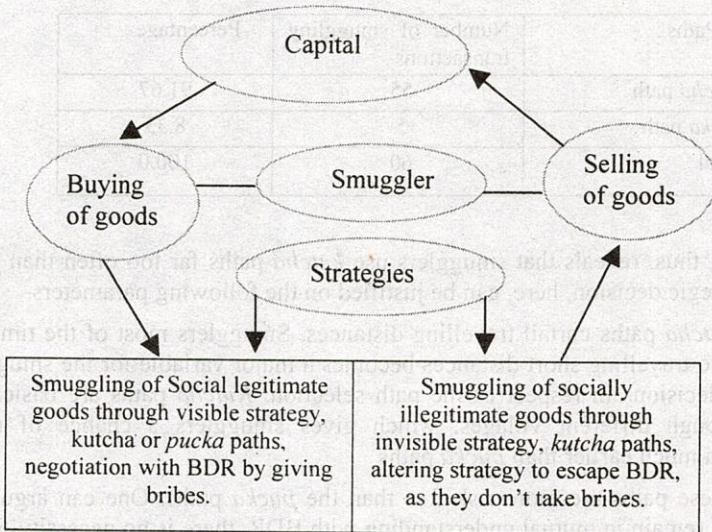
1. Rice 2. Sugar 3. Salt 4. diesel 5. Kerosene 6. Cumin 7. Crackers 8. Sari 9. Fruit 10. Radio 11. Bulb 12. Cosmetics 13. Motor Parts 14. Bicycle 15. Pressure Cooker 16. Cattle 17. Buffaloes 18. Phensidyle 19. Gaza 20. Bear & Whiskey 21. Pistol 22. Heroine 23. Shampoo 24. Coconut Oil 25. Mastered Oil 26. Medicine 27. Biscuits 28. Chanachur 29. Garlic 30. Onion 31. Fan 32. Tyre 33. Cycle Parts 34. Map 35. Mirror 36. Detergent Powder 37. Shoes 38. Sandal 39. Woolen Goods 40. Milk Power 41. Eggs 42. Comb 43. Torch Light 44. Battery 45. TSP Fertilizer 46. Cement 47. Small Fish 48. Lungi 49. Pulse 50. Pen 51. Gamsa

Outgoing

1. Gold 2. Silver 3. Bronze 4. Thread 5. Bullet 6. Lux and Wheelsoap 7. Hilsha fish

Social legitimacy of goods plays a vital role in creation of these two situations. Where there is a national level awareness against goods (underlined above), smugglers undertake invisible strategy. Where there is no such awareness smugglers undertake visible strategy.

Graph 2: Smugglers Strategy



Encountering Counterparts: BDR–Smuggler Relation

Bangladesh Rifles (BDR) is the government agency to protect smuggling in the border regions of Bangladesh. To conduct smuggling successfully, smugglers must supersede BDR on the way. They can handle BDR only by two ways: (i) by giving bribes to BDR; and (ii) by escaping from BDR.

BDR members most of the time take bribes from smugglers for not arresting them and their goods. Smugglers also tend to pay this because it eliminates undue risk of being arrest. Problem appears where BDR members don't take bribe. In this case (underlined goods in the goods list mentioned earlier) smugglers alter their strategy—they try to escape from BDR but this strategy involves the potential danger of legal activities undertaken by BDR. BDR takes bribes for socially legitimate goods and does not take bribe for socially illegitimate goods.

BDR'S unwillingness to take bribes for socially illegitimate goods, one can argue, is the result of social sanction. There is a strong national level awareness against these goods, as the flow of these items will create social unrest, but in case of other items this awareness is absent, so BDR changes their strategy. So, where social awareness is absent, BDR takes bribes and where social awareness is present, they raid goods. Smugglers also cope with this situation by taking visible strategy in goods that are socially permitted and also by taking invisible strategies in goods that are socially prohibited.

Paths of Smuggling

Selection of the paths of smuggling is a vital factor in smuggling. In Blackpur the paths of smuggling can broadly be divided into two categories: (i) *Kutchra* Paths and (ii) *Pukka* paths. Between these two categories path selection in Blackpur is as follows:

Table: Paths of Smuggling in Blackpur

Paths	Number of smuggling transactions	Percentage
<i>Kutch</i> a path	55	91.67
<i>Puck</i> a path	5	8.33
Total	60	100.0

The study, thus, reveals that smugglers use *kutch*a paths far too often than *puck*a paths. Their strategic decision, here, can be justified on the following parameters-

1. *Kutch*a paths curtail travelling distances. Smugglers most of the time do not use vehicles, so travelling short distances becomes a major variable for the smugglers to take strategic decisions in respect of the path selection. *Kutch*a paths are basically crossing roads through different villages, which gives smugglers a chance of reaching the destination much earlier than *puck*a paths

2. These paths are more risk free than the *puck*a paths. One can argue that, while smugglers remain in mutual understanding with BDR, there is no necessity for smugglers to select *kutch*a paths, but disharmonies in the BDR actually pushes them to undertake this strategy. Although smugglers give regular bribes to BDR, there are also few vigilance teams of the agency that directly come from local headquarter to visit different frontier areas occasionally, which is a potential threat to smugglers. Smugglers', on the other hand, to negotiate with this threat follow the *kutch*a paths.

Transportation of Smuggling Goods

Smugglers mainly smuggle on their feet. Smuggling mostly happens in broad daylight without using any vehicle. Out of 58 items, the study shows that 10 goods are occasionally being brought by vehicles (17.24 percent). 10 goods that occasionally use vehicles are Rice, Sugar, Salt, Diesel, Kerosene, Garlic, Onion, Pulse, Cumin and Hilsha fish.

Bicycle is the dominant vehicle in carrying smuggling goods. Vehicles are used based on their necessity as well as their availability, in respect of goods quantity and vehicles scarcity. Male and adolescent smugglers carry goods on their head while female smugglers carry goods on waist. It appears that smugglers never use vehicle in carrying socially illegitimate goods undertaking invisible strategies as this will increase the risk of being traced.

Selling of Smuggling Goods

Smugglers, after carrying goods, sell it to a local market. Smugglers and the local market sellers know each other very well as they live in neighbourhoods. The market is not exclusively a market for smuggled goods but a general market where villagers buy goods of daily use. The buyers and sellers of smuggling goods do not form part of an organised group as it is assumed in the wider society. Most of the time smuggling ends up without

any participation of an organised group—that is without any gangs but in case of socially illegitimate goods, one can argue, presence of organised group is sometime sensed.

Smuggling Population

In the village Blackpur around 500 people are engaged in smuggling. Both male, female and adolescent are involved in smuggling. The following table shows that male are dominant in smuggling and surprisingly adolescents outnumber female smugglers.

Table 2: Smuggling Population

Smugglers	Population	Percentage
Male Smugglers	273	61.07
Female smugglers	69	15.43
Adolescent smugglers	105	23.50
Total	447	100

Goods and Smugglers Involvement

Smuggling goods in this study has been categorised into 15 categories. male are involved in every type of good smuggling. To clarify female and adolescent's participation in different goods, the article presents the following chart (female are marked as "F" and adolescent as "A")

1. **Foods**-Rice (F,A), Sugar (F,A), Salt (A), Fruits (A) Onion (F,A), Garlic (F,A)
2. **Energy Products**-Diesel (A), Kerosene (A)
3. **Terror Items**-Bullets, Crackers (A)
4. **Fabrics**-Sari (F)
5. **Woolen Goods**-Sweater
6. **Electronics**-Bulb, Torch light etc.
7. **Metallic**-Motor Parts
8. **Domestic Utensils**-Pressure cooker
9. **Live stocks**-Cattle's
10. **Alcohol**-Whisky, Beer
11. **Educational equipment**-Pen, Paper etc.
12. **Cosmetics**-Mirror (F), shampoo (F,A), coconut oil (F,A)
13. **Jewelry**-Gold, Silver etc.
14. **Detergent**-Soaps
15. **Construction Materials**-Cement

Females are involved in smuggling 8 type of goods but in 3 categories where adolescents are involved in 11 goods but in 4 categories of goods where male are involved in every goods and in every categories.

Smugglers and Factors Responsible for Smuggling

Smugglers engage themselves in smuggling due to many reasons. Male, female, adolescent and the factors responsible for their smuggling are given in the following tables. Total population of male smugglers, female smugglers and adolescent smugglers are 30, 20, and 20 respectively.

Table 3: Male Smuggler and Cause of Smuggling

Causes of smuggling	Number of Smugglers	Percentage
Landlessness	24	80
River Erosion	30	100
Unemployment	18	60
Poor income by cultivation	26	87

Table 4: Female Smugglers and Cause of Smuggling

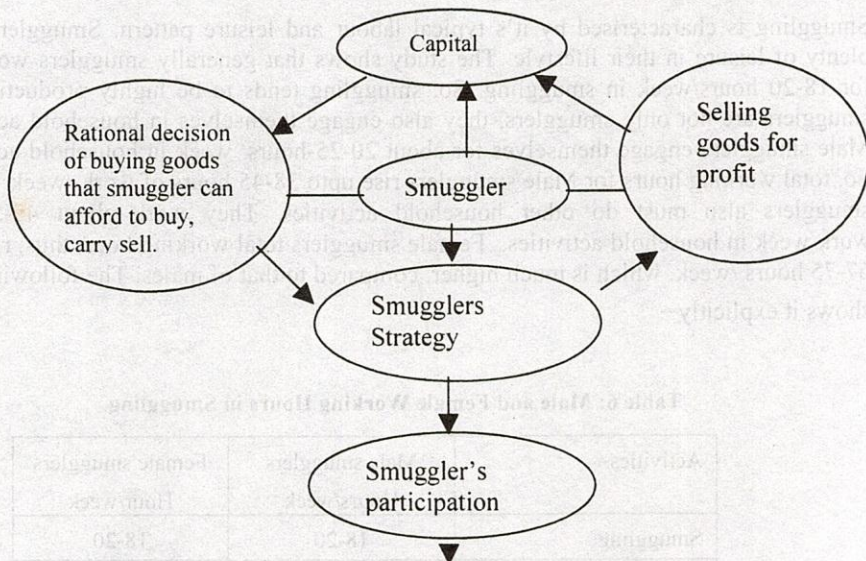
Causes of smuggling	Number of Smugglers	Percentage
Divorcee or dead husband	6	30
Disabled husband	8	40
Poverty	6	30

Table 5: Adolescent Smugglers and Cause of their Smuggling

Causes of smuggling	Number of Smugglers	Percentage
Sick or disabled father	8	40
Fatherlessness	6	30
Deviated father	6	30

The study shows that male smugglers are involved in smuggling due to landlessness, river erosion, unemployment and poor income by cultivation. The study also reveals that most of the time two or three factors works simultaneously for male smugglers to be engaged in smuggling. All male smugglers are the victims of continuous river erosion that is prevalent in the char areas, as the village is very adjacent to the river "The Padma". Because of this erosion smugglers lose their land again and again and become unemployed. If, however, someone possess a little land even after these erosion, actually can earn a very little by that land to maintain himself. All these factors simultaneously encourage males to be engaged in smuggling.

Female smugglers smuggle due to having disabled or dead husband, because of being divorced and/or because of poverty. Adolescents smuggle due to fatherlessness or due to having sick or disabled or deviated father.



Male Smugglers	Female Smugglers	Adolescent smugglers
1. Landlessness 2. River Erosion 3. Unemployment 4. Poor Income by Cultivation	1. Dead or Deviated Husband 2. Disabled Husband 3. Poverty	1. Fatherlessness or Deviated Father 2. Disabled Father 3. Poverty

Lifestyle of Smugglers

A smuggler rises very early in the morning and eats something preserved in the previous day, usually *Panta Bhat* with or without a little curry. He, then, quickly starts for the border. On the way to smuggling, at about 6 a.m. he meets a good number of fellow smugglers and shout to them "*Ki Anbi Rey*" (What will you bring). They also reply by the same way. All the way smugglers walk very fast and if talks with someone, that is also loudly. Most of the smugglers, while go to buy goods wear a *lungi*, a *gamsa* and a shirt. Most of them smoke randomly. After buying goods he returns to sell those by carrying them on head. In between 2/3 hours smugglers complete a smuggling transaction and most of the time again go for smuggling. They return home at about 12 p.m. eat *Bhat* and take rest in front of his own house. Then a smuggler goes to a nearby shop and passes some pleasant moment with his friends. He then engages himself with some household activities in the field and returns home at about 3-4 p. m. and takes lunch. At evening, smugglers go to a nearby central place where they meet a lot of friends. After 1 or 2 hours of gossiping, smoking and joking he returns home, takes his dinner and spends few hours more with his neighbours who are most of the time his close relatives. Finally, he reaches the bed. In the next morning, life continues in the same manner.

Labour and Leisure in Smuggling

Smuggling is characterised by its typical labour and leisure pattern. Smugglers enjoy plenty of leisure in their lifestyle. The study shows that generally smugglers work only for 18-20 hours/week in smuggling. So, smuggling tends to be highly productive. But smugglers are not only smugglers, they also engage themselves in household activities. Male smugglers engage themselves for about 20-25-hours/ week in household activities. So, total working hours for Male smugglers rise upto 38-45 hours of work /week. Female smugglers also must do other household activities. They work about 49-55hours work/week in household activities. Female smugglers total working hour, thus, rise upto 67-75 hours /week, which is much higher, compared to that of males. The following table shows it explicitly—

Table 6: Male and Female Working Hours in Smuggling

Activities	Male smugglers Hours/week	Female smugglers Hour/week
Smuggling	18-20	18-20
Household	20-25	49-55
Total work	38-45	67-75

Conclusion

Smuggling, a category of economic activities, has many counterparts. In the drama of smuggling a performer must encounter and surmount formidable adventures both in the front stage and in the back stage. Strategies are the vitality, success of strategy is the success of smuggling, and success of smuggling is the survival of the smuggler. Selection of the strategy is learned through experience and /or initiated through innovations. Smuggling, far from being secretive is an open activity. Male smugglers dominate from numerical point of view but female smuggler dominates from labour generative point of view. Far from being incorporated into organised gangs, smuggling mainly is being conducted in unorganised manner. Most of the time Smugglers remain in mutual understanding with law enforcing agencies, but while not, the strength of smugglers strategic impression given, to shadow the given off determines his success. Smuggling requires the completion of buying of goods from a smuggling zone by the smuggler and then carrying theses goods to a market where the smuggler can sell these goods. Smuggler invests money and his knowledge in buying profitable goods. The most important part of smuggling is the carriage of smuggling goods. To have the best chance of completion of smuggling, smugglers mainly use *kutchra* paths. Vehicles are used occasionally but only in socially legitimate goods. Smugglers to adapt with BDR'S strategy to stop smuggling, also change their strategy accordingly. BDR takes bribe for legitimate goods and try to stop smuggling of illegitimate goods, accordingly smugglers also give them bribe and take invisible strategy to complete smuggling successfully.

Male, female and adolescents are involved in smuggling in Daulatpur. Male smugglers constitute 61.07% of the total smuggling population, adolescents 23.5% and female 15.43%. Male are involved in 15 categories, adolescents in 4 categories and female in 3 categories among the total number of 15 categories. River erosion, landlessness, unemployment and poor income by cultivation stimulate male smugglers to smuggle. Having dead husband, disabled husband, having being divorced and poverty encourage females to engage in smuggling. Adolescents smuggle due to sick, deviated or disabled father or because of having no father at all. Female works more intensively in the particular life style of smugglers.

Factors responsible for smuggling indicates that economic bad conditions or scarcity of provided natural resources to be explored encourage people to smuggle. Smugglers' lifestyle, as a group, differentiates itself from others but variation within smugglers recuperates the role played by different structures simultaneously. Economic inability encourage people to smuggle but economic ability or inability itself is culturally determined that is society determines the necessities and luxuries of life and individuals ability to economically afford those necessities and luxuries determines economic ability or inability. So, the relationship between economic condition and other aspects of life is not 'One structure determining the other' rather it is "Different structures conditioning each other".

Economic activities are geared for gaining properties to maintain life-that is to survive and to meet other necessities that are culturally determined. Nature provides resources to be collected, to be exploited through technology. Deficiency between persons or groups in the process is mitigated through distribution or exchange in a culturally established manner. Inability of a single technology to provide every facility explores chances for supporting or new technology and their combination requires services. Economic activities, thus, diversify through production to service for it's production, distribution, exchange and consumption.

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CONSTANT MARKET SHARE ANALYSIS OF EXPORT GROWTH : BANGLADESHI APPAREL PRODUCTS

M. Mahbubur Rahman*

Abstract: The objective of this article is to examine the impact of various factors relating to internal supply of and external demand for Bangladeshi exports of apparel products. The Constant-Market-Share (CMS) has adopted to examine the problem. This study underlines that, overall exports of Bangladeshi apparel products are competitive vis-a-vis the rest of the world. The state of competitiveness of exports is determined by demand and supply factors. Factors relating to external demand such as absence of appropriate designs, low product quality, low quality of dyeing, printing and finishing etc. and concentration of exports into some slow growing markets play an adverse role in determining competitiveness. Thus, more favourable competitiveness appears to be mainly the outcome of Bangladeshi apparel export promotion policies. It is suggested that an effective role of a well developed fashion and design house is needed to enhance the export performance of apparel products of the country.

Introduction

The corpus of literature underlines the poor performance record of Bangladeshi export. Depending upon the export commodities considered and the explanatory factors incorporated most of the studies attributed the above phenomenon to factors such as overseas demand deficiency (elasticity pessimism), internal supply bottlenecks or the combined effect of both the factors. In recent years, foreign exchange earnings of Bangladesh through export of apparel products have become significant. This study will be limited only to the exports of apparel products of Bangladesh. The large import requirements in the development programmes of the country has been resulted in her large balance of payment deficits. As a result, an increased emphasis has been given on expansion of exports. An analysis of export growth is, therefore, important for the country like Bangladesh.

The objective of the current study is to examine the export growth of apparel products of Bangladesh attributed to commodity composition effect, market distribution effect competitiveness effect and world trade effect. In this paper an attempt has been made to attain that objective with the help of a mathematical model named 'Constant-Market-Share' analysis.

The Position of Bangladesh in World Apparel Markets

The performance of apparel export of Bangladesh can be seen in the movement of her share of different categories of apparel products in world market. It is therefore interesting to trace the relative share of Bangladesh in the world market vis-a-vis the growth trends in world exports.

The share of apparel export shows an increasing trend. By 2000 the share of apparel export had increased to 76.08% of the total export of Bangladesh as compared to 12.81% in 1982-83; 12.58% in 1983-84 and 12.50% in 1984-85. Table-2 exhibits the position of relative share of different SITC (Standard International Trade Classification) apparel products of Bangladesh in World export (\$ million). Table-1 depicts the position of relative share of apparel export to total export of Bangladesh.

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Table 1: Exports of Apparel Products of Bangladesh, 1982-2000

(\$ Million)

Year	Total Export	Apparel Export	Share %
1982-83	687	88	12.81
1983-84	811	102	12.58
1984-85	936	117	12.50
1985-86	819	216	26.37
1986-87	1074	341	31.75
1987-88	1231	434	35.26
1988-89	1292	531	41.10
1989-90	1524	764	50.13
1990-91	1718	867	50.47
1991-92	1994	1183	59.33
1992-93	2383	1445	60.64
1993-94	2534	1556	61.40
1994-95	3473	2232	64.27
1995-96	3882	2547	65.61
1996-97	4249	3001	70.63
1997-98	4428	3202	72.30
1998-99	4572	3438	75.20
1999-2000	4688	3567	76.08

Sources : a) Foreign Trade Statistics of Bangladesh (BBS), Various Issues.
b) Bangladesh Export Statistics (EPB), Various Issues.

Bangladeshi share of apparel export to world apparel export also shows increasing trend. During 1992-96 the share had increased to 1.33% of the world export as compared to 0.43% during 1982-86 and 1.14% during 1987-91. Though Bangladesh showed an increasing trend in apparel export, till she represents a very negligible part (only 1.33%) of the world's apparel trade. It is, therefore, relevant to examine the factors responsible for small export of Bangladesh so that corrective measures could be identified. The constant-market-share model provides the analytical scaffolding to our exercise.

Table 2: Average Market Share of Bangladesh Apparel Export for Three Different Periods.

(\$ Million)

SITC Products	1982-86			1987-91			1992-96		
	World Export	BD Export	BD Share %	World Export	BD Export	BD Share %	World Export	BD Export	BD Share %
842	6533.86	21.78	0.33	12981.82	186.46	1.44	24380.33	468.42	1.92
843	9386.91	27.19	0.29	19924.79	184.25	0.92	35483.45	361.50	1.02
844	2297.45	70.27	3.60	5140.78	224.10	4.36	11003.43	499.23	4.54
845	7857.27	19.15	0.24	18981.85	66.00	0.35	30639.21	212.41	0.70
846	3659.19	14.29	0.40	8701.06	85.25	0.98	18905.52	324.87	1.72
847	1609.88	2.20	0.14	3538.83	5.46	0.15	5665.32	10.51	0.19
848	3543.34	7.63	0.21	7758.80	19.70	0.25	11286.24	48.89	0.43
Total	34907.90	148.91	0.43	77027.92	878.28	1.14	137363.52	1828.62	1.33

Sources : a) Foreign Trade statistics of Bangladesh (BBS); Various Issues.
b) United Nation International Trade statistical Yearbook, Various Issues.
c) United Nation Commodity Trade Statistics, Various Issues.

Constant-Market-Share Model : Basic Framework

This model helps us to understand the growth of export of a particular commodity due to size of market, commodity composition, market distribution and competitiveness. CMS

model has been extensively used in the literature on international trade. The earliest application of CMS model to international trade appears to be Tyszynski (1951). He decomposed the total share of exports market into three components namely world trade effect commodity composition effect and competitiveness effect. A detailed discussion on the method and its possible application was given by learner and Stern (1970). They have differentiated the model into four components. The additional component was 'market distribution effect'. Tiwari (1986) used the CMS model to study the export growth of India. He found India's overall exports as competitive. Fagerberg and Sollie (1987) applied this model to analyse the export development of 20 countries. Their results were differentiated into five components. The additional component was commodity adoption effect. They found that 40% of increase in market share of Japan was due to that effect. This model has been employed afterwards by Agarwal (1988), Roy (1991), Mohammad H.A. (1992), Liyod Toguchi (1996), Fathmah (1997), Lohrmann (1999). The generalised CMS method can be considerably improved in the critical consistency as well as in empirical applicability, if weights of initial year are used throughout the calculation. Secondly, the economic interpretation of the residual terms is made explicit. Under this approach, the generalized CMS model identifies an actual change in the focus country's export between two time periods. The CMS model is employed to describe a countries export growth. Export growth is ascribed to either structural or competitive forces. Here the export performance of a particular country is compared with the 'world average.' For this, we define the following:

X_{ij}^0 = Export by the i th country to the j th market in the base year,

($i = 1, \dots, n; j = 1, \dots, m$);

X'_{ij} = Export by the i th country to the j th market in the terminal year,

($i = 1, \dots, n; j = 1, \dots, m$);

X_i^0, X'_i = Total export by the i th country in the base year and terminal year respectively;

r = Proportionate change in total world exports;

r_i = Proportionate change in world exports of the i th commodity.

r_{ij} = Proportionate change in world export of the i th commodity to the j th market.

The total change, Δx , in exports of the i th country is expressed as

$$\Delta x = \sum_{i=1}^n (X'_i - X_i^0)$$

This can be written as $\Delta x = r \sum_{i=1}^n X_i^0 + \sum_{i=1}^n (r_i - r) X_i^0 + \sum_{i=1}^n \sum_{j=1}^m (r_{ij} - r_i) X_{ij}^0$

$$+ \sum_{i=1}^n \sum_{j=1}^m (X'_{ij} - X_{ij}^0 - r_{ij} X_{ij}^0)$$

$$\text{or } \Delta x = r \sum_{i=1}^n X_i^0 + \sum_{i=1}^n (r_i X_i^0 - r X_i^0) \left[\sum_{i=1}^n \sum_{j=1}^m r_{ij} X_{ij}^0 - \sum_{i=1}^n r_i X_i^0 \right]$$

$$+ \left[\sum_{i=1}^n (X'_i - X_i^0) - \sum_{i=1}^n \sum_{j=1}^m r_{ij} X_{ij}^0 \right]$$

Therefore, the total change in exports can be decomposed into four components, as follows:

$$(1) \text{ World trade effect} = r \sum_{i=1}^n X_i^O$$

$$(2) \text{ Commodity Composition effect} = \sum_{i=1}^n (r_i X_i^O - r X_i^O)$$

$$(3) \text{ Market distribution effect} = \sum_{i=1}^n \sum_{j=1}^m r_{ij} X_{ij}^O - \sum_{i=1}^n r_j X_i^O$$

$$(4) \text{ Competitiveness effect} = \sum_{i=1}^n (X_i' - X_i^O) - \sum_{j=1}^m r_{ij} X_{ij}^O$$

World Trade Effect: It indicates that part of export growth of a country, which is attributed to the general increase in world exports. The magnitude of world trade effect shows the potential increase of the exports of a particular country if it is maintained its share of world exports.

Commodity Composition Effect: It is the weighted sum of values of export to different commodities. The weights are the deviations of the growth rate of individual commodity exports from the growth rate of world exports in aggregate. The change in exports due to commodity composition depends mainly on the factor endowments of the country and the income and price elasticities for the products in which it specialises. A positive/negative sign of the commodity composition effect suggests that the particular country's exports are concentrated in commodities for which world demand have grown relatively fast/slowly.

Market Distribution Effect: It is the weighted sum of the values of each class of exports going to each market. The weights are the deviations of the growth of a particular market for a particular commodity from the average growth rate of world exports for that commodity. The change in exports due to market distribution depends on trade policies and income growth of foreign countries. The deviations in growth rates of exports to different directions may occur when (i) the income elasticity of demand tends to vary from commodity to commodity; (ii) the income elasticity of demand for the same commodity tends to vary from one market to another and (iii) the real income may not grow at the same in all markets. Like commodity composition effect, the positive/negative sign of a market distribution effect indicates that exports of a reference country are concentrated in relatively fast/slow growing markets.

Competitiveness Effect: The general competitiveness effect is derived essentially as a residual. It measures the difference between actual increase in a country's actual exports and the increase that would have occurred if a country maintained its market shares in those markets. Alternatively, it is the difference between the actual increase in a country's export and increase that would have happened if a country maintained its market share. It is influenced by supply and demand considerations. Both price and non-price factors play a role with domestic factors being the major determinants. The positive/negative sign of the residual implies an improvement/deterioration in the competitiveness of exports.

Data Sources: For this study, the export figures of apparel products of Bangladesh are compiled from the statistical year books of the Bangladesh Bureau of Statistics (BBS), Export Promotion Bureau (EPB), Bangladesh Garments Manufacturers and Exporters Association (BGMEA) and Directorate of Textile and Apparel Industries of Bangladesh. The world export figures are collected from United Nations' International Trade Statistics

Yearbook, New York. The products chosen are Men Outerwear Not Knit (SITC-842), Women Outerwear Not Knit (SITC-843), Outer Garments Not Knit (SITC-844), Outerwear Knit Non Elastics (SITC-845), Under Garments Knitted (SITC-846), Textile Clothing Accessories NES (SITC-847) and Articles of Apparel and Cloth Accessories Textile Fabric (SITC-848). These products were selected based on their significant export earnings and on the availability of data.

Decomposition Analysis of Apparel Export of Bangladesh

Constant Market Share Analysis (CMS) made in this study is limited to the period 1982 to 1996 because of non-availability of world exports to different markets beyond that period. This fifteen years period is decomposed into three sub periods of equal span each containing the five year average such as 1982-86, 1987-91 and 1992-96 on export values of the selected apparel products of Bangladesh. Table-2 was constructed based on the commodity wise total world export data and the total export data of Bangladesh over three defined periods. In that table all export data were considered. Tables-3 and Table-4 were constructed based on apparel exports of Bangladesh to the individual markets of the world.

Table 3 : Analysis of Export Performance of Bangladeshi Apparel Products
(\$ Million)

Effect s	1982-86 and 1987-91	1987-91 and 1992-96	1982-86 and 1992-96
Men Outerwear Not Knit (SITC 842)			
Change in Export	148.7 (100)	270.4 (100)	419.2 (100)
World Trade Effect	19.8 (13.32)	129.3 (47.82)	48.0 (11.45)
Commodity composition Effect	-3.7 (-2.49)	15.6 (5.8)	-3.5 (-0.83)
Market Distribution Effect	13.1 (8.81)	15.8 (5.84)	66.2 (15.79)
Competitiveness Effect	119.6 (80.43)	109.7 (40.57)	308.5 (73.59)
Women Outerwear Not Knit (SITC-843)			
Change in Exports	139.9 (100)	176.0 (100)	315.9 (100)
World Trade Effect	23.8 (17.01)	125.0 (71.02)	57.8 (18.30)
Commodity Composition Effect	-1.7 (-1.22)	-0.4 (-0.23)	-3.1 (-0.98)
Market Distribution Effect	3.9 (2.79)	-19.5 (-11.08)	2.5 (0.79)
Competitiveness Effect	113.9 (81.42)	71.0 (40.34)	258.6 (81.86)
Outer Garments Not Knit (SITC-844)			
Change in Exports	129.2 (100)	272.9 (100)	402.1 (100)
World Trade Effect	70.7 (54.72)	147.1 (53.90)	172.0 (42.78)
Commodity Composition Effect	1.8 (1.39)	67.1 (24.59)	50.1 (12.46)
Market Distribution Effect	28.7 (22.21)	33.1 (12.13)	133.9 (33.30)
Competitiveness Effect	28.0 (21.67)	25.6 (9.38)	46.1 (11.46)
Outerwear Knit Non Elastics (SITC-845)			
Change in Exports	35.2 (100)	124.5 (100)	159.7 (100)
World Trade Effect	21.8 (61.93)	41.7 (33.49)	53.0 (33.19)
Commodity Composition Effect	3.8 (10.80)	-9.0 (-7.23)	-0.6 (-0.38)
Market Distribution Effect	11.6 (32.95)	0.3 (0.24)	14.3 (8.95)
Competitiveness Effect	-1.9 (-5.40)	91.5 (73.49)	93.0 (58.23)

Note : Figures in the parentheses indicate percentage change

Sources : a) Foreign Trade statistics of Bangladesh (BBS); Various Issues.

b) United Nation International Trade statistical Yearbook, Various Issues,

c) United Nation Commodity Trade Statistics, Various Issues.

The export data shown in Table-3 and Table-4 are slightly less than those shown in Table-2, because some of the export figures of Bangladesh to some individual markets, which is either insignificant or missing and are excluded. This is one of the limitations of the study. In spite of this, the aggregate values of exports of apparel products of Bangladesh to individual markets account more than 90% of actual export values.

In the framework of CMS model, an attempt is made to examine the competitiveness of Bangladeshi apparel export. The analysis of table-3 suggests that as compared to the rest of the world Bangladeshi export of apparel products are competitive. During 1982-86, SITC-842 shows a positive change in export having a very high magnitude. All the CMS components except commodity composition effect of SITC-842 category product show positive change. The competitiveness effect is 80.43% which shows very good export performance of Bangladesh. In period 1986-91, all the CMS Components show positive change, which suggest a better overall export performance of Bangladesh for SITC-842 category product than previous period. During 1992-96, Bangladesh has also maintained a very high positive change in export and offer a figure of \$ 419.2 million. The competitiveness effect at 73.59% shows a good export performance. But the commodity composition effect is negative. Negative commodity composition effect identified SITC-842 as such a product for which the world demand expanded slower than the average growth rate of world exports in general. The SITC-843 (Table-3) shows excellent export performance having very high magnitude of competitiveness effect. SITC-844 and SITC-845 also show positive competitiveness effect. But negative commodity composition effects of SITC-843 and SITC-845 identified these products as slow items. The world trade effects of all the product categories shown in Table-3 are positive and significant. It suggests the potential increase of Bangladeshi exports with the increase in world export.

Table-4 depicts the CMS components of SITC-846, SITC-847 and SITC-848 categories of products. Bangladesh shows a positive change of export for SITC-846 category product during all the three time periods. The highest contribution to the country's export change came from the competitiveness effect. Moreover, it maintained more or less the same level (around 68%) in all the periods. The rest of the CMS components for SITC-846 products except market distribution effect show positive change in all the periods. The market distribution effect is negative during 1987-91 and 1992-96. This indicates that the export of that period was concentrated into the relatively slower markets in world trade. But the positive figure of market distribution effect in the previous period over influenced that negative effect and turned it into positive in the final period. The positive commodity composition effect identified this product (SITC-846) as a fast growing commodity. The commodity composition effect and market distribution effect of SITC-847 category product are negative all through. That is, it is a slow growing product and its export was concentrated into slower markets. But the positive competitiveness effect shows the good performance of this product in world trade. The commodity composition effect made SITC-848 category product as a slow item showing negative sign during all the three period.

Conclusion and Policy Suggestions

The export growth of apparel products of Bangladesh is dominantly determined by the world trade effect. This happened due to the increase of world population, resulting the growth of demand of apparel products world-wide. The commodity composition of most of the apparel products (five products out of seven) of Bangladesh show negative effects. The factors responsible for negative commodity composition effects are : absence of appropriate fashion designs, low product quality, low quality of dying, printing and finishing, etc. The market distribution effect of SITC-847 (Textile Clothing Accessories NES) is negative. This indicates the concentration of exports of the product into some slow growing markets. The factors responsible behind the negative market distribution

effects are the conservative trade policies and the slow income growth of the concerned foreign markets. All most all the apparel products (for which the study is made) show good export performance by attaining positive competitiveness effects. For better export performance in future the commodity composition effects and the market distribution effects of the concerned commodities should have to be turned into positive. For this, various policy measures are needed to apply effectively. A fashion and design house should be developed in conformity with the industrial policy statement, which will help to move into the production of higher value-added commodity apparel. Presently, around 60% of required accessories are being supplied from local sources. Bangladesh must not plan to supply all the trimming-materials from within the country, because, some of the buyers may have fascination on some special brands of some particular countries. Ignoring this may cause a loss of valuable buyers. Considering this point, the size of the local accessory industries should be planned. To turn the negative market effect into positive, the apparel exports of the country should be guided according to the demand of the importing countries. Instead of concentrating the export to those markets where demands are growing slowly, Bangladesh should switch over to those markets where demands are growing faster and should go for more diversified apparel products to export in the developed countries.

Table 4: Analysis of export performance of Bangladeshi Apparel Products
(SITC-846-SITC-848) (\$ Million)

Effects	1982-86 and 1987-91	1987-91 and 1992-96	1982-86 and 1992-96
Under Garments Knitted (SITC- 846)			
Change in Export	71.4 (100)	170.5 (100)	241.4 (100)
World Trade Effect	16.0 (22.41)	66.0 (38.89)	38.9 (16.08)
Commodity composition Effect	2.3 (3.22)	33.0 (19.35)	16.3 (6.74)
Market Distribution Effect	9.8 (13.73)	-31.8 (-18.65)	21.2 (8.76)
Competitiveness Effect	-43.4 (60.78)	103.0 (60.41)	165.5 (68.42)
Textile Clothing Accessories NES (SITC-847)			
Change in Export	2.8 (100)	4.3 (100)	7.1 (100)
World Trade Effect	2.2 (78.57)	3.6 (83.72)	5.3 (74.65)
Commodity composition Effect	-0.02 (-0.71)	-1.8 (-18.60)	-0.8 (-11.27)
Market Distribution Effect	-0.3 (-10.71)	-0.7 (-16.28)	-1.3 (-18.31)
Competitiveness Effect	0.9 (32.14)	2.2 (51.16)	3.9 (54.93)
Artele of Apparel & Cloth Accessories (SITC-848)			
Change in Export	10.6 (100)	26.7 (100)	37.3 (100)
World Trade Effect	8.4 (79.25)	13.8 (51.69)	20.5 (54.96)
Commodity composition Effect	-0.1 (-0.94)	-5.8 (-21.72)	-5.2 (-13.94)
Market Distribution Effect	0.4 (3.77)	-1.2 (-4.49)	0.3 (0.80)
Competitiveness Effect	1.9 (17.92)	19.9 (75.53)	21.7 (58.18)

Note : Figures within parentheses indicate percentage change.

Sources : a) Foreign Trade statistics of Bangladesh (BBS); Various Issues.

b) United Nation International Trade statistical Yearbook, Various Issues,

c) United Nation Commodity Trade Statistics, Various Issues.

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INTEGRATION OF DHAKA STOCK EXCHANGE WITH THE DEVELOPED AND WORLD STOCK MARKETS: AN EMPIRICAL INVESTIGATION

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Abstract: Previous studies have found that emerging markets, in general have low integration with the developed markets. Low integration means that these stock markets are segmented from the developed markets, a phenomenon, which can help global portfolio investors mean-variance portfolio. In this backdrop, this paper investigates the integration of Dhaka Stock Exchange (DSE) with the developed and world markets. This study uses regression analysis and moving correlation technique to find how these markets are integrated and how the integration has changed over time. Results show that DSE has low integration with the developed and world markets. However, integration between the DSE and developed markets has increased gradually.

1. Introduction

Equity flows to developing countries have increased sharply in recent years. The low correlation between returns in emerging equity markets and industrial equity markets implies that the global investor would benefit from diversification in emerging markets by developing better mean-variance efficient portfolios.¹ On the other hand, equity portfolio flows can benefit developing countries by diversifying the sources of external finance, increasing the risk-bearing by investors, reducing cost of capital, improving incentives for managing the investment process, assisting in the development of domestic capital markets, and enhancing the mobilization of domestic resources. Since the investors in both emerging markets and developed markets are benefited from the equity from across borders, both the markets are supposed to become more integrated gradually.

In financially integrated markets, capital should flow across borders in order to ensure that the price of risk – the compensation investors receive for bearing risk – is equalized across assets. Conversely, if capital controls or other forces prevent free movement of capital across borders, then it is likely that different economies will demand different levels of compensation for risk.

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¹ IFC (1998) defines emerging stock market in different ways. The term can refer to any market in a developing economy, with the implication that it has the potential for development. This term can also refer to any market that is going through a process of change, in contrast to markets that are small and stagnant.

Several studies have found that emerging markets were not well integrated with the developed markets until the early 1980s. Now, as a result of increased equity flows and opening of economies, it is found that emerging markets are becoming increasingly integrated with world financial markets, and this has brought their cost of capital more in line with those in world markets. To further reap these benefits, developing countries should (continue to) lower barriers to foreign capital flows. The most important barriers appear to be instability, under-developed stock markets, and a lack of openness. Policy measures that can help remove the barriers of the emerging markets in general are – in addition to proper fiscal and monetary policies – a solid regulatory and accounting framework, investor protection, and less restriction on foreign ownership.

This article examines the monthly return characteristics of Dhaka Stock Exchange (DSE) and developed markets. Using the regression analysis, it investigates how the DSE monthly returns are integrated with the developed and world market returns. Finally, we use the forty-month moving average correlation between these markets' returns to find whether the DSE have become more integrated with the developed and world markets over time. The paper is organized as follows. Section 2 gives a brief review of the previous literature on integration of stock markets. Section 3 explains the data and research methodology used. Section 4 provides the results of the econometric models used in the study. Section 5 concludes the paper.

2. Literature Review

Bakaert and Harvey (1994) use the world portfolio as a benchmark for measuring risk. They report that an unconditional single-factor CAPM is unable to characterize returns in emerging markets. This phenomenon means that emerging markets are less integrated with world market. However, they observe that the slope coefficient of the country return on the world portfolio return (beta) has increased for most emerging markets in recent years. He interprets this as signs of increased integration, because most industrial countries have high betas. Harvey (1994) tests multi-factor models and finds significant evidence that global risk factors are not powerful in explaining returns in emerging markets, especially compared with explaining returns in industrial countries. His evidence is consistent with the view that the emerging markets are segmented from industrial countries. Buckberg (1995) uses a single-factor CAPM in which expected returns are allowed to change over time. She cannot reject that emerging equity markets were integrated in recent years, whereas she could not reject it for earlier period and this suggests that the benefits of further diversifying into emerging markets have been reduced.

Tandon (1994) shows that risk-adjusted cost of capital in emerging markets has moved more in line with that in industrial markets. This lower cost of capital associated with increased integration is also backed up by studies of individual security's offerings. He shows that offering bonds on the international markets leads to a reduction in the required rate of return of the same firm's equity.

Harvey (1995a) finds that standard global asset pricing models, which assume complete integration of capital markets, fail to explain the cross section of average

returns in emerging countries. An analysis of the predictability of the returns reveals that emerging market returns are more likely than developed countries to be influenced by local information. Harvey (1995b) examines the sensitivity of the emerging market returns to measures of global economic risk. He finds that emerging markets have little or no sensitivity, which confirms the results of previous studies. There is a strong positive rank correlation between average returns and volatility, the pricing error, and the autocorrelation coefficients. Consequently, emerging market returns cannot be explained by the world-market model, but they might partially reflect inefficiencies in domestic markets.

Bekaert (1995) develops a return-based measure of market integration for nineteen emerging equity markets. It then examines the relation between that measure, other return characteristics, and broadly defined investment barriers. Although the analysis is exploratory, some clear conclusions emerge. First, global factors account for a small fraction of the time-variation in expected returns in most markets, and global predictability has declined over time. Second, emerging markets exhibit differing degrees of market integration with the U. S. market, and the differences are not necessarily associated with direct barriers to investment.

Tesar and Warner (1995) find no evidence of a relation between the volume of U. S. transaction in foreign equity and local turnover rates or volatility of stock returns. These findings imply that the activity of U. S. investors is not the source of excess volatility or high turnover on local (emerging) equity markets. Korajczyk (1996) measures the deviations of asset returns from an equilibrium model returns constructed assuming market integration. Applying the measure to stock returns from 24 emerging markets indicate that market segmentation tends to be much larger for emerging markets than for developed markets, and the measure tends to decrease over time.

3. Data and Methodology

Monthly index data from January 1990 through December 1999 have been taken into account. In this study, Germany, France, Netherlands, UK, Switzerland, Japan, Canada, USA, and World markets have been considered as the representatives of developed markets. Index data of developed countries and world market have been collected from the MSCI (Morgan Stanley Capital International). Short-term (3-month) interest rates are collected from Datastream International. DSE index data are collected from DSE monthly reviews. Short-term interest rates of Bangladesh are collected from various Bangladesh Bank reports.

Monthly returns are calculated from the monthly index data as follows.

$$R_{i,t} = \log\left(\frac{P_t}{P_{t-1}}\right) \times 100 \quad (1)$$

Where R_t is the return at month t and P_t and P_{t-1} are the monthly closing index at month t and $t-1$, respectively. i is each country under study

Monthly excess returns are calculated from the monthly returns in the following manner.

$$r_{i,t} = R_{i,t} - R_{w,t} \quad (2)$$

Where $r_{i,t}$ is the excess monthly returns of each country and $R_{ft,t}$ is the risk-free rate for each country concerned.²

Integration between DSE returns and other developed and world market returns is investigated by the following OLS (ordinary least square) regression.

$$r_{i,t} = \alpha + \beta_1 r_{ft,t} \quad (3)$$

Finally, 40-month moving correlations between the DSE and developed market excess returns have been calculated. It gives the idea about how the integration levels between these markets change over time. SHAZAM has been used as the econometric software to do the necessary calculations.

Table 1: Excess Returns of the Selected Developed Markets and DSE

Country	Obs.	Mean	St. Dev.	Variance	Minimum	Maximum
Bangladesh	119	-0.5598	11.3370	128.5300	-35.6440	56.3890
Germany	119	0.4934	5.9717	35.6610	-20.9400	14.2570
France	119	0.5547	5.6393	31.8020	-15.6310	11.9390
Netherlands	119	0.8040	4.7273	22.3470	-14.2960	12.8420
UK	119	0.2626	4.1734	17.4170	-10.6770	9.8623
Switzerland	119	0.9324	5.3183	28.2840	-20.2310	12.3360
Japan	119	-0.5616	6.3943	40.8870	-22.5270	16.4820
Canada	119	0.3359	4.3062	18.5440	-21.5060	10.4690
USA	119	0.8886	3.8338	14.6980	-15.5510	10.2420
World	119	0.3807	4.0971	16.7860	-14.9120	9.1704

4. Analyses of Empirical Results

Table 1 presents the descriptive statistics of excess returns of all the countries under study. Only Bangladesh and Japan have negative mean returns. For Japan, the reason might be the slow growth of Japanese economy during the 1990's. For Bangladesh, the stock market crash of 1996 is the main force behind the negative mean return of the DSE. However, the striking feature of Bangladeshi capital market is the volatility of DSE returns, which is much higher than that of any other country in the sample.

Table 2 shows the results of OLS (ordinary least square), where DSE excess returns are regressed on each of the developed markets' monthly excess returns. Regression results show no significant relationship between the DSE returns and developed markets' returns. Only the coefficient of Canada is significant at 10% level. The r-squares, in general, are also very low, indicating the inability of the world and developed market returns in explaining the returns of the DSE.

² Monthly LIBOR is used as the short-term risk-free rate for the world index, which is constructed by the MSCI.

Table 2: Regression Results

Country	Constant	t-ratio (cons.)	Slope (beta)	t-ratio (beta)	r-square
Germany	-0.5354	-0.5114	-0.0494	-0.2817	0.0007
France	-0.5397	-0.5147	-0.0362	-0.1949	0.0003
Netherlands	-0.5548	-0.5240	0.0062	-0.0277	0.0000
United Kingdom	-0.5499	-0.5259	-0.0376	-0.1499	0.0002
Switzerland	-0.5853	-0.5523	0.0274	0.1389	0.0002
Japan	-0.4860	-0.4651	0.1314	0.8038	0.0055
Canada	-0.6984	-0.6755	0.4128	1.7170*	0.0247
USA	-0.7481	-0.6999	0.2120	0.7773	0.0051
World	-0.6751	-0.6479	0.3029	1.1913	0.0121

* significant at 10% level.

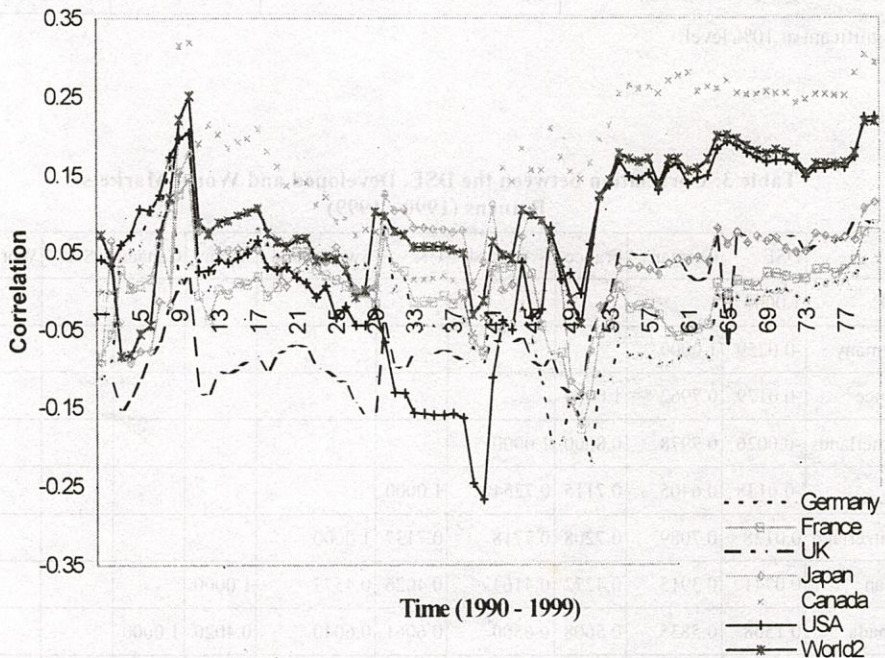
Table 3: Correlation between the DSE, Developed and World Markets' Returns (1990 - 1999)

	DSE	Germany	France	Netherlands	UK	Switzerland	Japan	Canada	USA	World
DSE	1.0000									
Germany	-0.0259	1.0000								
France	-0.0179	0.7962	1.0000							
Netherlands	-0.0026	0.7978	0.8000	1.0000						
UK	-0.0138	0.6405	0.7115	0.7254	1.0000					
Switzerland	0.0128	0.7089	0.7208	0.7718	0.7137	1.0000				
Japan	0.0741	0.3915	0.4272	0.4164	0.4026	0.4573	1.0000			
Canada	0.1568	0.5835	0.5608	0.6500	0.6061	0.6040	0.4020	1.0000		
USA	0.0717	0.6149	0.6015	0.6582	0.6612	0.6493	0.3917	0.7326	1.0000	
World	0.1094	0.6344	0.6535	0.6667	0.6958	0.6795	0.7350	0.7179	0.7924	1.0000

Table 3 shows the correlation between the DSE excess returns and developed and world markets' excess returns. DSE has a negative and very low level of correlation with Germany, France, Netherlands, and UK. On the contrary, DSE returns show positive correlation with Switzerland, Japan, Canada, USA, and world returns. Out of these countries, DSE has the highest correlation of .1568 with Canada. Bangladesh have very

low correlations of .0717 and .0741 with the USA and Japan, respectively. This result is surprising since these two countries are close trade partners of Bangladesh. DSE has low but positive correlation of .1094 with the world. It indicates that Bangladeshi capital markets are very much segmented from the world markets. This is a situation, which can allure the foreign investors to construct even better mean-variance efficient portfolio. If we look at the correlations between the developed countries, we will observe a very strong correlation between them. For example, except with Japan, USA has positive correlation of between .6016 and .7357 with other countries. Again, the correlation between every developed country and the world is strikingly high, indicating strong integration between these markets and the world.

Graph 1: 40-month Moving Correlation between DSE and Developed Markets' Returns



Graph 1 shows the 40-month moving correlation between the DSE excess returns and that of markets of Germany, France, UK, Japan, USA, and world. Such an analysis can show how the integration between markets changes over time. This graph reveals one important development - although integration between the DSE and world markets is low, it has been increasing over time. For example, in 1990 the correlation between DSE and world was only .07 whereas it has become .22 at the end of 1999. In a similar fashion, the correlations between the DSE and Japan and Canada have become much

stronger during the same period. Another observation is that Bangladesh, now, has positive correlation (although in some cases, very low) with all the developed markets under study.

5. Conclusion

This paper studies the integration of Bangladeshi capital market (DSE) with the world and other developed markets. Moreover, moving correlation technique is used to find if the correlation between them has changed over time.

The world and other developed markets' returns do not explain the returns in the DSE, indicating very low integration of Bangladeshi stock market with the developed stock markets. This segmentation may be insignificant for a general investor, but it can help a global portfolio investor to search for an even better mean-variance efficient portfolio. This is plausible since it is not the standard deviation of an asset's returns but the covariance between assets' returns that contribute to the overall risk of a portfolio.

Finally, moving correlation analysis shows that the DSE has been becoming more and more integrated with the world markets. This means that the cost of capital of DSE is going down toward that of the developed markets. Unfortunately, the global investors will become gradually less interested in DSE stocks as the market integration increases since it will drive away the likely diversification benefits. The global portfolio investors can still be interested in the emerging markets like Bangladesh if the stock market is properly supervised and monitored. The most commonly cited areas for development are proper (a) regulatory and accounting framework and (b) timely disclosure of price sensitive information.

Although the study does not find any relationship between developed and world markets and DSE, this study paves the way for more detailed study. For example, other global factors like exchange rates, world industrial output, etc. can play important roles in explaining DSE returns.

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REAL ESTATE MARKETING IN BANGLADESH: PROBLEMS AND PROSPECTS

Shib Shankar Roy*

Abstract: The population of urban areas is growing rapidly due to natural increase and influx of rural population. The demand of housing is beefing up day-by-day, that is why the private real estate marketers want to expand activities to adapt realistic and pragmatic step to meet the housing need. This article is an attempt to investigate how the private Real Estate sector solving the housing need and to analyse the market situation and perception of customer about the Real Estate Marketers. The article concludes that the private Real Estate sector is contributing in solving the housing need for only upper middle class people of the urban areas. But an overall evaluation of it's present marketing proposition indicates that it is not yet ready to cater to the need of middle-middle class people in Bangladesh. But they can come up with appropriate plans for constructing low cost apartment in the peripheral areas of the town for middle-middle class people.

Background of the Real Estate Business

The right to live in one's own house/homes is a fundamental right of people and it is recognised internationally. The demand of housing in urban areas in developing countries like Bangladesh is dramatically increasing. As per the observation of the World Bank the total population of Bangladesh was 12.20 core in 1996 out of which 2.40 core live in urban areas. The urban population will be 5.20 core by the year 2001 and by the year of 2020 it will be 8 core¹. This growth in urban population has been concentrated around the major cities in Bangladesh. Rural people are migrating not only to find jobs but also many wealthy people are also moving to urban areas for the fulfilment of their expectations of better living, betterment of their future generation, and for enjoying the modern facilities of the city life. This has resulted into a serious housing crisis all over the country especially in the major cities of Bangladesh.

Under these circumstances the National Housing Policy of Bangladesh (1993) has set the national goal of ensuring housing for all especially for the low income people². But there has been lack of effective steps to achieve the objectives. In this context, for solving the acute problem of housing, Private Real Estate Firms have taken initiatives by ensuring maximum uses of land in a planned way. In this system, it is possible to accommodate more people in a comparatively small place. Apparently, Real Estate Business seems to be a very recent phenomenon as a business. But it has started in the

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late 1970s in Dhaka City. The Ispahani Group is the pioneer in this sector. In the early 1980s with the inception of Eastern Housing Ltd. the business started flourishing.³

Basically, the term Real Estate as commonly used has two meanings: (1) it is a name given to the commodity "Reality" which includes not only land but also all human improvements placed on the land: (2) it is the name given to the business engaged in by those who conduct commercial transaction in Real Estate. The basic component of reality as a commodity is land. It means not only the surface of the earth but also the property rights and interests that attach to ownership of reality, including sub surface minerals.⁴ Now, the buildable land is becoming scarce due to high cost and it is increasing at an unprecedented rate. Also, the topography of the land is a significant problem in expanding the city area. The table 1.1 focuses that the population of Dhaka city was 35 lakhs and the house need was 5.10 lakhs in the year 1981. In the year 2000 the population was 93 lakhs and the house need was 16.91 lakhs.

Table 1.1: Distribution of Demand of House in Dhaka City

(in lakhs)

Population in 1981	House Need	Projected population in 2000	House Need
35	5.1	93	16.91

Source: Rahman, Atiar; Grihayan O Unnayan: Pariprekhet, Bangladesh, p 125

It may be assumed from the table 1.1 that by the year 2001 the projected population will be 96.21 lakhs and the need of house will be 17.49 lakhs. From the above information, it is clear that the housing need is increasing in Dhaka City day-by-day. In this circumstance, it becomes necessary to go for such a housing system that permits the accommodation of more people in less land area. That is why, this situation has opened a new sector of better investment for the committed Real Estate Entrepreneurs. For the fulfilment of the choice and demand of today's customer, the private real estate marketers are planning, designing, and constructing multi-storey buildings. Now, 200 Real Estate firms are in operation in Bangladesh. The Developers Company grouped themselves under a common platform- REHAB (Real Estate Housing Association of Bangladesh). The Association started its sail from January 1992 with only 9 members and continued as such till 1995. It has been due to the untiring efforts of the sponsor member of the REHAB that they have been able to raise the membership to 71 till 1999⁵. Till now, the REHAB companies have been concentrating their attention in two major cities in Bangladesh – Dhaka and Chittagong but mainly in Dhaka.

On Going Discussion in the Existing Literature

Mr. Abu Sayeed Taluckder and others⁶ try to examine and assess the present pattern of apartment marketing and its future. The business activities have not been focussed through their paper like the promotional activities as well as the problems associated with the business have not yet been highlighted exactly. Also, the paper did not pinpoint how to overcome the major barriers of the Real Estate Companies that are being faced by the developers as well as buyers in the context of present competitive market of the apartment marketing. The study suggested that the future apartment building projects

should be planned to cater to the needs of the middle income people. Banks and other financial institutions should extend their assistance to the apartment builders, but how the problems of the Real Estate Business can be solved, they do not mention it in their paper. Come what may, they have extended their golden hand to highlight the various problems by providing information in the arena of Real Estate Business.

Md. Belayet Hossain, Dr. Md. Anwarul Islam Ahmed, Mr. Fakrul Alam the study entitled "Some Aspect of Real Estates Business in Dhaka City".⁷ The study attempted to investigate the nature of real estate business, psychological aspect of buyers, and policy decision of the firms. But the study were not highlighted the matter in details. For purchasing high- involvement product like an apartment, there is various economic and psychological factors influence the buyers purchasing decisions. Also, the study did not suggest what kind of governmental help and facilities will specifically be effective for growing Real Estate Business. But the study mentioned some significant aspect of Real Estate Business like the nature of Real Estate Business, pricing policy etc.

Dr. Mijanur Rahman, in his article on "The Real Estate Business in Dhaka City"⁸ tried to analysis the market situation, competition, and customer perceptions about the real estate developers. But in his paper he did not mention how the top ranking real estate companies gaining competitive advantages, and he did not pass his valuable comments on promotional mix, marketing mix etc. which is very important aspect of marketing in the context of competitive market. His paper is very much informative but he did not find out the problems of real estate business that are being faced by the builders as well as buyers right at this moment.

This paper intends to provide a specific guideline about the present status and role of the Real Estate Company, customer, government, and concerned organisation for solving the housing problem in Bangladesh.

Statement of the Problem

As a best creation of the creator it is our inborn tendency to live and lead a sound life in a peaceful place. Everyone needs rest and recreation after his daily work to refresh his mind. We can enjoy renewal from various places but we can take rest and revive our mind at one place that is called home. But it is impossible if that home is located in a densely populated area like Dhaka City. The density of the population is 200 people per acre. And 70% of the total population in Dhaka City do not possess any land. 80% of the total land is owned and used by only 30% of the total population, while the rest 20% of the land is resided by the 70% of the people.⁹ In this city it is far-away dream for people to purchase a piece of land or a dream home in the heart of the city due to the scarcity of land. By keeping this in mind, the Real Estate Companies have been incorporate in our country.

Apparently, to construct apartment building and selling is a relatively new type of business. Little is known about its different aspects as yet. In accordance with the observation it is evident that this is a new sector for better investment for the entrepreneurs due to high cost of land and huge demand of housing. Increase in land value encourages tall buildings. Because, higher value of land, taller building tend to rise. In Dhaka, land value is increasing at an unprecedented rate and the economy forces to

build high rise building as well as commercial building. The simple rule is that if the cost of one squire foot of built area, builders will go for high rise building. Cost of construction per squire foot at present is between 800 to 1200 taka. Whenever the cost of land per katha i.e. 720 sft is more than taka 8 to 10 lakhs there is sufficient incentive for building high rise.

The Real Estate companies are constructing not only apartment building but also commercial building for the upper class and upper middle class income groups. By analysing the opinion and experience of the company, it has been found that at present this sector is loosing its importance due to improper planning, high price of land and apartment, lack of mass rapid transmit system, lack of government incentives, method of contract, improper marketing system, extra tax & VAT imposed by the government, deterioration of law and order situation in the cities etc.

Beside this, the real estate developers are also facing various problems regarding purchasing land, long-term finance etc. Moreover, some non-professional developers are hampering the smooth development of this sector. They have shaken buyer's confidence and consequently buyers are confused for taking decision to purchase apartment from the Real Estate Company. On the other hand, the expansion of the city is not made in a planned way. So that, not only housing problem is increasing but also we are loosing a vast agriculture land, clean weather and open sky. In the light of above, government should come-up with appropriate plan to develop township around the major Cities along with connection of rail & road communication, and other facilities. This present study has been focussed the marketing performances performed by the Real Estate Company. Also, the study is concentrated mainly on exploring the present condition and problem of apartment marketing in Bangladesh.

Study Objectives and Methodology

To launch an exploratory search for finding out and examine the present status and problems of the marketing of Real Estate Housing in Bangladesh and its future trends, the objectives of the study paper are as follows: (a) to analyse the marketing performance performed by the Real Estate Marketers; (b) to assess how the Real Estate Marketers draw the interest and attention of the customers; (c) to know how the developers or builders gain the competitive advantages; and (d) to realise the problem faced by the builders as well as customers.

Method of approach of the present research is directed towards emphasising mainly on empirical aspects of the problems associated with the proposed study. Both primary and secondary data has been used in this study. For the purpose of the study, Survey method was using for collecting Primary data. Two sets of structured questionnaires were used. The first set were used to collect data from a sample of 30 Real Estate Companies and the second set of questionnaire were designed to collect data from a sample of 70 apartment buyers. Both of those samples were selected purposively due to the non-availability of suitable sampling frames.

The primary data have finally processed and analysed to understand the problems that are being faced by the apartment marketers as well as customers. Simple statistical methods were used like the average percentages and the ratio tabular form. The

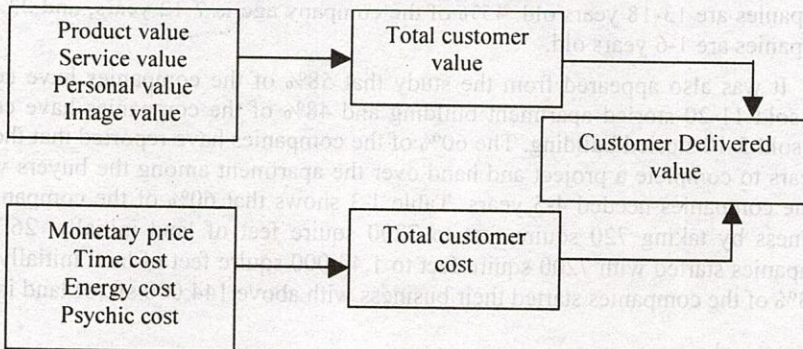
secondary data was collected from books, journals, publications, reports of the concerned organisations and other publications of the government and non-government agencies in Bangladesh.

Major Findings

Product Planning and Development

An apartment is a consumer product as well as business product. Because one can buy the apartment for his own use and one can buy the apartment for resale or business purpose. Also, a product can be defined as a bundle of tangible and intangible attributes that a seller offers to the potential buyer and that satisfies the buyer's needs or wants.⁹ For purchasing an apartment customer do not prefer every location equally. Customer delivered values is the important factors to purchase an apartment. Customer delivered value is the difference between total customer value and total customer cost. And total customer value is the bundle of benefits customer expect from a given product or service.¹⁰ Real Estate Developers provide product value like reliability, durability, and performance to the customer. They provide service value like timely delivery of the product, maintenance service etc. They provide personnel value by involving reputed architect and engineer in designing and constructing building. They also provide image value by showing their reputation or good will. These are the total customer value. For gaining the total customer value, buyer is ready to pay, which is called total customer cost. Customer added value is shown in the figure:

Figure: 1 Determinants of Customer Delivered Value



Source: Philip Kotler, Marketing Management, Analysis, Planning, Implementation, and Control, 8th ed., Page-38

As per the buyers opinion there are various kind of troubles involved in purchasing land. 89% of the buyers informed that they preferred to buy an apartment instead of buying land to construct apartment for avoiding the various troubles involved in buying land and construction work. 35% of the buyers reported that the reason for purchasing apartment to live with upper class people of the society. 45% customers prefer a wide road space where the apartment will be located. 80% of the buyers like to buy an

apartment where a jam does not occur regularly, Cent percent of the buyer's emphasis to purchase apartment on the green areas.

Table 1.2: Customers Expected Value from the Apartment Buying

Avoid troubles to purchase land for constructing building	89%
Prefer wide road space	45%
Live with upper class people	35%
Avoid traffic	80%
Purchase apartment in green areas	100%

Source: Field Study

The above table shows that customers are expecting different value and the Real Estate Companies always try to fulfil today's buyer value and they are planning to develop an apartment building in the central areas of the city. In selecting site, 100% firms considered various civil facilities like school, college, office-court, market, and communication system. The study shows that 35% companies are purchased land by cash and 45%-55% companies are purchased land both in cash. It is also observed in research that about 85% organisation draw apartment design at their own choice and 15% organisation draw apartment design according to buyers choice. By considering the age of the Real Estate Companies it was found that out of 200 Real Estate Companies in Bangladesh only 30% of the companies constructed above 100 apartments in various size. 35% of the companies constructed above 80 apartment in various sizes, and 25% of the companies constructed 40-60 apartments. The table 1.2 also shows that 26.6% of the companies are 13-18 years old, 45% of the company age is 7-12 years, and 23.4% of the companies are 1-6 years old.

It was also appeared from the study that 58% of the companies have constructed and sold 11-20 storied apartment building and 48% of the companies have constructed and sold 5-10 storied building. The 60% of the companies have reported that they need 2-3 years to complete a project and hand over the apartment among the buyers while 25% of the companies needed 4-5 years. Table 1.3 shows that 60% of the companies started business by taking 720 squire feet to 7200 squire feet of land initially. 26.7% of the companies started with 7200 squire feet to 1,44,000 squire feet of land initially, and only 13.3% of the companies started their business with above 144,000 sft. of land initially.

Table 1.3: Initial Land for Starting Business

Land in Square feet	Number of the company	Percentage
720 – 7200	18	60
7200 – 144000	8	26.7
144000- above	4	13.3
Total	30	100%

Source: Field study

Managing Land and Construction Materials and Sources of Fund

Private real estate companies are wanted to expand their activities with taking realistic and pragmatic steps by capitalising of the demand of housing. But their activities are halted due to scarce of buildable land and its cost. 100% Real Estate Companies informed that the build-able land in appropriate areas is not available. Topography of land is a significant problem in expanding the city area which make the land for constructing houses scares and costly. Moreover, 100% builders mentioned that they faced big trouble in purchasing land and construction materials. Most of the disturbances created by the illegal toll collectors and hooligans. On the other hand, the prices of construction materials are on the increase at a faster rate. 78% builders reported that they were not getting supply of raw materials on time due to political disturbance, strike, hartal, etc.

The Real Estate firms are concerned with finance both as a receiver and as a source of credit of loan. As a receiver, they sometime have to use short term financing to tide their business over seasonal peaks, which may require additional investment in taking new project (s) and higher promotional expenses. Also, they provide loan to the customer if it is required. Every person needs a house, which is, depends on his purchasing power. But most of our apartment buyers are not financially sound. They need easy finance from the company as well as from financial institutions. The House Building Finance Corporation (HBFC) is the only regular housing finance source. The Bangladesh Bank in 1986 advised all scheduled banks to extend loan facilities to the lower and middle-income groups by keeping apart a percentage of their total investment. But bank seems to be very much restrictive to provide financial assistance to housing sector¹¹ By analysing the characteristics of Real Estate Business, it has been observed from the table 1.4 that 8.5% companies are sole proprietorship, 50% are partnership type, 16.5% are public limited companies, and the rest 25% are private limited companies.

Table 1.4: Characteristics of Real Estate Business

Types of Business	Percentage
Sole Proprietorship	8.5%
Partnership	50%
Public Limited	16.5%
Private Limited Company	25%
Total	100%

Sources: Md. Belayet Hossain, Md. Anwarul Islam, Ahmed Fakharul Alam. "Some Aspect of Real Estate Business in Dhaka City", Dhaka University Journal of Business Studies Vol. 19(1), 1998. P-36.

Also, from the observation it was found that the Real Estate Companies are getting a little privilege from the government, which an industry generally gets. Table 1.5 shows that these companies are mainly depends on own fund and this is estimated to be about 70% of the total capital requirement. 16.7% of the companies are depended on financial institution for capital requirement and rest 13.3% is depended on advance sale of the apartment of the existing project.

Table 1.5: Sources of Fund

Types of Fund	Number of Companies	Percentage
Own Fund	21	70
Financial Institution	5	16.7
Advance Sale of the Apartment	4	13.3
Total	30	100%

Source: Field Study

100% of the Real Estate Companies reported that Government or financial institutions should provide long term finance at low rate of interest. 100% of the buyers and 98% of the builders informed that existing high stamp duty, registration fees, transfer fees etc. have made both buying and selling of apartments expensive and cumbersome. One of the most important factors to the enterprise is the nature of government fiscal and tax policies. Government control of the availability of credit through fiscal policy has considerable impact not only on business but also on most non-business operations. Similarly, government tax policy affects every segment of our society. The way taxes are levied is also important, not only to business but to people generally. For example, if taxes on business profits are too high, the incentive to go into business or stay in it tends to drop, and investors will look elsewhere to invest their capital. If taxes are levied on sales, price will rise and people will tend to buy less. If heavy taxes are placed on Real Estate, People may find it too expensive to own a house and may go to cheaper and less comfortable living quarters.¹²

Promotional Activities of the Apartment Marketers

In Real Estate Business, one of the most important tools in promotion is personal selling, and most of the companies has given emphasise on it. The study shows that 45% of the firms are used personal selling with their skilled personnel. 80% of the companies give salary to their sales people and 20% of the company give salary as well as commission to their sales people. It has also been observed that 85% of the firms have separate marketing department and there is no such a department in case of 15% firms. 25% of the sales people reported that the company did not pay their commission exactly against their sales as were committed by the company.

The another form of promotion is advertisement, which is widely used by the Real Estate Company. It has been observed from the study that 100% Real Estate Companies used advertisement. The newspaper and magazines are the media generally used by the companies. 20% of the companies used television. The companies were found to use different media for advertising, which is shown in table 1.6. 100% of the companies informed that advertising is the best promotional efforts by considering cost. Table 1.7 shows that for advertising purpose 50% of the companies spend 3-4% as an advertising cost of their total cost of the project. 30% of the companies spend only 1-2% as an advertising cost, 16.67% of the companies spend 5-6%, and only 3.3% of the company spend 6% and above as an advertising cost.

Table 1.6: Distribution of the Companies According to Media Used for Advertising

Media	Percentage of companies
Newspaper	100
Television	20
Magazine	85
Hoarding	15
Total	220*

Note: *The total percentage exceeded 100 as companies were found to use more than one media.

Source: Abu Sayed Talukder, Md. Zakir Hossain Bhuiyan, "Apartment Marketing in Dhaka City: Present and Future". Dhaka University Journal of Business Studies, Vol. 13(2), p-192.

Table 1.7: Company's Advertising Cost (percentage of total project costs)

Number of the company	Percentage of the company	Percentage of total cost
9	30	1-2
15	50	3-4
5	16.7	5-6
1	3.3	6 and above
Total	100%	

Source: Field study.

From the above table it seems that the advertising cost is comparatively lower than other business. The another observation shows that cent percentage of the Real Estate Companies produce prospectus of their project containing summarised information and supplied it among the customers. Real Estate Companies has taken resort to advertisement as a measure of promotion by considering the educational background of the customers. It has been reported that 97.15% of the apartment buyers were graduate and post-graduate. Table 1.8 shows that only 2.85% of the apartment buyer are under-graduate, 52.85% are graduate, and 44.3% of the buyers are post-graduate.

Table 1.8: Educational Status of the Apartment Buyers

Level of Education	Number of Buyers	Percentage
Undergraduate	2	2.85
Graduate	37	52.85
Post-Graduate	31	44.3
Total	70	100

Source: Field study.

As regard the profession of the buyers it has been found that 50% of them were businessmen, and 30% of them were service holders. Doctors, Engineers, Teachers and other professionals contributed the rest 20%. About the family size of the apartment buyers it has been observed that 72.5% of the buyers had less than 6 members in their families while 27.5% of the buyers had more than 5 member families. It has also been found that 57% of the apartment buyers working aboard.¹³

The above discussion reveals the ideas that a significant percentage of the buyers are well educated with small families as well as those are living in abroad are vital apartment buyers. An insignificant number of companies are publishing advertisement in the Bengali newspaper, which is published from abroad for attracting the buyers those are remitting money. So that, advertisement is the key forms of promotion in the context of Real Estate Business by considering the educational status of the buyers. It is such a promotional form that can attract or informed more target group at a time but less expense.

The another form of promotion is sales promotion, which is used by the company now and then. The Real Estate Companies usually use rebates, discounts, and coupons. In this observation it was found that only 3-4% of the companies used trade-shows. 55% of the companies gave discounts for a time being.

The another form of promotion is *public relation*, which is very much important for selling the apartment. Public relations encompass a wide variety of communications efforts to contribute to generally favourable attitudes and opinion toward an organisation and its product. Public relation can take many forms, including news litters, annual reports, lobbying, sponsorship of charitable or civil events.¹⁴ But in real estate business, an insignificant number of firms are used these forms of public relation. 1-2% of the firms has published their annual reports. On the other hand, the real estate firms in Bangladesh are not financially sound enough for sponsoring of charitable or civil events at a national and international level.

The publicity is a special form of public relations that involves news stories about an organisation or its products. It is not paid for, the organisation that is the subject of the publicity has no control over it, and it appears as news and therefore has greater creditability than advertising.¹⁵ The Bengali and English paper and magazine in Bangladesh are playing a vital role in this regard especially, The daily star and The Bangladesh observer. The Real Estate Companies frequently provided the materials for publicity in the form of news release, press conference, and photographs of their projects as well as their company. In the observation it was found that 70% of the Real Estate Companies brought confidence in the buyers mind by giving features, articles, photographs etc. in various papers and magazines. Moreover, 78.57% of the buyers have many complaints about the performance of the Real Estate builders.

Pricing System of Apartment

When the value of something will be charged with money then it will be its price. Price can be expressed in taka, dollar, pound-sterling etc. and it is determined by the currency of that country. In marketing, price means a point where a seller sets an amount of money to sell his product and the buyer also agree to buy the product with the charged money, and it is the market value of a product which is measured by money. i.e. price is the amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or service.¹⁶

Fixing price of the Real Estate Business is very complex. Cost plus pricing method (Land cost + construction cost + marketing cost + margin) is the widely used of pricing followed by the Real Estate Companies. It has been reported that 85% of the firms are

used this pricing policy. For fixing price 65% of the firms are considered the location of the apartment buildings, 30% of the firms are taken demand into account in fixing price.

Ascertaining the cost of construction per square foot including the land price is another method used in fixing the selling price of the apartments. Thus the price of apartment vary with its size. The observation shows that the selling price of the apartment was @ TK. 1500-2000/sft. by using this method. This method is getting popularity and followed by about 17% of the Real Estate Companies. Under this method company can face the competitive situation effectively. Price escalation with land and construction cost is a method followed by only 8% of the companies in Dhaka City. In this method the companies' charges relatively low percentage of profit¹⁷. It has been observed that prices of apartments of similar size in same locality vary due to the variation of quality of construction, fittings, and good will of the company. The following table 1.9 shows the current prices of apartments of varying sizes located in different city areas.

Table 1.9: Average Price of Apartment(s) at Different Location in Dhaka City

Price in lakh

Size of the apartment in sft.	Moghobazar	Circular Road	Green Road	Dhanmondi	Gulshan	New Eskaton	Indira road
1000-1300	12-15.5	12.5-16.25	13-16.9	-----	-----	12-15.5	13-16.9
1400-1700	16.8-20.4	17.5-21.25	18.2-22.1	-----	-----	16.8-20.4	18.2-22.1
1800-2100	-----	-----	27.9-32.5	31.5-38.8	39.6-46.2	-----	-----
2200-2500	-----	-----	-----	48.4-55	55-62.5		

Source: Field study.

The table 1.9 reveals that the apartment price varies from location to location. The price of the apartment in certain area like Moghobazar, Circular road, Green road, New Eskaton, and Indira road are almost same where the upper middle class people are showing interest to purchase an apartment. The price of the apartment in those areas is between 1200/- sft to 1300/-sft. But in Gulshan, Bonani, Dhanmondi it is between 1750/-sft. To 2500/-sft. From the table 1.9 it is seen that mostly upper class people of the society have the capability to purchase the apartment. Moreover, the upper middle class people of the society are showing interest in purchasing the above-mentioned apartment by medium to long-term instalments. It can be said that the city people are gradually developing the appropriate attitudes required for adapting with apartment living.

Manpower

It has been found that 75% of the apartment building companies are managed by 1-10 executives and 10% of the companies have 10-20 executives, 30% of the companies have 1-10 staff and 25% have 10-20 staff. It has also been found that 5% of the companies have more than 50 executives and 20% of the companies have more than 50 staff.¹⁸ 65% Real Estate Developers reported that they don't have talented and creative executive.

Marketing Research in Real Estate Business

Marketing research is the systematic design, collection, analysis, and reporting of data and findings relevant to a specific marketing situation facing the company.¹⁹ The marketing manager of the real estate firms often commission formal research studies of their specific problems and opportunities like market survey, a product preference test, a sales forecast, or an advertising-effectiveness study. It has been reported that 3-6% small companies engaged students and teachers from local college or university to design and carry out the project, or they hired marketing research firm for doing the job but they don't have the specialised knowledge and experience for doing the job. 85% of the large companies conducted market research by their own research personnel before going to new ventures.

Customer Attraction

For drawing interest and attention of the customer the Real Estate Companies take various step before constructing new apartment project. They distribute the prospectus regarding the amenities of the apartment building among the potential buyers of the apartment. It is included various offer like quality of mosaic, finishing of the apartment, dramatic interior and exterior design, security system, community centre, health club, garden, car-parking facility, power generator, mail box, guard room, quality lift, children play ground servant room sufficient space for lobby etc. Also, they are developing buyer image, interest, desire and action in favour of the company through advertisement in different media like daily newspaper, magazine both Bengali and English, TV, hoarding, billboard etc.

Also, the entrepreneurs try to grow buyer confidence by showing that they maintain business ethics. Basically business ethics is defined as, "the discipline dealing with what is good and bad and with moral duty and obligation".²⁰ Buyers also expect that the firm will maintain business ethics and will concern with truth and justice- such as fair competition, advertising, public relation, social responsibilities, customer autonomy, corporate behaviour etc. From the study it was found that at present people are developing favourable attitudes towards multi-storey living for enjoining modern facilities. And for purchasing an apartment, buyers assess the financial strength of the company by watching as to how many projects a company has so far completed and how many projects are under construction. It has been found that 78.57% of the buyers are satisfied by the company's financial strength.²¹

In selecting location to build a multi-storey apartment building, cent percentage of the companies considered various civil facilities. In designing the sophisticated apartment they used highly qualified and renowned planners, architect, and other professionals providing with various facilities and fittings. 99.5% of the builder provided information including lucrative interior and exterior decoration of the apartment among buyers through the prospectus of their existing project. They bought confidence in buyer's mind through various papers, magazines by publishing features, articles, photographs etc. of the project. It has been found from the study that 85% of the companies were used different media for advertising. But 78% of the buyers informed that their apartments did not have the facilities as were offered by the builders. 25% of the buyers informed that

the apartments were unhygienic due to lack of proper ventilation as well as inadequate light. The main areas of the dissatisfaction are shown in table 2.0.

Table 2.0: The Main Dissatisfaction Areas of the Buyer

Dissatisfaction area	Percentage of dissatisfied buyers
Low quality mosaic	62
Lack of better finishing of apartments	52
Poor architectural design both interior and exterior	30
Western pattern architectural design not suitable in our climate	60
No driver's rest room	37
Lack of close circuit TV for better security	52
Absent of community centre	42
Absent of health club	100
No garden	93
Insufficient car-parking area	67
No parking space for second car	88
Lack of high power generator	32
Absent of mail box	23
Absent of large guard's room	90
Small and slow quality lift	38
Lack of servant room	62
Insufficient space of lobby and/or veranda	58
Lack of children play ground	80

Source: Rahman. Mijanur (1998): The Real Estate Business in Dhaka City, Applied Marketing in Bangladesh. Department of Marketing, University of Dhaka. Vol. I, December. p. 44.

Market Competition and Competitive Advantage

Competitive advantage can not be understood by looking at a firm as a whole. It stems from the many discrete activities a firm performs in designing, producing, marketing, delivering, and supporting its product. Each of these activities can contribute to firm's relative cost position and create a basis for differentiation.²² A firm can gain competitive advantage by performing the above mentioned important activities more cheaply or better than its competitors. By gaining competitive advantages a firm can earn high profit. A common view about industry profitability is that profits are a function of the balance between supply and demand. In the Real Estate Business it reveals from the table 1.1 that the demand of housing is beefing up day-by-day and demand is greater than supply, this leads to high profitability. For entering new builders in the business of apartment building an insignificant number of companies always look forward for short-term profitability, which are affected by short-term fluctuation of demand and supply. But a significant number of builder, those are well established in the arena of Real Estate always look forward for long-term profitability. The new entrants are entering into this business and bidding down prices. That is why the intensity of rivalry playing major role in determining whether existing firms will expand capacity aggressively or choose to maintain profitability. There are three generic strategies for achieving above-average

performance in an industry: Cost leadership, Differentiation, and Focus²³ Top ranking Real Estate Companies dominating the competitors by taking some strategy. They try to hold their relative position, which determine whether their profitability will be above or below the industry average. Before taking any strategy a firm analysis the strengths and weaknesses of the competitors. And as a first step, a Real Estate company should gather recent data on each competitors' business, particularly sales, market share, profit margin, return on investment, cash flow, new investment, and capital utilisation. The Real Estate Companies are ranked on the basis of considering customer awareness, product quality, product availability, technical assistance, and selling staff. And from whom the people want to buy apartment and these are- Concord Condominium Ltd. (CCL), Building Technology and Ideas Ltd. (BTI), Eastern Housing Ltd. (EHL), Advanced Development Technologies Ltd. (ADTL), Amin Mohammad Foundation Ltd. (AMF), Shin Pukur Holdings Ltd. (SHL).

The above mentioned company's sometime take cost leadership strategy for achieving above-average performance by keeping their price below competitive level. Sometime, they take differentiation strategy. In a differentiation strategy a firm seeks to be unique in its industry along some dimension that are wide valued by buyers. It selects one or more attributes that many buyers in an industry perceive as important, and uniquely position itself to meet that needs.²⁴ The focus strategy is quite different from the others because it rests on the choice of a narrow competitive scope within an industry. The focuser selects a segment or group of segments in the industry and tailor its strategy to serving them to the exclusion of others. By optimising its strategy for the target segments, the focuser seeks to achieve a competitive advantage in its target segments even though it does not possess a competitive advantage overall. In the Real Estate Business there is no competitor is coming to fulfil the needs of specific target group like the lower income people. As were mentioned early in the report that cent percentages of the Real Estate Companies offering the apartment for the higher income people. It has been revealed that a significant percentage (90%) of the real estate Company's used highly renowned planners, architects, and engineers for designing and construction of their apartment building. 90% of the apartment buyers shows their positive attitudes towards the design of the apartment. But only 10% of them show dissatisfaction regarding the design of the apartment. Modern technologies have been used by 20-30% of the companies in constructing multi-storey apartment building and cent percentages of the company are using computer in preparing documents. The term technology refers to the sum total of the knowledge we have of ways to do things. It includes inventions, it includes techniques, and it includes the vast store of organised knowledge about everything from aerodynamics to zoology. But its main influence is on ways of doing things, on how we design, produce, distribute, and sells goods as well as services²⁵. Human resource management also affects competitive advantages in any firm through its role in determining the skills and motivation of employees and the cost of hiring and training. As per the observation 80% of the companies don't have their own training centre for the development of the employees. Top ranking real estate companies offer to recruit personnel who has vast working experience in this field with high priced salary along with other facilities. 4-10% of the organisation gained competitive advantage by using huge promotional activities. 10-15% of the organisation used various advertisement media like TV, Daily newspaper, Magazine etc. at a time. 40% of the organisation

allowed ease instalment for payment and arranging loan facility from various financial institutions in favour of the buyer. Table 2.1 shows that the comparative status of the top ranking organisation in the arena of Real Estate Business in respect of Marketing. From the observation it was found that the top ranking Real Estate Companies has shown their superiority in designing, constructing, fittings, service etc than their competitors. As per the observation it was found that only 5-10% of the companies are captured the 70% of the market share due to by providing better service and quality production as they were offered before sales.

Table 2.1: Comparative Status of Some Prominent Organisations in Respect of Marketing

	<----- Marketing ----->				
	Pre sales service	Post sales service	After hand over service	Promotional tools	Activities for creating good will
BTI	Providing information Motivating customer. Opening customer file.	Revenue collection. optional works. sending reminder.	Duration 2-3 years. employed to find out problems & to solve. formation of cooperative society.	TV ad. Newspaper ad. Magazine ad. Hoarding. Arrow sign. Newsletter. Press release. and Brochure.	Well construction, good out looking minimising the delivery time. publishing corporate brochure. TV ad.
UDD	Provide information . creating confidence. comparison with others.	Revenue collection. optional works. sending reminder.	NA	Sending Booklets Hoarding. Newspaper ad.	Good customer service. taking care of customer. ideas and requirements keeping commitments.
AMF	Provide information . motivating customers	Collect revenue. optional works. sending reminder. site seeing.	Duration 2 years. formation of cooperative society.	TVad. Newspaper ad. Magazine ad Hoarding. Sponsoring.	Good out looking. minimising. Delivery time. Keeping commitments.
PDL	Providing information	Revenue collection. Site seeing. Reminder letters.	Duration One year.	Newspaper ad. Hoarding. Magazine ad. Brochure.	Activities of group of industries. Disciplined employees.
EHL	Providing information	Revenue collection. Sending reminder letters.	Duration one and half year for technical support.	TV ad. Newspaper ad. Magazine ad. Hoarding. and Brochure.	Activities of the group of industries. TV ad for creating corporation.

<----- Marketing ----->					
ADTL	Providing information, Motivating customers, Mailing cards, etc. Promotional items to prospective customers Open a file.	Rev. collection, Site seeing by customers, Sending reminder letters. Develop relationship	NA	Newspaper ad. Hoarding, Neon sign, Brochure, Sponsoring and sending informative letters.	Well construction, Diversified promotional activities, Build up a continuous relationship with the buyers, Pleasant and courteous employees.
CCL	Personal contact, Providing information.	Rev. collection, Site seeing.	Duration for a long period because of personal contact.	Newspaper ad. Hoarding, Sponsoring, Brochure.	Well construction, Enough personal relationship.
EDDL	Providing information, , Motivation the customers.	Rev. collection, Site seeing.	Duration is one year for technical support.	Newspapers ad. Hoarding, Brochure, Sending information letters.	Personal relationship.

1. BTI : Building Technology and Ideas Ltd.

2. UDD : Urban Design and Development Ltd.

3. AMF : Amin Mohammad Foundation Ltd.

4. PDL : Property Development

5. EHL : Eastern Housing Ltd.

6. ADTL : Advanced Development Technologies Ltd.

7. CCL : Concord Condominium Ltd.

8. EDDL : Estate Developers and Dealers.

Source: Rahman, Mijanur (1998), *The Real Estate Business in Dhaka City, Applied Marketing in Bangladesh*, Department of Marketing, University of Dhaka, Vol. I, December, p. 44.

Problems of Apartment Marketing

The national housing policy of Bangladesh (1993) has set the national goal of ensuring housing for all, especially the low income and poor people, but there has been lack of effective steps to achieve the objectives. At present Private Real Estate Marketers are playing a significant role for solving the acute problem of housing by ensuring the maximum uses of land in a planned way having the new phenomenon like multi-storey living. It is possible to accommodate more people in a comparatively small place. In this sector there are various problems faced by the Real Estate Company as well as Buyers. These are illustrated below:

Scarcity of Bulldable Land

Acute land shortage in the city core due to migration of rural people to urban and city areas is the main obstacle to the planned growth of private sector housing industry. In the 1960's and early 1970's the government and its related agencies developed lands for residential and commercial purposes and such responsibilities rested with the ministry of works, Directorate of housing and settlement, RAJUK, KDA, CDA etc. But after

liberation, release of land from public sector to private sector for housing purpose has been uneven and irregular. Though in the late 70's there was formal beginning of private sector involvement in land development, land supply and apartment construction through the efforts of land developers and the Real Estate Companies much attention is yet to be given to meet the housing needs of the majority. This afforded opportunities to holders of lands in city and urban areas to hold on their lands and speculate on them to fetch high price³⁶. Also 95% of the respondent reported that for purchasing land and constructing of the apartment various problem associated with Terrorism or Chandabaji due to the poor law and order situation. Sometimes their highhanded activities create complete dead lock in the progress.

Complex Approval Procedure of Plan and High Rates of Duties and Taxes

The existing high stamp duty, registration fee, transfer fee etc. has made selling and buying of properties expensive and cumbersome and serve as damper to sellers and purchase alike. Besides, there are levies on transfer of government/ RAJUK lands, which are also exorbitant. Due to this reason the builders as well as buyers are directly affected. Also the existing procedure of passing the plans of apartment building from RAJUK is lengthy. Cent percentage of the companies reported that the existing procedure of RAJUK's approval of project plan requires revisions to make it more simplified and rational.

Limited Finance

The Bangladesh Bank has issued directives to all commercial banks to give credit facilities to the developers and the apartment purchasers. The nationalised banks are now following the Central Bank directive through to a limited extent³⁷. Also, for getting loan, a lengthy procedure is maintained by the financial institutions.

Red Tapsism

The private real estate companies are playing a vital role in solving the housing problem as well as in the economic development of the country. So that, in 1989 the ministry of industry declared this sector as an "INDUSTRY" with instruction that housing like all other new industries, will be provided with all possible assistance- financial or otherwise, including Tax Holiday facilities, and also requested the National Board of Revenue to issue amended SRO. The desired notification is yet to be issued.³⁸

Inadequate Service Facilities

The private sector housing suffers greatly due to the inadequacy and delay in getting service facilities like water, gas, electricity, road communication, Tele-communication etc. in the area under construction.

Scarcity of Skilled Workers and Professionals

In this sector there is lack of availability of trained work force and professional entrepreneurs who have a vast experience of construction of high rise building.

Lack of Confidence and Trust

Day-by-day buyers are losing their confidence and trust on newly born Real Estate Companies due to the growth of some fake Real Estate Company. It is being observed that many non-professionals having five/ten kathas of land in a good location are getting into business and resulting a disaster for the buyers and causing a bad reputation for the entire industry.

Limited Market

The Real Estate Companies are constructing apartment building for upper middle class or higher income people. From the observation it was found that 82% of the present apartment buyers income between 20,000/- to 40,000/-. So that, the market of the real estate Business is limited.

Lack of Commitments

Most of the apartment buyers reported that their apartment did not have the facilities as were offered by the real estate marketers before sale. 39% of the buyers informed that there are defects in construction. 25% of the buyers are dissatisfied about the inadequate ventilation system. Also the number of buyers shown their mixed opinion in certain areas of the apartment such as mosaic, finishing of the apartments, architectural design both interior and exterior, community centre, health club, garden, car-parking, generator, children play ground, space of lobby/ veranda etc.

Residential areas have been allowed to construct commercial building in the recent years. Such leniency has greatly disturbed the serenity of the area in addition to shortage of water, sewerage system, gas, electricity etc. Basically commercial spots without sufficient car parking space make things worse- narrowing of the streets by parked vehicles and sound pollution from hooting horns by the park-lot searchers.

Conclusion and Suggestions

The present housing problems in Bangladesh is taking a mountainous shape. Right at this moment, certain long-term realistic measure should adopt by the government as well as the Real Estate Company.

- Procedure to manage finance, HBFC and other financial institution should provide long-term adequate loan facilities for the builders as well as buyers at affordable rate of interest and easy terms and conditions.
- Stamp duty, registration fee, transfer fee and other taxes should keep at low rates as much as possible and the approval procedure of plan from RAJUK, CDA, RDA or concerned organisation in the city should simplify.
- Real Estate builders should take care against the customer dissatisfaction regarding service such as the time to hand over of the possession, and the quality of the apartments construction materials as well as fittings. The study also recommended that the real estate company should fix the price of the apartments suitably within the purchasing capacity of the middle income segment of the people. These efforts will help the business to grow further.

- The Real Estate Companies have been concentrating their attention to construct apartment buildings in two major cities Dhaka and Chittagong. But, they should expand their activities in the other town in Bangladesh like Khulna, Rajshahi, Sylhet etc. The Real Estate Companies are constructing building in solving the housing need of the higher income people and all of their efforts concentrated into upper class people. But they should come to solve the housing problem of the middle income people with the appropriate plans. They can play a significant role with a view to the maximum social welfare by ensuring attractive residential accommodation.
- For the infrastructure development and to provide sufficient service facilities like water, gas, electricity, and telephone the government should take appropriate policy and strategy. These service-giving institutions should bring under one central control system to ensure coordination and better service.
- The growth of some fake Real Estate Firms has greatly shaken buyers confidence and consequently buyers are confused for taking purchase decision. In that case Government should take exemplary action against them. Also, the Real Estate Company should take appropriate and strengthen promotional activities for popularising the multi-storey living phenomenon among the people.
- Government should be developed new planned township around the major cities of Bangladesh and be properly connected with rail, road or other facilities. So that, the real estate developers/builders will take initiative to construct apartment building in those areas. Also, Real Estate builders should design plan and construct the high rise apartment building with due care and attention to quality construction materials, weather onslaught, earth quake, and future requirement satisfaction of the customers. Poor as we are, we can't renovate, refurbish, and re-construct the apartment in every couple of years or so. Quality and durability of the apartment building should be at least hundred years and that will count to a significant extent.

The Real Estate Companies are not only giving the social service but also they are making new homes for new and budding couples. It is giving a sense of satisfaction and pleasure. Also, over the last few years Real Estate activities have burgeoned into an industry and proper backing and treatment from the government can make it a class one-business sector.

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EXPORTING LEATHER GOODS FROM BANGLADESH: PROBLEMS AND PROSPECTS

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Abstract: The development of our leather industry presently depends on the growth of a system, which will lead the industries to go for leather finishing. The progress in leather finishing can march the industries ahead with the use of modern technology, which will create atmosphere for investment for the growth of exportable leather products industries in the country. The government of Bangladesh realises that finished leather and leather goods could earn more foreign currency than export of 'wet blues'. So the government finally banned wet-blue export in 1990. The main objective of this study is to identify the potential market of leather goods in international as well as assess the future trend of leather goods in International market.

1. Historical Background of Leather Industry

History of industrialisation in various countries shows that small industries have often played as the natural precursor to the large-scale industries. While in others the forced disappearance of the small units into larger ones have just been a matter of time, whereas others have boldly withstood the competition from large units and thereby presented the most glaring paradox of the modern industrial societies. The small units that survived, however, were not necessarily competitive in nature in many cases, and perhaps, in the most important ones, they have successfully complimented the large-scale operations.¹ Moreover, no systematic effort has been made either by the government or by private initiative to explore export market for the export of Bangladesh footwear and leather goods products.

There was no leather processing industry in this part of Indian sub continent until late 1940's. The hides and skins collected in this part were supplied to the tanneries mainly at Calcutta and Kanpur in wet salted or dried condition and were processed there. The development of leather industry in Bangladesh started in late 40s, particularly, after partition of Indian Subcontinent with the influx of displaced tanners from India and establishment of subsidiary companies by the then West Pakistani tanners. Until mid 1960s, the leather industries in Bangladesh, the then East Pakistan, was dominant in vegetable tanning both for export and local finish for domestic use. Processing of "Wet-blue", the Chrome tanned Semi-processed leather started featuring in 1965.² Till 1960, Bangladesh used to export hides and skins in crude form, i.e., export was done simply by applying salt and drying the skin in the sun which was known as "SHALTU".³

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Before 1972, the Non-Bengali tanners controlled the leather industry in Bangladesh. There were 35 medium to large and about 25 cottage to small tanneries in Bangladesh, the then East Pakistan. Out of 35 medium to large units, the Non-Bengali owned 30. The medium and large tanneries were confined mainly in Wet-blue processing for export or supply to the tanneries in West Pakistan for further processing. The cottage and small type units, owned by the Bangali entrepreneur's used to produce low grade finished leather mainly for domestic supply and occasionally, processed wet-blue for big tanners. With the emergence of Bangladesh in 1971, the Non-Bengali tanners abandoned their tanneries and a vacuum was created in the leather sector of the country. The Government took over 30 abandoned tanneries forming a Tanneries Corporation to overcome the situation. Subsequently the nationalised tanneries were disinvested to the private entrepreneurs during late 79s and early 80s as per government policy of privatisation of industries.⁴ The development of our leather industry presently depends on the growth of a system, which will lead the industries to go for leather finishing. The progress in leather finishing can march the industries ahead with the use of modern technology, which will create atmosphere for investment for the growth of exportable leather products industries in the country.⁵

2. Present Position of Leather Industry in Bangladesh

There was a rapid growth of the industry and over expansion of wet-blue production capacity during 1970s and 1980s and the number of tanneries increased to 214 by 1989. They are concentrated mainly at Hazaribugh, Dhaka and Kalurghat in Chittagong. About 90 percent of the plants are located in Dhaka, 6 percent in Chittagong and 4 percent are scattered all over the country.⁶

Table 1: Composition of the Tanning Industry⁷

Size	Annual Production Capacity	Number	% of total Tanneries
Very Large	Over 15 Million Sft	4	2
Large	7.5-15 Million Sft	21	10
Medium	3.5-7.5 Million Sft	32	15
Small	Less than 3.5 Million Sft	157	73
Total		214	100

As can be seen from the table, the vast majority of the tanneries are in the 'small category' these mainly produce wet blue with low levels of mechanisation, technical know-how and capitalisation. Now the government realises that finished leather and leather goods could earn more foreign currency than export of 'wet blues'. So the government finally banned wet-blue export in 1990.

There are about 113 government recognised footwear and leather goods units in Bangladesh with annual production capacity of about 7.7 million pairs of leather footwear and 4.6 million pieces of leather goods respectively. Some of the units are of composite type, producing both footwear and leather goods.⁸ Besides, there are over 2000 small, cottage and family type unrecognised footwear and leather goods units in the country. They make suitcases, travel bags, brief cases, hand bags, wallets etc. as well as a

range of handicraft products, such as penholders, cigarette cases, jewellery boxes and photograph frames. Many units also make belts, but in the real sense there is no manufacturer of leather garments. Gloves are produced on a very limited scale. Apart from some production of footballs, a subsidiary group makes some of belts and jute industry spares.⁹ These products have been produced 100% for local market. The production capacity of these units as ranges from 2 to 24 pairs of footwear and 12 to 24 pieces of leather goods per day. Using only sewing machine and hand tools. The annual production capacity of these unrecognised units is estimated to be about 5.4 million pairs of footwear and 1.1 million pieces of leather goods. Some footwear and leather goods units have already started production and export of shoe, shoe-upper, leather garments, purse, handbags and other various types of products for export.* In footwear sector, only 18 units, including recently developed 2-3 units leather goods are said to be mechanised, equipped with European Technology.¹⁰

3. Study Objectives and Methodology

The Study objectives are to: (a) evaluate the export performance of leather goods of Bangladesh; (b) identify the problems of leather goods export of Bangladesh; (c) determine the problems of export market development in leather goods; (d) recommend ways and means for better prospects; and (e) assess the future trend of leather goods in International market.

The present study has been conducted through using primary and secondary data as well as pre-developed questionnaire for exporter and knowledgeable person of the relevant organisation. With a view to catering of the information requirements from the primary sources, sometimes it is conducted through observation. The major sources of secondary data included annual reports, statistics and other official publications. In leather goods, the major exporters are in Dhaka and the sample exporters of Dhaka have been selected for interview. To find out the actual number of leather goods exporters, the effort has been knocked in the Export Promotion Bureau, Bangladesh Leather and Leather Goods Manufacturers and Exporters Association, and relevant publication and authority. No specific list of leather goods exporters of Bangladesh is found there. A Journal namely 'Leather 2000' 140th issue of commerce and Industry, Dhaka published 22 leather goods exporters' name in February 2000. Another publication, Trade Information Journal published only 18 exporters name in its vol. vii. No.2 Oct.-Dec.1999 issues. It has been decided after analysing the various information that the actual number of leather goods exporters is not more than 25. The study covered the export of various leather goods, which have been dominating the international market. Through sample survey, the study has been conducted on 5 units representing all the leather goods exporting of Bangladesh. The sample has been selected on the basis of random sampling method, which accounts for 20% of the total units.

The study has been designed by a structured questionnaire to derive information from the sample on relevant aspects. The exporters are involved in exporting footwear, leather jackets, and other leather goods including hand gloves. The analysis and findings of the study are stated in the following headlines.

* Leather Industry in Bangladesh, Export Promotion Bureau, 1996, P-3

4. Export Performance of Leather Industry

The leather industry in Bangladesh is now reasonably established for processing crust leather and gradually moving towards finished leather production. Most of the crust and finished leather manufacturing units developed in Bangladesh are well equipped with modern technology and their products have already established reputation in European markets for quality. They have started entering into America, Australia and Asian market, especially into Japan.

As earlier, from mid 60s, the leather industry in Bangladesh, the then East Pakistan, was dominant in vegetable tanning both for export and domestic use. Until 1990, the country was almost entirely comprised in export of wet-blue and semi-processed leather. From 1990, Bangladesh was started leather goods export after prohibition of wet-blue export. The performance of finished and crushed leather and leather goods export has been shows increasing trend in each individual item with high potentiality.

Table 2: Distribution of Leather and Leather Goods Export of Bangladesh
(Value in M. US\$)

Year	Leather	Leather goods	
		Footwear	Others
1993-94	168.17	14.94	4.33
1994-95	202.07	12.54	6.34
1995-96	211.70	22.50	7.01
1996-97	195.48	21.77	4.81
1997-98	190.26	38.02	5.47
1998-99	168.25	50.65	4.60
1999-00	195.05	51.30	3.70

Source: Export Promotion Bureau

From the above table, it has been seen that the finished and crushed leather and leather goods exporting trend is increasing. Moreover, in 1993-94 leather goods export was 19.27 million-dollar and the figure in 1999-00 is 55 million US\$. After introducing new dimension in leather goods (Footwear and other products) in 1990-91, total export performance of leather and leather goods shows rising trend. It is exponent from the above table that though the prices of leather have decreased in the recent past the trend of leather goods export is gradually increasing due to higher value addition.¹¹

5. Export Market of Bangladesh Leather

In spite of stiff competition in world market Bangladesh has been appearing in the world market by individual attempt. After imposing prohibition on wet-blue export from 1990, the leather goods export earnings are increasing with satisfactory amount of export as a regular non-traditional exported item, and the increasing performance of leather goods export from Bangladesh is a new dimension of economic growth.

It appears that finished and crust leather export earnings increased about 20% in 1994-95 compared to 1993-94 and 5% increased in 1995-96. Leather footwear export earning increased about 130% in 1992-93 compared to 1991-92 and 57% increased in 1993-94, 16% decreased in 1994-95 and 79% increased in 1995-96, hand glove export

earnings increased about 1055% in 1992-93 compared to 1991-92, but after 1992-93 the export earning of hand gloves is abnormally decreasing. Other leather goods export earning increased about 233% in 1992-93 compared to 1991-92 and 267% increased in 1993-94, 46% increased in 1994-95. The collected data also reveal that Hong Kong and Italy are the biggest market of Bangladesh finished leather which comprised about 50% in 93-94 and 60% in 1994-95. The data also expose that Japan, France, Russia, Germany and U.K are the biggest export markets of footwear of Bangladesh which comprised about 86% in 1991-92, 82% in 1992-93, 68% in 1993-94 and 74% in 1994-95. U.S.A, U.K are the irregular buyer of the Bangladesh hand gloves and Italy, Japan and U.S.A are the biggest export markets of other leather goods of Bangladesh which comprised 100% in 1991-92, 61% in 1992-93, 92% in 1993-94 and about 89% in 1994-95. After 1995-96 the exports of finished and crust leather shows decreasing trend, but footwear and other leather goods shows tremendous growth rate of export. Japan is very much prospective market for Bangladeshi leather wears.*

Market Share of Responding Units

As per collected data it is found that almost all responding units started their leather goods exporting business after 1990. In the present study, among the selected five leather goods exporting units; one unit started its export operation in 1990-91, and remaining four units in 1991-92. The collected data and above analysis reveal that the leather goods export turned into rapid increasing rate which was 76.36% in 1991-92 and increased over previous (1990-91) year 63.33% but in 1992-93 exports increased by 74.99% than the previous year (1991-92) 167.64%. The rate of increasing trends and performance of leather goods export from Bangladesh is a new dimension of economic growth. The above table also shows that the responding units have been contributing more than 50% in its export each year.

Table 4: Distribution of Leather Goods Export and its Share
(Value in '000' US\$)

Year	Total export	Respondents export	% total	% Increase over previous
1995-96	29.51	17.11	57.98	-
1996-97	26.58	16.97	63.84	12.14
1997-98	43.49	29.55	67.95	4.11

Leather Goods from Export Processing Zone

The Bangladesh Export Processing Zones Authority (BEPZA) is the official organ of the government to promote, attract and facilitate foreign investment in the export processing zones. In the country, two EPZ's, one in Chittagong and the other near Dhaka are now operational. The categories of investment are three. i.e. 100% foreign investment termed type A, joint venture termed type B and 100% Bangladesh investment termed type C.

Between the two EPZs, Chittagong has only three footwear factories in operation. Two of which are of Bangladeshi initiative (Type C i.e. 100% Bangladeshi Investment) and the

* Export Statistics 1991-92, 1992-93, 1993-94, 1994-95, 1995-96, Export Promotion Bureau

remaining are foreign investment (Type A i.e. 100% Foreign Investment). In Dhaka EPZ has only one footwear factory by Bangladeshi initiative which is also a proposed unit. The achievement of footwear export of Bangladesh from EPZ is shown below.

Table 5: Distribution of Footwear Export from EPZ.¹²

(Value in '000' US\$)

Year	Footwear Export	Total EPZ Export	Percentage of total
1991-92	2874	67498	4.26
1992-93	2672	110311	2.42
1993-94	6207	103301	6.01

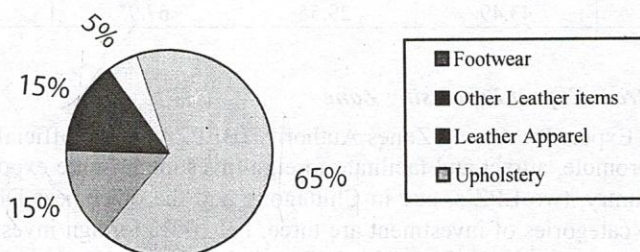
The above table shows that the export of footwear from EPZ is very much sound in concerning growing trends and new investment proposal. A knowledgeable person of EPZ informs that many other new proposals have been submitted but the Government cooperation is not sufficient in this respect.

6. World Leather Market and the Share of Bangladesh

World Demand

The world demand for leather has been increasing day after day for the cause of population growth and rising living standard. It is a fact that a variety of products are made from leather which is the principal product of the footwear. About 65% of the global finished leather is used in footwear, followed by 15% in leather garments, 5% in upholstery for furniture covering and the rest 15% in personal and other items which are as shown in the graph below:

Graph: 1 Global Utilisation in Finished Leather¹³



The world demand of leather during the last three years from 1992-93 to 1994-95 along with export of leather and leather goods from Bangladesh and its share to the global market is shown below:

Table 6: Export of Leather and Leather Goods and its Share to the Global Demand¹⁴

Year	World demand Value M.US\$	Export of leather & Leather goods from Bangladesh Value M. US\$	Export share of Bangladesh to the world demand
1992-93	18781.58	158.63	.85
1993-94	20781.82	187.44	.90
1994-95	27060.47	221.95	.82
1995-96	30796.71	241.21	.78
1996-97	32045.69	222.06	.69
1997-98	31859.27	233.75	.73
1998-99	28341.07	223.50	.79

It may be observed from the above table that the world demand for leather is on the decrease after 1990 due to Gulf War and world recession. These two major constraints hampered the world export import flow of demand. It is also seen that the export share of leather from Bangladesh to the world demand is gradually increasing which was 6.48% (137 million dollar) in 1989 and 8% (144 million dollar) in 1992 and 168 million dollar in 1993-94.

Table 7: Distribution of World Demand of Leather Goods and its Share of Bangladesh¹⁵

Name of the Items	Year	World Demand Value MUS\$	Export from Bangladesh Value MUS\$	% of world Demand
	Foot Wear			
	1990-91	27259	2.844	.01
	1991-92	30101	4.142	.01
	1992-93	32560	9.542	.03
Leather garments, hand bags, travel goods etc.	1990-91	16008.56	-	-
	1991-92	16640.10	.503	.003
	1992-93	17891.80 (approx.)	2.890	.02

From the above table and analysis it appears that the leather goods from Bangladesh mainly participated from 1991 and the participating trend shows increasing flow of leather goods in international market. Among all other leather goods, footwear bears an important position in the world market.

Some Important World Leather Markets

i) *Hong Kong Leather Market:* The Hong Kong leather industry is divided into the supply and marketing of hides and skins, the production and sale of leather garments and fur, and leather shoes and leather wear. Among them, the leather shoe making industry possesses the advantage of advanced production machinery and computerised production management.¹⁶ Hong Kong's footwear industry has gained a strong foothold in the world market in recent years following the move by local manufacturers to set up production based industry in China. Although Taiwanese and South Korean footwear makers have also made a similar move and are vigorously competing with Hong Kong manufacturers, this development has opened up new opportunities for intra-regional co-operation. Despite fierce competition and other difficulties facing the industry, Hong Kong manufacturers are optimistic about prospects of the industry. Hong Kong's re-export of footwear in the past few years have increased by leaps and bounds. Growth rates in 1991 and 1992 reached 70% and 42% bringing the total export value respectively. On the hard, domestic exports have fallen, reflection a decline of the local industry and the rapid production expansion across the border.¹⁷

ii) *Italian Leather Market:* The Italian tanning industry is made up of 3,000 establishments employing 35,000 workers. In 1988, its output amounted to 7,000 billion lire and its growing exports totalled 2,100 billion lire. In the first quarter of 1989, Italian footwear registered a strong demand. Exports of finished leathers from Italy in the period increased 1.4% in volume and 21.5% in value over the corresponding period of 1988. Even exports of synthetic materials increased in the first quarter of 1989. Export amounted to 9390 metric tons with a total value of 119 billion lire, an increase of 13.2% in volume and 16.2% in value from the same period in 1988.

The industry's major difficulties are concerned with the limitations of exports of raw hides and skins imposed by large producing countries such as India, Pakistan and Argentina. In addition, countries such as Japan, which could consume large quantities of Italian leathers, also disputed international competition by limiting imports.¹⁸

The countries declining economic and political situation have affected Italy's leather goods market. Along with unsolved problems such as lack of organisational structure is the serious loss of competitiveness made in Italy label. In the leather goods sector, the difficulties encountered in 1990 also affected results for 1991 and 1992. There has been a 10% decrease in production and notable slowdown sales and stagnant domestic demand.

Nearly all of Italy's major buying countries have recorded substantial decline in imports, with the exception of Spain. On the other hand, the increase in imports has been substantial. Imports of purses went up by 29.5% and imports of luggage, which in the past always held the lion's share of Italy's exports, rose by nearly 25%. For imports, China is Italy's largest supplier, followed by France and South Korea. Asian manufacturers can therefore take advantage of the fiercely competitive climate present in Italy to promote and increase their exports.¹⁹

iii) *Other Global Market of Leather Goods:* As the Growth of sales for athletic footwear, the US market for casual footwear is continuing to boom. For the fall in 1993, the

apparel, athletic and outdoor retailers, have advanced merchandise casual footwear. In addition, athletic footwear and apparel manufacturers are moving into the category.

This trend reflects consumers' desire to move further away from formal shoes to more practical, comfortable shoes. Styles designs to be worn all day with a wide range of apparel are popular. Shoes that were previously reserved for weekends are now becoming accepted fashion for the workweek.²⁰

China has emerged as the world largest footwear exporter, partly as a result of the shift of Hong Kong manufacturers across the border about five or six years ago. As the leather industry in China and South East Asia is growing, Hong Kong traders have to give up the production of low-end products and concentrate on high-end products. So the capital cost of raw materials and production equipment is high. For example, in 1991, half-finished leather imported by Hong Kong traders from Italy reached some 30,000 tons, costing US\$ 125 million, accounting for one-third of the total value of leather exports from Italy. In the same year, the value of advanced Italian tanning machinery imported by Hong Kong traders was US\$ 2.63 million, accounting for 50% of the machines exported to Asia.

In conclusion, the notable members of the leather industry are found that exports of leather shoes and leather wears in 1992 show increase of 10% to 20% compared with 1991. The hides and skin business and exports of leather garments and fur were stable. The economic recovery of Japan, America and Europe, and the gradual development of the Chinese market mean that prospects of leather industry are optimistic.²¹

7. Findings of the Study

Product Analysis

Raw hides and skins of cow, goat, sheep, buffalo are converted into a stable state by chemical treatment and the processing is known as tanning. The three stages of leather industry are.²²

Wet blue

Raw hides and skins are converted into wet-blue stage.

Crust leather: In this stage, wet blue leather is converted into crust form i.e. the intermediate stage of leather which is made ready for finishing.

Finished leather: Finished leather has been used for leather goods.

Bangladesh, being an agricultural country, has been traditionally producing hides and skins, the basic raw materials for the leather industry from time immemorial. With over 25 million cattle and about 14 million goat/sheep heads, the annual supply of hides and skins in Bangladesh was estimated to be about 13.95 cow hides and goat skins. Only 15.18% of the available raw materials is required to meet the domestic demands and the surplus about 85% is exported.²³ Hides and skins of Bangladesh, because of their qualities, have a good international demand. The cow hides, though smaller and thinner, having fine fibre structure and grains, are suitable for shoe uppers, garments and various leather goods manufacturers. The goatskins of Bangladesh are well-known all over the

world for their compact structure and fine grains are generally used for making costly high class ladies shoes, garments, hand gloves, and other sophisticated leather articles.²⁴ The 40% exporters expose that the foreigners buy our goods for favourable price condition and 40% for the quality of goods, 20% opine in favour of reasonable labour cost.

Table 8: Distribution of Countries of Export by Respondents

Name of the country	No. of Respondent	Percentage
Italy	3	60
Germany, Russia	2	40
Hong Kong, Korea, Holland, Spain, UK, Poland, Turkey, USA, Canada, S. Africa, Japan, Mexico	5	100

The analysing collected data indicate that Italy is the biggest existing market of the respondents leather goods. The respondents' second largest markets are Germany and Russia. The respondent units collect information about their prospective market through direct and indirect media.

Table 9: Distribution of Prospects Market Information Collected by Respondents

Media of Information	No. of Respondents	Percentage
Direct mailing	3	60
Through local agent	3	60
Fair contact	2	40

It seems from the above table that 60% prospective information collected through direct mailing contact and local agent. 50% respondents' opine that fair contact is very much important media for better prospects. Though stiff competition exists in international market, leather goods exporters are trying to achieve their target by mechanisation of their unit and quality diversification.

All the respondent units reported that there are some problems of producing leather goods in their own factory. 40% respondents complain that irregular supply of electricity hinders the normal production trend, 20% opined that accessories of manufacturing leather goods are not available in the country, and they also report that the level of organisation and mechanisation is extremely low in the country.

The Pricing Policy

The price of a product or service is a major determinant of the market demand for the item. Price affects the firms' competitive position and its share of the market. As a result,

price has a considerable bearing on the companies' revenue and net profit.²⁵ The market price of a product influences to the wages, rent, profit etc. of the company.

In the pricing analysis, the price of leather and leather goods in international market varies from one category to another and one country to another country. As per respondents' view and experts' opinion, the price of per square feet leather and leather goods in various stages is shown below:

Table 11: Distribution of Price of Leather in Various Stages

Category of Leather	Price/Sft. (Average)US\$
Raw Hides and Skin	1
Wet blue	1.20
Crust	1.50
Finished	2.00
Leather Goods: Footwear	\$25-30 per pair
Jacket	\$80-100 per piece
Hand-glove	\$1.50-1.60 per pair

It is observed from the above data that the leather goods export is more profitable than wet-blue crust leather export. The respondents reported that the used leather in leather goods per square leather contain average 3 to 5 dollar in international market. In the analysing price, 60% respondents expose that the prices of competitors are comparatively lower than our exportable items, and 25% opined that the competitors' price are very much competitive in international market and 20% respondents did not reply the question.

Table 12: Distribution of Pricing Policy Followed by the Respondent

Pricing Policy	No. of Respondents	Percentage
Cost Plus Pricing	2	40
Going Rate Price	3	60
Total	5	100

The above data reveal that the respondent units maintain convenient pricing policy, but the exporters view that they have no uniform pricing policy which is followed by all leather goods exporters. Somewhere differential-pricing policy can be adopted. The price discrimination prevailing practice in the export of the product.

Table 13: Distribution of Cost of Production of Responding Units

Component of Cost	No. of Respondents	Percentage
Raw materials 70% to 80%	5	100
Labour cost 5%-10%	5	100
Overhead/Chemicals/Accessories 10%-20%	5	100
Other 1%-5%	2	40

It has been observed from the above table that the highest components of the production cost is raw materials that covers 70% to 80% of total cost. Despite the facts, all the respondents opined that the accessories and chemical costs are the second highest components of production cost which covers 10% to 20% of total cost. These are the main elements of production cost of leather goods, 60% respondents expressed that the labour and chemical cost can be reduced by better management control and 20% expose that transport cost can be reduced. But 100% exporters report that there is no possibility to decrease their cost of production. All respondents view that they have not been facilitated by export credit guarantee scheme, they also perform export transaction through letter of credit in all respects. 60% exporters reported that the foreign market of leather goods is very much prospective, but product diversification is must, and all respondents commented that if our product quality is better and prices are competitive, the export may increase from 100% to 300% in next three years.

Distribution Pattern And Policy

Channel of distribution is one of the most important components of marketing mix. Most of all export units need to devise the channel of distribution policy efficiently to serve its target market abroad. The respondents of this study were requested to furnish the data relating to their channel pattern and policy. On being asked, the 80% respondent exporters report to direct marketing through mailing contact and 60% opine in favour of commission agent, and 20% opine on behalf of the FPB's help in the international market. It is informed that some of the foreign buyers and agents maintained commercial link in internal and external market. They distribute the exportable leather goods in international market as a commission merchant. The respondent units transmitted their goods in international market through water and air transportation.

Table 14: Mode of Transport used by the Respondents in International Market

Mode of Transport	No. of Respondents	Percentage
Water: 40%-60%	3	60
80%-90%	2	40
Air: 50%-60%	4	80
10%-20%	1	20

In using internal transport from factory to port, the 100% respondents use road transport media. It was informed that some of the foreign buyers or agents maintained business link with local agents or direct leather goods exporters and the foreign agents/buyers had been working closely with local exporters and reputed agents. The exporters and local agents reveal that they (agents) gain 2% commission from foreign buyers. All 100% respondents express that they have been performing the task of packaging and documentation formality by means of their own system.

All the leather goods exporters view that the importers take the risk involved in transportation. The 80% exporters opine that the importers bear the transport cost which involved in shipping or air transportation and they also use all relevant documents like

invoice, packing list, XPL, certificate of origin, GSP* etc, when and whatever is needed. On being asked, the respondents express that they have no problem in transportation, either in shipping space or shipping documentation formality.

All the exporters expose that Bangladesh Standard and Testing Institution have not been recognised and involved in giving certification mark of leather goods in international market. According to the respondents information all units are the members of Chamber of Commerce and their Trade Association. But they opine that Chamber of Commerce and Trade Association plays significant role as a bargaining agent when trade embargoes like tax, VAT, custom rate etc. are imposed. As per collected data all the respondents express that the Export Promotion Bureau helps them in all respects of promoting market. The co-operation of the institution is very much appreciable for arranging international fair participation and prospective market information.

Promotion Policy

As a vital component of marketing mix, promotion measures play an important role in the international market of leather goods. The Government (EPB) has formulated the basic promotion policy and individual export unit has been participated with basic policy, but the individual promotional measures are very much negligible.

Table 15: Distribution of Promotion Measures Used by the Respondents

Promotion Measures	No. of Respondent	Percentage
Fair participation	5	100
International Trade Papers with Advertisement	2	40

In spite of stiff competition in exporting leather goods in international market, all the responding units participate in international fair. The 60% respondents opine that they have permanent stall in Hong Kong Fair which is organised two times per year and they have been participating regularly and 20% respondents inform that they think fair participation is only the resort to expand market in abroad. In this regard, they have been participating many other fairs in abroad like Paris, Germany, Italy, England etc. The 20% respondents opine that they have permanent customers in Italy who collect their requisite leather goods (mainly jacket) regularly, and they view that they have already made an image in Italian market through personal contact.

* The Generalized System of Preferences (GSP) is a system whereby preferential treatment by way of a reduced or duty free tariff rate is granted by the developed countries, known as preference giving or donor countries, to eligible products imported from the developing countries, known as preference-receiving or beneficiary countries. This preferential treatment is granted without any reciprocal obligation on the part of developing countries. Under GSP schemes, 27 countries of the world offer GSP facilities to Bangladesh. Jute and jute goods, frozen food, readymade garments with hosiery goods, ceramic goods, handicrafts, leather and leather goods, fruits and vegetables etc. are covered under GSP.

100% exporters reported that the Bangladesh Embassies and High Commission offices abroad do not offer notable help in export of leather goods. Somewhere the exporters reported about sending or product sample to potential buyers promotes leather goods export market. 40% respondents opined that advertising in international journal is the best means for promoting overseas market. On being asked, the respondents reported that they spent full amount of promotion expenses and the figure is not less than 5% (average) of total export earnings.

Table 16: Distribution of Prospective Market of the Respondents

Name of the Market	No. of Respondents	Percentage
Hong Kong, Italy	5	100
UK, Germany (EEC)	3	60
Poland, Turkey, Spain, Mexico	1	20

The analysing collected data denote that all the exporters prospective and potential market area is Italy and Hong Kong and they view that Hong Kong is suitable for crust and finished leather and Italy is very much potential for leather goods.

The technical efficiency for promotion of market, product diversification, better management practices are not adequate in the country. 100% respondents have reported that the college of leather technology supplies efficient technicians who have been trained for processing raw leather and crust and finished leather. 60% respondents inform that they use foreign technology for making quality product and marketing abroad. As per collected data 60% respondent units sent their experts in international training program for the development of technical know-how and marketing efficiency. But all the respondent units expect local technological development and expert development for international contact.

It appears that the respondent exporters illustrate that, by participating in foreign leather fairs and holding regular local fairs, world wide marketing of Bangladeshi finished leather and leather goods is possible. Two locals finished leather and leather goods producers (respondent) have already been able to prove this truth.

Problems of the Leather Goods Export of Bangladesh

Lack of advanced production machinery and technology: Traditional exporters were concentrated mainly with wet blue. But after imposing new policy of finished leather and leather goods exporting, they could not manage and cope with new production machinery and technology.

Problems of quality control: All the respondents reported that the quality of Bangladeshi leather and leather goods is inferior due to traditional technology. There are also complaints from the respondent about the standard of processing. Hides and skins have not been processed properly either due to lack of process control facilities of the tannery and /or attitude of the producers to save cost of chemicals by using incorrect amount of materials.

Lack of marketing network: 100% respondents reported that no uniform international network for marketing leather goods are effective. The respondents are finding their market through commission agent and hypothetically. The international network for marketing promotion resorted by exported by exporter is very much expensive and ineffective.

Policy turning and shortage of finished leather: Lack of supply of adequate quality & quantum of finished leather is a problem to sustain a significant leather goods export industry, though there is sufficient capacity for producing wet-blue. After prohibition on wet-blue export, the existing wet-blue units have not been turned to obtain in finished leather and leather goods export capacity.

Lack of consistent policy: Lack of cohesive and consistent policy creates problem for local and foreign investors for the long term. The exporters also said that, for many years the Government has been touting the leather industry as a "Thrust" sector, and has announced various policy measures to galvanise this industry. Govt. decisions have been reversed repeatedly, thereby creating an environment of high uncertainty. Such environment is not conducive to investment.²⁷

Custom restrictions: Other than the senior hierarchy of customs, almost every level of the services has totally failed to facilitate or encourage export. In every stage of import and export, the exporter are harassed and hounded by bureaucratic red tape and low, and as a result they are ultimately driven to despair. 50% samples units reported that custom clearance takes weeks and harasses the new exporters.

Lack of infrastructure and administrative support: The 50% responding units reported that non availability of cargo space, container limitations, foreign buyers harassment like forcefully paying duty when taking samples are the infrastructural and administrative problems.

Non-availability of local technicians and managerial experience: The requisite technology and human resources to sustain export leather goods industry are not available locally. 100% exporters inform that the leather Technology College supplies only leather technician, but not leather goods technicians.

Dependence on imported inputs and accessories: In order to manufacturing a pair of leather shoes for export over 50 individual items required to be imported. High import duties of machine spares increase production cost and create price competition in international market. The respondents also reported that quality inputs and accessories are prime concerning elements of manufacturing leather goods for international market which are not available or have not been produced in the country.

Poor International Image: Constant bad press of floods, cyclones and devastation create very unfavourable image of Bangladesh as a source of quality goods. Some where the new importer termed Bangladesh a part of India.

9. Future Prospects of Leather Goods Export of Bangladesh

The quality of our leather goods is better and prices are competitive, in that case the prospects of increasing export is very high potential.

Table 17: Prospective Market in comparison with the Leather Sector of Bangladesh²⁶
(Figure in Million)

Exported Item	Bangladesh	Pakistan	India	Thailand
Tanned leather	133	275	427	655
Footwear	-	-	102	24.1
Shoe uppers	-	10.5	353	-
Garments	4	220	330	-
Gloves	-	43	231	18.2
Other Leather Goods	-	8	-	36
Total	137	557.5	1443	143.8
As a percentage of all export	7.9	9.1	7.9	1.2

It is obvious from the above table, the leather sector in Bangladesh, vis-à-vis those of Pakistan, India and Thailand have been very much a laggard.

Judging demand factors the leather goods sector in Bangladesh possesses tremendous potentiality. High pollution costs and the rise in labour costs, as well as non availability of labour in the industrialised countries along with the closure of the tanneries are causing a slowdown in the demand for leather and increasing demand for the leather products. Countries such as Taiwan, Korea, Indonesia, were the first wave to take over this industry, but the industry has already experienced its second wave of migration to countries such as China, India, Pakistan and Thailand, Bangladesh too must catch the wave.

The Government has decided to develop a separate tannery estate, providing with all infrastructure facilities and common affluent treatment plant necessary for healthy growth of leather industries. Leather goods have been declared as 'Crash program' item in the current Export policy. Leather is one of the prospective industries in Bangladesh in terms of both financial returns and social benefits. The major strengths of leather industry are availability of quality raw materials and cheap manpower. In recent years, the tanning industries in developed countries have been shrinking due to pollution problem and the labour cost. The tanning industries are now shifting from developed to developing and under developed countries. Bangladesh should avail of this opportunity and develop its leather industry.*

10. Recommendation for Growth of Leather Goods of Bangladesh

- All the respondents proposed that the government should foster a stable and conducive environment for domestic and foreign investment. A plan should be formulated for the development of back up industrial sector for long.

* Leather industries in Bangladesh. Op-cit.

- b. Technical expertise to be strengthened through revamping existing facilities.
- c. 100% respondent suggested that the easier and more appropriate allocation of credit facilities should be realistic, and new entrepreneurship should be encouraged for the establishing export oriented leather good unit.
- d. Govt. should abolish import duties, duty drawback and implementation of other policy supports through the zero rating of imported accessories.
- e. Strong international lobbying should be done to maintain privileged status for preferential access to markets due to LDC status.
- f. Establishment of central slaughtering facilities all around the country with proper facilities for preservation of skin as well as more training of proper slaughtering techniques should be extended/established or offered.
- g. Strong promotional activities should be maintained internationally through fairs, Embassies, direct contact between importers and manufacturers. Bangladeshi products need to overcome the poor image of Bangladesh. A clear perception of global market trends, their implications for Bangladesh and targeting specific markets according to drawn out market development strategy is a must.
- h. Duty free and unrestricted import of finished leather should be allowed for leather goods producers-exporters.
- i. Developing an export culture with emphasis on quality consistency and timely delivery both in private and government sector should be ensured.
- j. Basic infrastructure such as port facilities, airfreight availability and communications need to be improved on priority basis.
- k. A well thought and realistic plan should be chalked out for certain developments within a specific period like five-year plan, ten-year plan etc. Tanners, leather goods makers and exporters should get proper encouragement.
- l. The main strength of the leather industry has availability of quality raw materials and cheap manpower. Moreover, in recent years the tanning industries in developing countries have been shrinking due to pollution problem and the labour cost. The tanning industries are now shifting from developed to developing countries. Bangladesh should take this opportunity and develop its leather industry.

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DIAGNOSIS OF INDUSTRIAL SICKNESS: SYMPTOMS AND CAUSES

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Abstract: Industrial sickness is a universal phenomenon. The major causes of industrial sickness are internal and external. External causes are market constraints, supply constraints and socio-political constraints. The internal causes are inappropriate management practices, lack of managerial effectiveness, lack of integrity etc. Of the different models of industrial sickness, Altman model is more appropriate. Prediction of sickness is possible through analysis of financial statement of a firm for a period of minimum three to five years. For the prevention of sickness, management of a firm should be more conscious of its regular cash flow, short-term solvency, sales margin, financial leverage, operating leverage and growth ratios. Strength and weakness of a firm, threats and opportunities in the environment should be studied before adoption of suitable strategy for day to day management of a firm.

Introduction

Facing financial adversity is never easy. Business failure or industrial sickness is the result of incompetent management or deficiency of management structure, such as imbalance of skill. The symptoms of the weakness creating business failure are readily identifiable in the firm's financial statements. They are decreasing investment in liquid assets, profitability declines, financial leverage increases, asset turnover deteriorates¹. A sick unit is one which fails to generate internal surplus on a continuous basis and depends for its survival on a frequent infusion of external funds². According to Francis Cherunilam "To a layman, a sick unit is one which is not healthy, To an investor, it is one which skips dividends, To an industrialist, it is a unit which is making losses and tottering on the brink of closure, To a banker, it is a unit which has incurred cash losses in the previous year and is likely to repeat the performance in the current and following years"³.

Almost fifty-percent of the industries both in public and private sectors are sick. According to Board of Investment (BOI), 1555 units are listed as sick in Bangladesh. Ministry of Industries' Report reveals that the number of sick industries is 1560 in private sector. Textile and Garments, Food and Allied products, Steel Engineering are having the large number of sick projects in Bangladesh. Handloom, Chemical, Leather, Pharmaceuticals, Rubber products etc. are also in the sick list and the number of units has been increasing day by day.⁴

The impact of such sickness has been found on fund management practices of nationalised commercial banks, private commercial banks and DFIs (Development Financial Institutions)). Their stuck-up advances and over dues are increasing day by day.

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These affect their liquidity, efficiency in utilisation of fund, earnings of investment, operational efficiency, productivity and business growth. There are also difficulties in rehabilitation of sick projects, in spite of liberal incentives given for the entrepreneurs of Bangladesh.

Study Objectives

The purpose of the present study is to highlight the major characteristics of industrial sickness, causes, symptoms, prediction, prevention and possible remedial measures required to be adopted. The study is theoretical in base but practical examples have been inserted to highlight the magnitude of sickness in the silk sector in Bangladesh.

Study Justification

Business failure has become a common phenomenon in our society. The industrial sector contributes around 11.2% of our GDP (Gross Domestic Product). The 1991 industrial policy of the country shows the basic strategy required for rapid industrial development of the country. The Government has been playing an effective role to promote the private investment industry. Various facilities provided to local and foreign investors are increased concessionary duty with relax exchange control, duty free import of machinery for 100% export oriented industries, tax holidays, rationalisation of duties on commodities, liberalisation of import of raw materials, etc.⁵ In spite of all these facilities, many of the private and public sector enterprises have become sick showing continuous operating losses, erosion of equity, accumulation of over dues of loans, paralysed financial structure etc. This study may unfold the major causes and barriers for sickness and possible ways of its prevention.

Review of Relevant Research Studies

Rahman⁶ has presented a seminar paper on "Industrial Sickness-Bangladesh Experience". He has found that the major causes of industrial sickness are managerial failure, prediction failure, shortage of working capital, under-utilisation of capacity, poor industrial infrastructure, environmental constraints etc.

Saha⁷ has studied 70 industrial units of DFIs (Development Financial Institutions) of Dhaka City. His findings are that the entrepreneurs of the sick projects have less experience, low academic qualifications, less training compared to those of non-sick projects. Higher cost overrun, time overrun, low capacity utilisation, working capital crisis, problems in production planning, procurement of raw-materials, marketing constraints are the major causes of industrial sickness. He has also cited that external causes like shortage of working capital, power crisis, non-availability of working capital, delay in loan sanction are more acute than faulty planning, technological problem, implementation delay etc.

Bhuiyan⁸ has a study on "Towards A New Model For Entrepreneurship Development". He has observed that entrepreneurship plays a vital role in the process of industrialisation of a country. A number of theories and concepts has been developed on the subject but there hardly exists universal model. In view of changes in need for entrepreneurship development, there is necessity to develop a complete model comprising

the micro and macro inputs. This will help the prevention of industrial sickness to a great extent.

Ali and Mahmud⁹ assert that the major causes of business failure in Bangladesh are inefficient management, marketing problems, faulty planning and appraisal, technical and technological problems and implementation delay etc. To face the wide industrial sickness in Bangladesh models for prediction of industrial sickness would be very much relevant.

Sina¹⁰ has narrated the causes of sickness of Jute Industry. The industry is very much sick due to a lot of problems like shortage of raw-materials, lack of working capital, non-payment of wages and salaries and other statutory claims, continuing labour unrest etc. He recommends that necessary steps against sickness like sensitivity analysis, liberal working capital facilities, modern technology, subsidy, changing market policy and other strategic changes should be followed. If they are conscious the industry could play a good role to develop our economy.

Sarder¹¹ finds that the assisted firms (given support services) have achieved significantly higher growth in employment and sales as well as higher productivity than the firms that received no such support. Support services have a significant positive impact on the performance of small enterprises. As such it could be an important device for promotion and development of small scale industries in the face of rapid industrial sickness.

Solaiman¹² finds that the environmental factors, internal and external, controllable and uncontrollable, have affected productivity and profitability of the Jute Industry in Bangladesh. Improvement of controllable factors would lead to productivity and profitability performance of the sample mills. He suggested that adequate finance, clear-cut objectives and policies, proper delegation of authority and power, fixation of responsibility and accountability should be ensured for better performance of the sample mills.

Characteristics of Industrial Sickness

ICICI¹⁴ (Industrial Credit and Investment Corporation of India) defines sickness as characterised by any one of the following : (a) Non-payment of dividend; (b) Default on debt obligations; (c) Cessation of operation. The two criteria for determining sickness of a firm are as follows :

- (a) It incurs cash loss for one year and it is likely to incur cash losses in the current as well as following year and
- (b) Liquidity and long-term solvency are imbalanced in the financial structure i.e. current ratio is less than one, debt-equity ratio is worsening¹³.

Symptoms of Industrial Sickness

Symptom is a gradual process of different stages. Firstly, there are some signals of weakness. This becomes symptoms when weakness remains uncontrolled. The important financial and non-financial symptoms are chronic defaulting in payment of interest, absence of internal cash flow, declining sales, constraints in production, idle capacity, declining quality of product, inventory accumulation and other financial anomalies.

Cherunilam¹⁵ thinks that common symptoms of the industrial sickness are failure to pay statutory liabilities like provident fund contribution, instalment of loan, interest on loan, increasing inventories, high rate of rejection of goods manufactured, low capacity utilisation and frequent industrial disputes. He also finds that sickness may be in different stages. Born sickness, achieved sickness are also prevalent. Industries of born sick are those which are sick from their inception due to various causes. Industries which achieve sickness after operation due to internal causes.

Colb¹⁶ classifies symptoms of business failure into five categories in terms of operating and financial ratios. These are : (a) net working capital to total asset; (b) retained earnings to total assets; (c) earning before interest and taxes to total assets; (d) market value of stock to total debt; and (e) sales to total assets. The similar ratios have also been used by E.I. Altman in his major works in this field.

Reserve Bank of India¹⁷ holds the idea that the major symptoms of sickness are cash losses for three consecutive years, negative working capital, deterioration in debt-equity.

Boopathar¹⁸ states that sickness is the inability of a company to meet its cash obligations. Once this situation persists for a period of time it becomes clear symptom. Sickness is confused with unprofitable companies. To have cash in the long-run, profits are necessary. All unprofitable companies are not sick. The probability of an unprofitable firm for a long period becoming sick is high. Similarly a profitable company may also be potentially sick.

Causes and Magnitude of Industrial Sickness

Declining sales, technological obsolescence, over expansion, insufficient net working capital, excessive short or long term borrowing, high interest rates, excessive credit losses, inefficient production, poor quality control, excessive ill competition are the major causes of business failure. Management is responsible for adjusting to environmental changes, producing and selling competitive products, controlling costs, arranging financing at a convenient cost etc. Dun and Bradstreet¹⁹ assumes that 95% of business failure are due to incompetent management. Holt²⁰ develops the idea that external influences like changes in debt availability, interest rates, local demand for goods and services, regional employment trends are the causes for small business failure. 'Mismanagement' symptom is lack of a clear business philosophy. Banerjee²¹ states that in India some industrial units are born sick, sicknesses thrust upon them while some others are sick due to a number of causes. The causes are mainly external and internal in nature. External causes cover market constraints, supply constraints and socio-political constraints while internal causes are inappropriate management practices, lack of managerial effectiveness, lack of integrity etc. Gupta²² has selected 63 accounting ratios for testing industrial sickness. These are classified into profitability ratios and balance-sheet ratios. The two best ratios are earning before depreciation, interest and taxes to sales, operating cash-flows to sales. The other three best ratios are earning before depreciation, interest and taxes to total assets, operating cash-flow to total assets, earning before interest and taxes (interest + 0.25 debt).

Altman²³ has developed a model to measure industrial sickness on the basis of multiple discriminant analysis.

Discriminant functions :

$$Z = 0.012x_1 + .014x_2 + .033 x_3 + .006x_4 + .999x_5$$

Where; x_1 = Working Capital to Total Assets

x_2 = Retained Earnings to Total Assets

x_3 = EBIT to Total Assets

x_4 = Market Value of Equity of Book Value of Total Debt

x_5 = Sales to Total Assets

Z = Discriminant Score (overall index).

Cut-off point equals to 2.675. If the discriminant score of a firm is below 2.675, it is likely to be sick.

Saha²⁴ gives the idea that Bangladesh is one of the less developed countries of the world. Since 1971, different incentives have been given for the development of export oriented industries in the country. But those opportunities and incentives plans are not effective due to lack of desirable business environment in the country.

Jahangir²⁵ in his study on "Nursing and Rehabilitation of Sick Small Scale Industries" has classified internal causes into eight segments. These are project implementation reasons, managerial reasons, technical reasons, production problems, marketing reasons, financial reasons, personnel problems and other reasons. External causes are changing Governmental policies, inadequacy of power, raw-materials, transport, manpower, interest burden, dumping policy of bank companies, fluctuation in the demand for product, unhealthy trade union practice etc.

Saha and Anjum²⁶ have presented a seminar paper on industrial sickness in Bangladesh. They have studied 70 industrial units scattered over northern districts of Bangladesh. Financial problems, marketing problems, procurement problems, environmental problems etc. are the major causes of industrial sickness in these areas. Undesirable competition, pricing constraints, smuggling and low demand of the products, difficulty in procuring bank loan, unusual stockpiling are also severe. They have suggested that the entrepreneurs should be given more financial assistances, infratructural facilities, tax incentives, more training, motivation, financial and non-financial incentives etc.

Jahangir²⁷ finds that the major causes of the sickness of small scale industries in Kustia are internal causes like management failure due to inexperience, inefficiency, transfer of loan capital to sister concerns, misuse of funds, unskilled labour, low quality of products, lack of modern machinery etc. The external causes are marketing problem, socio-political problem and death of promoters.

The following practical examples will probably highlight the nature, symptoms and causes of sickness in the silk sector in Bangladesh.

Table 1: Basic Symptoms and Indicators of Sickness during 1994-95 to 1999-2000

Particulars	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	\bar{X}
Net loss to capital (%)	(-) 31.72	(-) 39.24	(-) 56.02	(-) 49.65	(-) 19.10	(-) 27.64	(-) 31.23
Net loss to sales (%)	(-) 58.22	(-) 94.95	(-) 136.96	(-) 226.81	(-) 341.83	(-) 358.59	(-) 166.31
Current ratio	0.21	0.20	0.17	0.05	0.05	0.14	0.13
Net profit/ loss (Tk. in lakh)	(-) 72.01	(-) 93.41	(-) 126.01	(-) 134.16	(-) 155.16	209.13	(-) 131.65
Accumulated profit/ loss (Tk. in lakh)	(-) 929.44	(-) 1022.95	(-) 1148.97	(-) 1293.85	(-) 1457.89	1667.02	(-) 1253.35
Negative Equity (Tk. in lakh)	(-) 811.28	(-) 904.79	(-) 1030.81	(-) 1175.69	(-) 773.84	1548.87	(-) 1040.88
Long-term debt (Tk. in lakh)	58.72	58.72	58.72	202.71	277.71	219.00	145.93

Source: Annual accounts of the concerned silk factory during 1994-95 to 1999-2000.

Table 1 reveals that average percentage of net loss to capital employed is 31.23, that of net loss to sales is 166.31 percent during 1994-95 to 1999-2000. Average current ratio is 0.13 only. Average negative equity is being Tk. 1040.88 lakh during the period under study. Average net loss is Tk. 131.35 lakh during the same period of 1994-95 to 1999-2000. It is also observed that accumulated losses have been aggravated to Tk. 1667.02 lakh at the end of the year 1999-2000.

Table 2: Basic Symptoms and Indicators of Sickness of Another Silk Factory during 1995-96 to 1999-2000

Particulars	1995-96	1996-97	1997-98	1998-99	1999-2000	\bar{X}
Net loss to capital (%)	(-) 118.50	(-) 112.32	(-) 139.04	(-) 163.49	(-) 105.37	(-) 127.93
Net loss to sales (%)	(-) 524.00	(-) 500.35	(-) 1139.29	(-) 1087.86	(-) 2313.63	(-) 842.05
Current ratio	1.83	2.00	1.81	0.77	1.49	1.46
Net profit/loss (Tk. in lakh)	(-) 43.23	(-) 42.28	(-) 45.23	(-) 48.41	(-) 50.90	(-) 46.01
Accumulated Profit/ loss (Tk. in lakh)	(-) 321.66	(-) 365.78	(-) 411.11	(-) 460.44	(-) 511.34	(-) 414.06
Equity (Tk. in lakh)	0.57	2.13	(-) 1.86	24.34	28.99	10.83
Long-term debt (Tk. in lakh)	42.62	42.62	42.62	N.A.	N.A.	25.57

Source: Annual accounts of the concerned silk factory during 1995-96 to 1999-2000.

Table 2 also reflects similar depressing financial situation, the indicators of which are percentage of net loss to capital, percentage of net loss to sales, accumulated loss etc. Large amount of long-term debt, erosion of equity, current liabilities, declining sales have aggravated the financial strength of the firms. Considering the adverse situation the concerned units have been considered as sick projects. The major causes of sickness are idle capacity; lack of marketing efficiency, high cost of production, unfair competition with smuggled yarn and fabrics, shortage of raw-materials (mainly cocoon) and increasing price of fuel and other materials.

Conclusion

Industrial sickness has become a common phenomenon in an under developed country like Bangladesh. The major causes of industrial sickness are internal and external in nature. Some of those might be controllable for project management while others may be controllable in the hands of controlling authority. Prediction of sickness is possible through analyses of financial statements of a firm for a period of minimum three to five years. The prescribed ratios followed by Altman, Gupta, Dun and Bradstreet (as have been mentioned earlier) may be excellent tools for such prediction. For the prevention of sickness management of a firm need to be more conscious of its regular cash flow, short-term solvency, operating sales margin, financial leverage and operating leverage, growth ratios etc. Once net loss starts in a business and it continues for 3 to 5 years, it is a great symptom of industrial sickness. It is true that in the public sector enterprises, social profit like value added is more relevant factor. The unit under study shows unusual losses, erosion of equity, liquidity, long-term solvency etc. These are clear symptoms of sickness. Causes are also general in nature. However, to control the degree of sickness the following suggestions are relevant. Firstly, management must be cost conscious, average cost of capital and ROI (Return on Investment) should be given more attention, break even point, margin of safety are also significant. Positive cash flow, sufficient net working capital, satisfactory equity base, planned capital structure and leverage, appropriate dividend policy, maintenance of reliable accounting information and its proper disclosure may be more helpful for the effective performance of a business and question of sickness would not possibly arise. In this context, it is also relevant that strength and weakness of a firm, threats and opportunities in the environment should be studied carefully to facilitate the survival of any business. This requires the adoption of suitable strategy for the conduct of day to day managerial activities of the business firms and integrated efforts should be taken by the Government to revamp the sick industries.

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ADMINISTRATION OF BENGAL UNDER THE PALAS AND THE SENAS : EPIGRAPHIC EVIDENCE

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Abstract: It is very difficult to reconstruct the administrative structure of ancient Bengal properly, although it is not a quite impossible task. In fact lack of positive data stands in the way of narrating the systematic and consistent history of administration of Bengal in ancient period. The epigraphic records belonging to the Gupta and post-Gupta periods enable us to draw an outline of the general framework of administration of Bengal for the first time. However the extremely limited character of the information contained in the inscriptions makes the description of the administrative system of ancient Bengal incomplete in many ways. Keeping this in view, an attempt has been made in this paper to throw light on some aspects of administration in Bengal under the Palas and the Senas.

The administrative condition of Bengal from the middle of the eighth century to the end of the twelfth century is available in the inscriptions of the Palas, the Chandras, the Varmans and the Senas. Indeed Bengal experienced 'for the first time a stable government'¹ under the four centuries long rule of the Palas. However we do not possess a detailed account of the administration belonging to the Pala and Senas periods from the available materials. What only we can do in this respect is to reconstruct the glimpses of the different aspects of it. It was during the rule of the Pala kings that the central administrative machinery was established in Bengal upon the structure of Gupta provincial administration. However it should be kept in mind while making any attempt to reconstruct the administration during the above period that 'it does not start exactly with the same system as is known to have prevailed in the preceding age'.²

The government prevailed throughout the period was 'wholly of a monarchical type'.³ The king's eldest son was usually meant for heir-apparency (*Yauvarajyam*).⁴ We have no detailed information regarding his duties and functions. One such *Yuvaraja* was Tribhuvanapala who is said to have carried out the duties of a messenger in connection with the Khalimpur Copper plate grant.⁵ From the Bhagalpur Copper-plate inscription of Narayanapala we know the fact of Vigrahapala's abdication in favour of his son Narayanapala who was acting as the *Yuvaraja* at the time of the renunciation of the throne by his father.⁶ Like the Gupta period, the term *Kumara* was applied to a son of the king. He was given a high administrative post such as a provincial governorship. Sometimes the *Kumaras*, during the period, took a vital role in the military campaigns of

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the reigning king. Thus Lakshmanasena in his youth is known to have participated in some victorious expeditions during the reign of Vijayasena.

In the task of administering the empire, the king was assisted by a group of officials at the head of which were the ministers known as *mantri* or *sachiva*. During the rule of the Pala kings, we find references, for the first time in their records, to an important official of the state whose position was similar to that of the Prime Minister. We are told in the *Badal Prasasti* of Devapala about the great power and high dignity of the post. It seems that the post of Prime Minister was hereditary in the family of Brahmana Garga from the time of Dharmapala. The descendants of Garga i. e., Darbhapani, Somesvara, Kedaramisra, and Guravamisra occupied the post of Prime Minister for the next hundred years. They played an active role in the foundation and consolidation of the Pala Empire upto the time of Narayanapala. From the evidence of the *Badal Prasasti* one may conclude that 'the influence exercised by this Brahman family was so great that even the Pala kings who received the benefit of its guidance and advice, particularly in the conduct of their foreign policy, had to acknowledge themselves as inferior to it'.⁷ It is learnt from verse 6 of the *Prasasti* that Devapala had to wait at the gate of Darbhapani for an interview with him.⁸ Although it seems to be 'an exaggeration', yet 'the inscription leaves no doubt that the Prime Minister exercised very great authority in the affairs of the state'.⁹ Members of another family were however associated with the later Pala kings as their Prime Ministers. Yogadeva was the Prime Minister of Vigrahapala III. His successor Vaidyadeva is said to have served in the same post during the reign of Kumarapala. We are told in the *Bhuvaneshvar Prasasti* of Bhatta Bhavadeva that the hereditary principle in regard to higher services seems to have been in operation under later dynasties also viz., the Chandras and the Yadavas.¹⁰ It is to be noted here that the Palas followed the principle of hereditary ministers of the imperial Guptas.

The Pala emperors had numerous feudatory chiefs under their control. They are referred to in the Pala records as *Rajan*, *Rajanyaka*, *Ranaka*, *Samanta* and *Mahasamanta* etc. It is very difficult to determine the real significance and mutual relation of these titles. But it can fairly be said that the power of the central authority compelled them to be under its control. Sometimes the decrease in power of the central authority led them to assume higher prerogatives and declare independence. The fact of Ramapala's seeking assistance from fourteen *samantas* to recover the Varendra definitely proves that sometimes the power of the Pala kings depended on the help of the feudal chiefs to a great extent.

During the rule of the Palas, the administrative units like *bhuktis*, *vishayas*, *mandalas* and other smaller ones like those of earlier period were continued. The *bhuktis*, as referred to in the Pala records are Pundravardhana, Vardhamana and Danda-*bhukti* in Bengal, Tira-*bhukti* (Tirhut in North Bihar), Srinagara-*bhukti* in South Bihar and Pragjyotisha-*bhukti* in Assam. Hence it is clear that the Palas had spread their authority over Bengal, Bihar and Assam. The Pala inscriptions record the names of a large number of *vishayas* and *mandalas*. In the inscriptions we have also references to the officers in charge of administration of these units. Their designation and titles were 'identical with or very similar to those of the earlier period'. From the epigraphic sources we also know the

names of a large number of smaller units of administration such as *khatika*, *khandala*, *avritti chaturakas*, *bhaga* and *patakas* etc. The exact nature of none of these is clearly known. It is to be mentioned here that the Pala inscriptions, although providing more details regarding the central government, do not throw much light on the forms of contemporary provincial and local governments. It is not also certain whether the *adhyakshas* of the earlier period still survived as a very significant aspect of administration. It is true that these are not appeared in any inscription, but their survival in a modified form can not be ruled out.¹¹

The inscriptions of the Pala rulers refer to the officers connected with various administrative units. However, the long list of officials, furnished by the land grants, indicates 'the efficiency and comprehensive character' of the administrative organisation. But very little is known regarding the power and functions of many of the officers. The list only helps 'to form a general idea of the wide scope of the administrative machinery and the different departments through which it was carried on'.¹²

The king, during the Pala epoch, was at the top of the whole administration. Like the imperial Guptas, he took the imperial titles *paramesvara*, *parama-bhattaraka maharajadhiraja*. He had practically unlimited power. It is learnt from the *Arthashastra* of Kautilya and other sources that the government carried on the administration through a number of departments each of which was organised by an *adhyaksha* or Superintendent. We find reference to similar organisation in the list of officials as contained in the Pala records. However it is very difficult to ascertain the nature and scope of the various departments of the administration. The central executive body, controlled by the king, exercised the main powers and responsibilities of the government. Besides *Yuvaraja* and the Prime Minister, as mentioned earlier, specific references have been made to other ministers such as *Mahasandhivigrahika*, Minister in charge of Peace and War (Foreign Minister of the present day), *Rajamatya*, probably indicating junior ministers in general, *Mahakumaramatya*, whose real position is unknown, and *Duta*, the Envoys. Next to the above high executive officials, was the *Amatyas*, a general term referring probably to the officials of high rank. Among other high officials, mention may be made of the name of *Angaraksha*, probably denoting to the head of the Royal Body Guard. The name of *Rajasthaniya*, probably referring to a high official under the king, holding the rank of a Regent or a Viceroy is also important in this respect. There was a class of officers described as *Adhyakshas* whose position may be taken to mean like that of superintendents in the civil administration. Also there was a class of officers (superintendents) to deal with matters relating to different classes of animals viz., the elephant, horse, cow and the buffalo.¹³ Among other officials connected with the central administration or executive *Pramatri* and *Kshetrpa* were prominent. The scope of their work was perhaps limited to disputes regarding property or they might have been in charge of the Department of Land Survey. However, the term, *Pramatri* has been taken to mean by some scholars to be a Judge with civil cases only.¹⁴

Regarding the revenue administration, references have been made to various kinds of revenue along with various officers employed to collect them from different sources. The duty of collecting revenue from agricultural land was mainly performed by the heads of

territorial units such as *Uparika*, *Vishayapati*, *Dasagramika* and *Gramapati*. Items of revenue as referred to in the Pala records, were *bhaga*, *bhoga*, *kara*, *hiranya*, *uparikara* etc.¹⁵ It is difficult to ascertain the exact nature of these revenues. Reference to an officer called *Shashthadhikrita*, whose duty was to collect for the king one sixth of the produce from the cultivators, is available in many inscriptions.¹⁶ Another officer, designated *Bhogapati*, was probably entrusted with the responsibility of collecting *bhoga*. It seems probable that the officer named *Tarika* was placed in charge of ferry service, probably a source of revenue. The *Saulkika* was the superintendent of tolls and customs.¹⁷ The *Chauroddharanika* was probably the officer who was concerned with tax payable by the villagers for the protection against thieves, robbers and brigands, while the *Dasaparadhika* was to collect fine for criminal offences. It is learnt from the inscriptions regarding a revenue officer described as *Mahakshapatalika* who, perhaps in association with *Jyestha-Kayastha*, controlled the Accounts. The *Mahadandanayaka* was another officer connected with the judiciary. The Department of Police was regulated by several officers like, *Mahapratihara*, *Dandika*, *Dandapasika* and *Dandasakti*. The duty of the *Khola* was probably to be actively responsible for the Department of Intelligence.¹⁸

The *Senapati* or *Mahasenapati* was the highest military officer of the state, the Commander-in-Chief of the King's army. The various divisions of army viz., infantry, cavalry, elephants, camels and ships were managed by separate officers under the supervision of *Mahasenapati*. The *Navadhyaksha* and the *Baladhyaksha* were the heads of the departments of navy and land forces respectively.¹⁹ It is learnt from various sources that 'the navy played an important part in the military organisation of Bengal'²⁰ under the Palas and the Senas. References to naval fights in South Vanga and naval expeditions to the west of Bengal during the reigns of Kumarapala and Vijayasana respectively are available in epigraphic sources. The phrase *Gauda-Malava-Khasa-Huna-Kulika-Karnata-Lata*,²¹ as referred to in most of the inscriptions of the Palas, can be interpreted in the way that different tribal people were absorbed in the service of the state. There are references in the inscriptions to some special officers such as *Kottapala*, in charge of forts, and *Prantapala*, the Warden of the Marches.²²

The list of officials, available in the Pala records, however, shows many other names than those mentioned above. But in view of the absence of sufficient clarity regarding their meaning, their functions can not properly be ascertained.

The inscriptions of the Chandras, the Varmans and the Senas show a great similarity with those of the Palas in respect of those portions referring to the administrative machinery. The Sena kings assumed the title of *parameswara*, *paramabhattacharya* *maharajadhiraja*. Besides the above title the later Sena kings assumed additional titles such as *asvapati*, *gajapati*, *narapati* and *rajatrayadhipati*,²³ In some places, the epigraphic records belonging to the Varmans and the Senas, however, unfold few new developments. The mention of *Rajni* in the Sena copper-plates may be an indication of greater political prominence of the queen in the affairs of the administration of the state. Another important feature of the administration of the non-Pala, non-Buddhist kings is the 'officialisation of the Brahmin priest'.²⁴ The recognition of the *Purohita* with the status of a high government officer by the Sena and Varman kings is highly significant.

"The interest of such an officer whose position in the social sphere was one of the unquestioned domination, would naturally lie in the administration becoming a tool of the priesthood", observes B. C. Sen.²⁵ Referring to the importance of the priesthood, R.C. Majumdar holds : 'It indicates the great importance attached to religious and social aspects of administration during the rule of these dynasties [the Varmans and the Senas] which were all followers of orthodox Hinduism'.²⁶ However regarding the new additions, we are told the name of *Mahavyuhapati* (the chief military officer amongst those in charge of different squadrons) in the Chandra, Varman and Sena grants while the name of *Mahapilupati* (officer in charge of the elephant forces) in the Varman and the Sena inscriptions. The most important additions, during this period, are the *Mahadharmadhyaksha*, performing the duties of the Chief Justice, the *Mahapurohita*,²⁷ the Chief Priest and the *Mahasarvadhikritta* or the Chief Superintendent exercising some kind of 'unspecified supervision over all the departments of the state'.²⁸ The *Mahaganastha* was probably a high military officer acting as the Head of its different units. However it is difficult to determine whether the new additions in the departments of justice and army are 'new functionaries or merely new names for old officers'. The department of army 'seems to include, in addition to infantry, cavalry, elephants and ships, also herds of cows, buffaloes, goats and sheep'.²⁹

The broad divisions of administration of the pre-Pala and Pala periods remained in practice during the next few centuries. The name Pundravardhana, which originally included a considerable portion of North Bengal in the earlier period, was altered to Paundravardhana during this period. The gradual extension of the Paundravardhana-*bhukti* is noticed during the rule of the Senas. It was the largest administrative division of Bengal which included not only North Bengal but South East (Samatata) and East Bengal (Vanga) as well. The name of Paundravandhana-*bhukti* is frequently occurred in the inscriptions of the Palas and the Senas but it is replaced by the *Paundrabhukti* in those of the Chandras and the Varmans. A new *bhukti* was established which was named as Kankagrama-*bhukti*. During the time of Lakshmanasena the northern part of Vardhamana-*bhukti*, together perhaps with some adjacent areas was constituted into a separate administrative division known as Kankagrama-*bhukti*.³⁰ The prominent *Vishayas*, flourished during the Pala and Sena periods, were the Mahantaparakasa-*vishaya*, the Sthalikkata-*vishaya*, the Kotivarsa-*vishaya*, the Krimila-*vishaya*, the Kaksha-*vishaya*, the Gaya-*vishaya*, the Khatika or Khadi-*vishaya*, the Suvvunga-*vishaya* and the Vada-*vishaya*. Regarding the term *mandala*, which means a much wider area than a *vishaya*, reference has been made to the following names: Vyaghratati-*mandala*, Kamrupa-*mandala*, Gokalika-*mandala*, Halavaratta-*mandala*, Brahmanigram-*mandala*, Uttara Radha-*mandala* etc.³¹ In addition to the major administrative divisions, smaller territorial units like *patakas*, *chaturakas*, and *avrittis*, were also continued.

In the sphere of revenue administration, the name of *Hattapati* (probably the superintendent of markets) has been appeared in the inscriptions belonging to this era. Regarding measurement of land, during this period, a uniform system was followed in the particular area where the grant may have been situated. Every copper-plate was to be stamped with the Royal Seal which might have been in possession of an officer entitled *Mahamudradhikrita*.³² The land- grants of the Sena kings refer to the use of various kinds

of *nalas* in measuring the land in different parts of Bengal. We are told in lines 31-33 of the the Barrackpur Copper-plate of Vijayasena regarding the use of *Samatatiya-nala* in Samatata and Khadi-*vishaya* of the Paundravardhana-*bhukti*.³³ The fact that the use of *Vrishava-sankara-nala*, introduced by Vijayasena to measure land, was current during his days is well attested by the Naihati Copper-plate of Vallalasena (lines 44-45).³⁴ The reference to *Vrishava-sankara-nala* is further provided in lines 36-38 of the Anulia Copper-plate of Lakshmanasena.³⁵ Besides these, we have further mention of the phrase *tatratya-desa-vyavahara-nalena* (according to the *nala* as current in a particular area) in line 36 of the Tarbandighi Copper-plate of Lakshmanasena in connection with the measurement of land where there is no mention of any specific standard of measurement.³⁶ Some scholars are of opinion that 'the unit in every case must have been the *hasta* or cubit'.³⁷ Indeed 'a standard *hasta* must have determined the unit of this measurement'.³⁸ Hence the term *Vrishava-sankara-nala* implies that the *hasta* of Vallalasena was to be regarded as the unit of measurement. But in many cases where there is no reference to such unit, it seems that 'some fixed standard must have been followed' although we are not in a position to determine whose *hasta* was taken as the unit of measurement.³⁹ From the lines 36-37 of the Govindapur Copper-plate of Lakshmansena we know that a *nala* is equivalent to 56 cubits (*hastas*).⁴⁰ In fact it is very difficult to determine the exact length of *nala*. It is not unlikely that the *nala* was usually measured by the *hasta* of different persons at different places and in different periods.⁴¹

The history of administration in Bengal during the rule of the Palas and the Senas, as gleaned mainly from the inscriptions, is certainly inadequate. But there cannot be any doubt to conclude that there prevailed a well organised administrative machinery in Bengal during those days. One of the most significant aspects of the administration is that it was, in many ways, based on the framework of administration, as described in the *Arthashastra* of Kautilya. Thus the long list of the officials as contained in the land grants of the Palas, Chandras, Varmans and Sena Kings concludes with the following words : '... and all those royal officers mentioned in *adhyaksha-prachara*, but not included in the above list'.⁴² It is learnt from Kautilya's *Arthashastra* that *adhyaksha-prachara* is the name of a chapter of the book which refers to the heads of departments and other high officials of administration. Besides the long list of officials, as contained in the land grants, other important information regarding administration bear clear testimony to the fact that the administrative system of ancient Bengal was uniform throughout in its main outline and was subject to changes and modifications when situation demanded. In conclusion, it can be said that Bengal under the Palas and the Senas did not go too slow in the realm of administration in comparison with other parts of India.

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MARXISM AND THE 'REBEL POET' : INQUIRY INTO NAZRUL ISLAM'S LEFTIST PREOCCUPATION

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Abstract: Kazi Nazrul Islam, one of the very first in British India to be acquainted with Marxism, challenged a number of orthodox positions – political, social, religious and intellectual – in his writings, speeches and life style as the 'Rebel Poet' of Bengal. Inspiration for this daring came from contemporary Bengal Revolutionism, Mustafa Kamal's military nationalism in Turkey, and the Bolshevic Revolution (1917) in Russia. The last element, augmented by a colleague's encouragement, made Nazrul an enthusiastic advocate of Marxist ideology at times. The spell partly determined Nazrul's ideas, inspired a number of brilliant poems, and shaped some of his decisions and actions. The Marxist awakening did broaden his outlook and he acquired a more embracing view of reality and became aware of the downtrodden masses' importance in the struggle for freedom. Freedom revealed itself to him in new dimensions- emancipation of the whole people from age-long exploitations, rather than mere political liberty. The paper evaluates the Marxist part of Nazrul Islam's intellectual experiments.

Introduction

Kazi Nazrul Islam (1899-1976) flourished as the 'Rebel Poet' of Bengal in the 1920's challenging a number of political, religious, social and intellectual authorities. Politically, he opposed, besides the British colonial establishment in India, the Gandhian mainstream of nationalist movement, Muslim fundamentalism and the *Khilafat* movement, as well as the Hindu-Muslim communal frenzy. Nazrul was the poet of Bengal revolutionism and adored the idea of complete independence to be achieved through armed struggle against the British rulers.¹ Apart from the spirit of the *Jugantar* group of revolutionaries which he had imbibed in his high school years, two other sources he derived his dissidence from were the military nationalism of Mustafa Kamal (1881-1938) in Turkey (1920-1924) and the Bolshevic revolution in Russia (1917). This paper seeks to trace the history of Marxist influence on Nazrul Islam and its result as expressed in his poetic creations and other writings.

First Encounter

The history of Nazrul's leftism is a decade-long affair that started in 1917 and reached the climax in 1926-27. It was however not a continuous process, but took place in sporadic spells during the period. Nazrul joined the British Indian army in mid-1917 and

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was living in the army barracks at Karachi late in that year. Despite British stringency, Nazrul caught hold of some contraband newspaper that carried an account of the November Revolution in Russia. He would celebrate the occasion in a small party of trusted friends who sang in joy and discussed the significance of the Bolshevik success.² This was the first encounter of Nazrul with the Marxist element. The 18-year-old soldier however not yet started his literary career.

The *Nabojug* Phase

By mid-1919 Nazrul's first publications appeared in certain Calcutta magazines. With the disbandment of his unit (the '49th Bengal') Nazrul returned to Calcutta in March 1920 to live with Muzaffar Ahmad (1888-1974) who would later flourish as a Communist leader and Marxist ideologue in West Bengal. The two then brought out (July 1920) a daily newspaper called *Nabojug* [New Age] which carried incisive anti-imperialist articles and features to incur the colonial Government's wrath that would ultimately kill the paper in six months. At the behest of the paper's founder-patron, A.K. Fazlul Haq (1873-1961), a Calcutta lawyer and peasant-based Muslim leader from East Bengal, Nazrul, Muzaffar and a few others wrote on problems of workers and peasants in *Nabojug*. One such article by Nazrul dealt with workers' strikes that had become so endemic in India in 1920. It opened with two pathetic pictures – one of the tillers of soil, and the other of the coolies in collieries – both based on the writer's personal observation.³ In rest of the article Nazrul expressed sympathy and support for the striking workers throughout India arguing that the widespread strikes were simply a result of the age-old cruelty perpetrated against the working classes, and actually formed a part of the worldwide struggle for the democratic values of equality and justice.

Significance of the Exercise

These articles on peasants and workers were not very methodical in analysis, nor were they ideologically trimmed, since the writers were neither trained in such exercise nor had much knowledge about the problems of working classes. Despite this drawback, the writings in *Nabojug* did bring the question of workers' discontent to the forefront, thus inaugurating a new dimension of thought and concern. Both Nazrul and Muzaffar felt tremendously attracted to the Marxist ideology but the latter was more steadfast in his enquiry. Through the year 1921 Muzaffar would continue his study of Marxist and Bolshevik literature surreptitiously brought to India from England.⁴ By November 1921, Muzaffar reports, he and Nazrul decided to set up a Communist Party in India.⁵ The plan did not materialize so soon, but Muzaffar did turn a staunch Communist by the end of 1921. Nazrul was however too restless to hold on to a single idea. He was never amenable to any fixed ideology or intellectual bondage. He rather kept oscillating between *Jugantar* revolutionism, Turkish militarism, Marxism, and Congress leftism in the politics of the twenties. Leftism did remain a strong influence on Nazrul for several years to inspire both creative and thoughtful writings as well as beget some of his activities.

"*Bidrohi*" and *Dhumketu*

In the later months of 1921 Nazrul showed extraordinary creativeness and produced intoxicating poems of war and rebellion under inspiration from Kamalite militarism in

contemporary Turkey and armed revolutionism of Bengali militants that flashed during last two decades. The climax was reached in "*Bidrohi*" [The Rebel] (December 1921), the most famous of Nazrul's poems that would shoot him into instant fame and give him his special epithet – the 'Rebel Poet'. The spirit of "*Bidrohi*" was reexpressed in the publication of Nazrul's own half-weekly paper *Dhumketu* [Comet] which appeared (August 1922), dazzled and, under Government persecution, disappeared (Dec. 1922) like a meteor. The chief message of *Dhumketu* was a reassertion of the spirit of armed revolutionsim to replace the Gandhian non-violent approach to the problem of India's subservience. As supportive factors, the Kamalite revolution in Turkey, the Islamic spirit to *Jihad*, as well as Bolshevism featured prominently in the magazine.

Leftism in *Dhumketu*

Dhumketu's third issue was markedly Marxist in content. In an emotional editorial "*Rudro-Mongol*" [In Praise of the God of Annihilation] Nazrul wrote on the plight of peasants and workers and called for an armed rebellion against the exploiters.⁶ In the same issue another poet argued for an armed class-struggle.⁷ Yet one another writer hailed the Bolshevik Revolution as *Kalki*, the future warrior-savior incarnation of Visnu in Hindu mythology.⁸ The same writer (in an article in the next issue) would interpret revolution as a logical consequence of inequality.⁹ In true poetic spirit, Nazrul would rather fabricate a situation of cooperation between Bolshevism and Muslim militancy.¹⁰ He even wishfully mistook Joseph Stalin as "Muhammad Salatin" and compared the imagined "Muslim" leadership of Bolshevism to the friendship between *Rama* and *Surgiva* in the *Ramayana*.¹¹ Muzaffar Ahmad would also be writing in *Dhumketu* the in soberer Marxist tone under the pseudonym *Dvoipayan* ['Islander' (Muzaffar had been born in the *Sandwip* island near Chittagong in 1888)].¹² In fact, a minor dialectic was going on in *Dhumketu* between non-ideological Bengal revolutionism and Muzaffar's Marxism. In the *Dhumketu* days Nazrul would be wearing red dress and writing in red ink,¹³ red being the symbolic colour to both communism (the politics of Marxism) and *Shaktoism* (the cult of *Jugantar* group of revolutionaries).

Labour *Swaraj* Party

In opposition to Gandhi's *ahimsa* and the vain pan-islamism of the *Khulafatists* Nazrul sided with Chitta Ranjan Das (1870-1925), the charismatic *Deshobondhu* [Friend of the Country] whose *Swarajya* [Self-Government] Party was working against Gandhi's non-cooperation scheme and for Hindu-Muslim solidarity since the beginning of 1923. But after Das' sudden death in June 1925 Nazrul moved more definitely to the left. Around this time an influential leftist group was active in the Congress in Bengal and Nazrul readily joined it and was made a member of the Bengal provincial Congress Committee. One of his colleagues in the Congress was Hemanta Kumar Sarkar of Krishnanagar who was much interested in peasants' movements. In November 1925, Hemanta Sarkar, Qutbuddin Ahmad, Nazrul Islam and one Shamsuddin Husain formed the "Labour *Swaraj* Party of the Indian National Congress." The first manifesto of the party was signed by Nazrul Islam.¹⁴

Langol

On December 16, 1925, the party's organ, the weekly *Langol* [Plough], started publication with Nazrul Islam as its Chief Director and one of his friends as Editor. This opening issue declared that *Langol* would carry Nazrul Islam's poems, a biography of Karl Marx, a translation of Gorky's *Mother*, etc.¹⁵ Advertisements of books include one entitled *Young Bengal* – "to be published soon" – that was going to contain biographies of, among others, Barin Ghosh, Jatin Mukherji (Bagha Jatin), Ullaskar Datta, M.N. Roy, Subhash Chandra Bose, and Nazrul Islam¹⁶ – the first three being *Jugantar* revolutionaries and Roy a *Jugantar*-turned-Communist. The unnamed author of the book seems to have supposed that these people belonged to a single tradition that represented the political youth of Bengal.

Humanism in Langol

Each issue of *Langol* would carry on its forehead the humanist dictum of Chandidas, the famous *Vaishnava* poet of fifteenth century Bengal:

Hear, ye man, my brother –
Man is the Truth over everything else
There is nothing above that¹⁷

The editorial in the Special Number criticized colonial urbanization, denationalization of the elite, and India's landholding system, as well as her religious hierarchy.¹⁸ The issue also published that labour *Swaraj* Party's manifesto in Bengali. The party's aim was described to be complete independence of India with social and economic equality for its people. The method specified was to be an unarmed and united agitation of the masses.¹⁹ As justification of launching a new party the manifesto mentioned the negative experience of both the Gandhian middle-class noncooperation as well as the terroristic method of the revolutionaries.²⁰ For ultimate demands it mentioned: (1) widespread nationalization of industry, mines, communication, transport etc. and (2) ownership of land by self-sufficient autonomous village government.²¹

Samyobadi

However, the chief attraction of then Special Number was a whole bunch of Nazrul Islam's new poems entitled "*Samyobadi*" [The Egalitarian] that covered the whole space from page 5 to page 10. Subheadings of the long poem included "Ishwar" [God], "Manus" [Man], "Pap" [Sin], "Chor-Dakat" [Thieves and Robbers], "Barangana" [Prostitutes], "Mithyabadi" [Liar], "Raja-Proja" [The King and the people], "Samyo" [Equality], and "Kuli-Mojur" [Coolies and Labourers]. These poems constitute Nazrul's special tribute to socialism and some of them jolted the prejudices of the orthodox. Later numbers of *Langol* would carry more of Nazrul's socialistic verses such as "*Krisaner Gan*" [Peasants' Song], "*Shramiker Gan*" [Workers' song], "*Jeleder Gan*" [Fishermen's song], and "*Sarbohara*" [Have-nots]. Many of these issues also carried articles by different writers on Socialism, Marxism, Communism, the Soviet Union, Bolshevism, Lenin, Chitta Ranjan Das, Subhash Chandra Bose, regeneration of China, and Karl Marx's interpretation of Indian history.²² Muzaffar Ahmad contributed numerous articles to *Langol* interpreting India's history and political problems in a purely Marxist

perspective.²³ However, *Langol* lasted only for fifteen weeks, the last issue coming out on April 15, 1926.

An Evaluation

Langol was short-lived but unique in the history of Indian journalism. It created significant repercussions in India and abroad. The little paper found its way to the Soviet Union and made good impression there. Daud Ali Datta, a professor of Indian languages in Leningrad's Oriental Institute, commented in a letter dated August 10, 1926, to weekly *Ganobani* (see below) that *Langol* had been unique as the first organ of the Indian proletariat.²⁴ It was so recognized also in India, and the land-dependent Bengali middle class had serious apprehension about the paper that spoke out on problems and demands of the unfortunate tillers of the land owned by the *babus* [upper caste gentlemen]. The *Atmoshokti* [Self-strength], a conservative paper spearheaded by middle-class Hindu communalists, led a significant movement against *Langol* and made use of a piece of anti-peasant dialogue found in a recent novel of Sarat Chandra Chattopadhyay (1876-1937). Eventually, a defense of *Langol*'s position written by a renowned dramatist was printed in weekly *Ganobani*.²⁵

Bengal Peasants' and Workers' Party

This concern for the peasants and other downtrodden classes remained the major pursuit of Nazrul Islam's politics in 1926 and 1927. By December 1925, he had been well into the leftist politics and employed his pen in the service of socialism. In this respect Nazrul was in close connection with the socialists of Calcutta who included Hemanta Kumar Sarkar, the leftist Congressman and a colleague of the late Chitta Ranjan Das, and the latter's disciple Subhash Chandra Bose (1897-1945). The group also included Qutbuddin Ahmad and Shamsuddin Husain as well as Husain's younger brother Abdul Halim - all potential Communists - and was soon joined by Muzaffar Ahmad and Saumyendra Nath Tagore (1901-74), a grandnephew of Rabindranath Tagore (1861-1941).²⁶ The Second annual session of the All-Bengal Peasant Association took place at Krishnanagar on February 6-7, 1926, with Hemanta Sarkar as secretary of the reception committee. Nazrul was one of the keynote speakers at this conference. He had composed "*Krishaner Gan*" [Peasants' Song] for the occasion and sang it himself as the inaugural item. Muzaffar Ahmad attended the conference with Saumyendra Nath Tagore and other Marxists. At the session, a full-fledged "Bengal peasants' and Workers' Party" was formed to replace the Congress-affiliated Labour *Swaraj* Party.²⁷ Nazrul, of course, joined the new party and remained a member of its executive committee for 1927.²⁸

Ganobani

A new weekly, *Ganobani* [People's Voice], would come into being as the organ of the Bengal Peasants' and Workers' Party under Muzaffar Ahmad's editorship. The first issue of *Ganobani* (12 August 1926) carried a notice stating that it incorporated the defunct *Langol*. Nazrul remained a contributor to this new paper which was, however, pronouncedly more Marxist than its predecessor. But right after its birth *Ganobani* became a target of attack from the reactionary *Atmoshokti*. On 20 August 1926 the latter published a harsh criticism of *Ganobani* for its attempt to propagate Marxism among

workers and peasants of Bengal. Nazrul Islam immediately sent a rejoinder to the paper's editor in which he revealed Muzaffar Ahmad's silent sufferings for the cause of the toiling masses of the country. Concluding the long letter, Nazrul expressed in no uncertain terms his firm conviction regarding the efficacy of Karl Marx's philosophy in revolutionizing the fate of the world's working classes

Daridrya

In the letter to *Atmashokti* Nazrul not only mentioned the untold poverty, hunger, and disease with which Muzaffar Ahmad struggled, but also talked about his own poverty. Poverty had been chasing the poet since his marriage in 1924. In the later months of 1926 it almost reduced him to destitution and he was repeatedly asking for help from his friends and publishers.³⁰ This extreme situation caused the birth of poem "*Daridrya*" [Poverty] in October 1926 where Nazrul would declare:

O poverty ...
 ... you have been given me, O Ascetic;
 The terrible courage of frank expression;
 A naked and arrogant look; and razor-sharp speech.
 Your curse has changed my flute into a sword.³¹

"International Song", etc.

Despite his struggle with poverty and other preoccupations Nazrul did maintain association with Muzaffar Ahmad and the comrades of *Ganobani*. Sometime in 1926 Ahmad had asked Nazrul to translate the "International Song" into Bengali. But the work was delayed owing to unavailability of the song's notation.³² Nazrul came to visit the *Ganobani* office on the Bengali New Year's day (1 Boishakh 1334 BS/mid April 1927) and Ahmad urged him to translate it without the notation. Sitting in the magazine's office, Nazrul almost instantly produced what Ahmad believes to be the best translation of the "International Song" in any Indian language.³³ At the same sitting, the poet – who was passing through grinding poverty, was completely submerged in debts, and would be absolutely out of money in a week³⁴ – translated the "Red Flag" and composed another poem called "Jagar Turjo" [Bugle of Awakening] after Shelly's poem on the labourers.³⁵ The three pieces would be published in three consecutive issues of *Ganobani* in April-May 1927. *Ganobani* was a very poor paper and the people connected with it including editor Muzaffar were always hungry.³⁶ Sometime in the Spring of 1927 Saumyendra Nath Tagore organized a Spring Festival – a musical performance – for their aid, and Nazrul disregarding his own penury enthusiastically performed at the festival to help his starving friends.³⁷

Conclusion

This little piece of intellectual history shows that Nazrul Islam was one of the early recipient of Marxist influence in India and it partly shaped his ideas, inspired sparkling poetry, and determined some of his decisions and activities. It broadened his views so as to make him look at things more comprehensively. It made him aware of the power and importance of the downtrodden millions in the struggle for freedom which now meant not

only political liberation from foreign rule, but also emancipation from the age old process of exploitation of the masses by a few. Nazrul himself recited his poems of liberty and equality and sang his *gans* (for peasants, workers and fishermen) in popular gatherings in various parts of Bengal. This made him literally the "People's Poet." Despite all these, however, Nazrul never turned a true Marxist or Communist. The reason was his preference for freedom before everything else. He would embrace the Marxism that liberates, but resist the one that binds. Thus the study of Marxist influence on Nazrul illuminates just one portion of the complex intellectual landscape the prolific poet covered.

Endnotes

- ¹ "Dhumketur Path," *Dhumketu* 1, No. 13 (Oct. 13, 1922), as reproduced in *Nojrul-Rachanabali* [Works of Nazrul (Islam)], 4 Vols., new ed., (Dhaka: Bangla Academy, 1993), 1:876. Nazrul demanded complete independence opposing the Congress' goal of *Swaraj* [self-rule], an ambiguous term that denoted something less than full independence. His advocacy for armed struggle is to be found almost on every page of his *Dhumketu* half-weekly newspaper (Aug.-Dec. 1922).
- ² Shambhu Ray's letter to Prantosh Chattopadhyay (Letter No. 1, 24 June 1957), reproduced in Prantosh Chattopadhyay, *Kazi Nojrul*, 3rd ed. (Calcutta: A. Mukherji & Co., 1977), pp. 290-91.
- ³ Article "Dharmoghat" [Strikes], *Rachonaboli*, 1:816-17. Burdwan [Bardhaman]. Nazrul's native district, is one of the bigger farming districts in Bengal and his village, Churulia, belongs to the zone of collieries in the western part of the district. Nazrul also lived for a year in his mid-teens in the lush green agricultural district of Mymensing in East Bengal. His personal knowledge of peasants' and workers' life derived from these sources.
- ⁴ Muzaffar Ahmad, *Samokaler Katha* [Story of my time] (Calcutta: National Book Agency, 1963), pp. 24-31.
- ⁵ Muzaffar Ahmad, *Kazi Nojrul Islam Smritikatha* [Memories of Kazi Nazrul Islam], 5th ed. (Calcutta: National Book Agency, 1981), p. 159.
- ⁶ *Dhumketu*, No. 3 (18 August 1922), p. 3.
- ⁷ Shakti Pada Bhattachaya, "Shoktisebi" [Cultivators of Power], in *ibid.*, p. 4.
- ⁸ Balai Debsharma in "Trishul" [Trident] column, *ibid.*
- ⁹ Debsharma, *Keshabadhrito Kolkishoriro Jaya Jagodisho Hare* [Victory to Hari the Lord of the World Incarnated as Kalki in the form of Krishna], *ibid.*, No. 4 (22 August 1922), p. 5.
- ¹⁰ Check the "Muslim Jahan" column in *Dhumketu*, Nos. 4, 12, 13, & 14 (August-Sept.-Oct. 1922)
- ¹¹ "Muslim Jahan", *Dhumketu*, No. 13 (13 Oct. 1922) as reproduced in Prantosh Chattopadhyay, *Sangbadik Nojrul* [Journalist Nazrul (Islam)] (Calcutta: The Versatiles, 1978), p. 7.
- ¹² For example, see Ahmad's three long letters entitled "Dvoipayaner Patro" [Islander's Letter], *Dhumketu* 1, nos. 13 (October 13, 1922), 16 (October 24, 1922) and 18 (October 31, 1922).
- ¹³ Ahmad, *Smritikatha*, p. 159.
- ¹⁴ Ahmad, *Smritikatha*, p. 184..
- ¹⁵ *Langol*, Sp. No. (16 Dec., 1925), p. 1.
- ¹⁶ *Ibid.*, p. 2.
- ¹⁷ Translated. Original Bengali:
Shunaha Manus bhai
Sabar upore manus sotyo
tahar upore nai.
- ¹⁸ *Langol*, Sp. No. (16 Dec. 1925), pp. 3-4.
- ¹⁹ *Ibid.* p. 11.

- ²⁰ *Ibid.* p. 12.
- ²¹ *Ibid.* p. 13.
- ²² For the "Gan"s see *Langol*, Nos. 9, 12 & 15. For the articles see Nos. 5, 7, 10, 12, & 13. See also Chattapadhyay, *Sangbadik Nojzrul*, pp. 107-26.
- ²³ For example, see *Langol* Nos. 4, 6, 10, 12, etc.
- ²⁴ The letter dated 10 August 1926 was addressed to the editor, *Ganobani* [People's Voice], and was published in the weekly (17 Sept. 1926) under the title "*Rushiar Chithi*," [Letter from Russia].
- ²⁵ Article "*Langoler Gan*" [Song of the Plough] by Shachindra Nath Sengupta (1892-1961) Weekly *Ganobani*, 23 October 1926.
- ²⁶ For details see Muzaffar Ahmad, *Myself and the Communist Party of India, 1920-1929*, tr. Prabhas Kumar Sinha (Calcutta: National Book Agency, 1970), pp.414-436.
- ²⁷ Ahmad, *Smritikatha*, p. 188-190.
- ²⁸ Rafiqul Islam, *Kaji Nojzrul Islam: Jibon o Kobita* [Kazi Nazrul Islam: Life and Poetry] (Dhaka: Mullick Bros., 1982), p. 139.
- ²⁹ See Nazrul's letters dated Sept. 9, Dec. 20, 1926 and April 20, 1927 to Braja B. Barman and one dated Dec. 26, 1926 to Mulalidhar Basu, *Rachonaboli*, 4:380, 382-83, 388.
- ³⁰ Translated. Original Bengali:
 "he daridryo ...
 ... diyachho, tapos,
 Asankoch prokasher durento sahos;
 Uddhato ulango dristi: bani kshurodhar
 Bina mor shape tabo holo tarobar."
 "Daridryo", *Rachonaboli*, 1:357.
- ³¹ Symbolizing revolutionary unity of workers all over the world the "International Song" has been translated into many diverse languages but is sung with the same notation for the sake of uniformity in music. Ahmad, *Smritikatha*, pp. 94-95.
- ³² *Ibid.*, p. 95.
- ³³ See Nazul's letter to Braja B. Barman dated 20 April, 1927, *Rachonaboli*, 4:388.
- ³⁴ Rafiqul Islam, *Jibon O Kobita*, p. 156.
- ³⁵ See Nazrul's letter to the editor of *Atmoshokti* (August 1926), reproduced in *Nojzrul Patraboli*, pp. 115-18.
- ³⁶ Saumyendra Nath Tagore, *Jatri* [Traveller], enl. ed., (Calcutta: General Printers and Publishers, 1975), pp. 90

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